

"Kaliningrad, *Pribaltika*, Leningrad:

Trade and the Cold War in Soviet Port Cities, 1956-1991"

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Dear colleagues,

Thank you for your interest in my dissertation chapter. Please see the dissertation outline to get a sense of how it might fit within the larger project, which also includes Poland and both Germanies, if you're curious. This chapter is more of a collection of highlights from what should rather be 2-3 chapters, it's a far cry from a self-enclosed unit. Since I can realistically dedicate only two (maybe three) chapters to the USSR in my dissertation, I'd be grateful for suggestions on which of the several threads present here seem worth developing further and which might be discarded with little regret. This is of course early work in progress. I apologize in advance for the sloppy editing, Polish-contaminated spelling of Russian, typos, errors, provisional footnotes, etc. Still, I hope I've managed to reanimate my prose to an edible condition. I am looking forward to hearing your thoughts. Thank you.

1. Calm before the Storm

Nikita Khrushchev's crusade against the twenty million ruble black market business of the two famous Soviet *valiutchiki* [hard-currency dealers], Rokotov and Faybishenko, began in West Berlin in early 1961, shortly before the Wall was erected. The Soviet leader was appalled by the vibrancy of the *Strassenhandel* happening all around him and could not resist sharing this impression with the local journalists. The legend has it that he received the following reply: "there is no greater black market bazaar than the one in Moscow."¹ While the exact words could have been different, the general secretary was indeed furious when he learned that such a comment was not far removed from reality. At the moment when Khrushchev was in West Berlin, Rokotov and Faybishenko had been already sentenced to a prison term of eight years - the maximum length possible for illicit foreign currency turnover. But upon Khrushchev's personal intervention, the law had quickly been adjusted and the trial re-launched. To maintain

¹ №7 журнала Новое Время, 27 февраля 2015 года

the facade of socialist legality and class struggle, five days before the final verdict was to be pronounced, a letter was sent by several Moscow factory workers urging the court to change the original verdict and execute "the traitors [...], the scum of society."² The shooting of the two young men who exchanged currency and jeans with foreigners brought the fear of the Soviet state back into many other "aficionados of easy profit".³

The televised Moscow show trial of 1961 was followed by a wave of heavily publicized witch-hunts directed against the black marketeers. The wave consumed at least one other fatal victim: Dmitri Yakovlev. Statistics and reminiscences indicate that this reapplication of the measures well-tried in the 1930s did lower the visibility and perhaps: also the intensity of black market operations.⁴ The wave of crime that followed the 1956 gulag amnesty coincided with the black-market frenzy sparked by the World Festival of Youth and Students held in Moscow in 1957.⁵ After Leonid Brezhnev came to power in 1964, the Soviet economic policing organs were given a brief respite.

By the late 1960s, the Soviet leadership felt confident enough about its ability to protect the state monopoly on the flow of foreign trade to embark on an unprecedented opening of the country to the world. A quarter century after Stalin's death, by 1978, "the commercial relations of the Soviet Union with foreign countries had grown by the order of 8 or 10".⁶ By 1980, 28 percent of the foreign trade turnover of the Soviet Union was exchanged with capitalist nations, a record high. In relation to 1970, the following increases in the flow of foreign trade cargo were registered by the GTU [*Glavnoe Tamozhennoe Upravlenie*, the Main Customs Administration] in 1980: gross - 48 percent, via railway - 20 percent, sea - 19 percent, roads - 600 percent, air - 76 percent, postal - 45 percent, personal luggage - 230 percent.⁷ In the 1970s -- according to G. K. Zhuravlev, the deputy Minister of Foreign Trade -- the growth rate of Soviet foreign trade exceeded by a factor of two or three all the other sectors of the national economy.⁸ In the second half of the 1970s, the volume of international tourist traffic in and out of the USSR grew by 50

² Izvestia Oct 3 1962; also: Schwarz, *Economic Crime* (1981)

³ Izvestia Oct 3 1962

⁴ See: Ledeneva, *Russia's economy of favors*

⁵ See: Dobson, *Khrushchev's Cold Summer*

⁶ RGAE, Fond 413, Opis 31, Delo 9849, p. 11

⁷ RGAE, Fond 413, Opis 32, Delo 1894, p. 60

⁸ Fond 413, Opis 32, Delo 480, p.47

percent in comparison with the first half of the decade. In 1980, the USSR was visited by tourists from 155 countries while Soviet citizens travelled to over 130 countries.⁹

Khrushchev's ardor for suppressing illicit non-state economic activity seemed to work at first. Those apparent successes emboldened Brezhnev's new leadership enough to tweak a seemingly minor, but in retrospect crucial, regulation. From 1967 onwards, "a full inspection of each and every ship entering the Soviet seaports by both customs teams and border guards" was to be abandoned. This regulation was changed after the heavy pressure exerted by the *MinMorFlot* [Maritime Ministry] and was facilitated by Kosygin's liberal course. As the volume of international trade grew steadily in the 1960s, the clearance waiting times in the Soviet ports became unbearably long. Such a situation could hurt the prestige of the USSR on the international arena. Additionally, "the Soviet people are patriots of their fatherland, they should be trusted," the *MinMorFlot* argued.¹⁰

Two other decisions from the mid-1960s are crucial to understand the evolution of developments in the 1970s: the decrees by the Council of Ministers of the Soviet Union from 12 March, 1964 and 8 January, 1966. According to those decrees, captains of passenger cruise liners could now purchase both foodstuffs and industrial goods while anchored in foreign ports and then resale them with "appropriately high margin in the ship's bar or kiosk for freely convertible currency." Furthermore, "in some cases, taking into account the peculiar character of each ship's deployment", the captains were permitted to re-sale a part of their foreign port purchases to other vessels from the same fleet. All of those changes were in some measure an implementation of the amendments issued by to the Inter-Governmental Maritime Consultative Organization in 1965. Their further implementation took place in 1973 (MVT and MMF decrees No 41121/73 and 4657/73 on "facilitating international maritime traffic"), which additionally liberalized many customs and tariff regulations of Soviet maritime transport.¹¹

Yet one more consequential alteration in the Soviet customs law was introduced by the GTU decree no. 13/1975, which directed the efforts of the *tamozhnyas* [customs/border

⁹ Fond 413, Opis 32, Delo 2639, 89

¹⁰ Fond 413, Opis 32, Delo 480, 46

¹¹ RGAE, 20 IX 1979, SM-28/3597, l. 152

inspection points] toward "interception of contraband of considerable dimensions" [*krupnovo rozmera*]. Moreover, the decree directed the customs officers' attention to the so-called "ideological contraband", away from small-scale consumer goods brought from abroad by individual Soviet citizens. There were three interrelated reasons behind this new liberal policy. First - the generally growing permissiveness for petty-bourgeois comforts of life under "Brezhnev's little deal".¹² Second - the growing concern with counteracting international organized crime. Third - the extensive introduction of x-ray scanning and other advanced forms of surveillance to the Soviet border checkpoints. "Petty [*melkye*] interceptions" were not to be pursued, especially not as a routine and comfortable way of fulfilling the quotas, as these interceptions diverted the attention away from uncovering "the malicious, cunningly concealed contraband."¹³

The Soviet authorities attached great hopes to the various cutting-edge technologies collectively known as the TSK - *Tekhnicheskie Sredstva Kontrolia*, all being introduced *en masse* in the 1970s. They were intended to help the customs officers work more effectively and render any kind of smuggling prohibitively risky. "Today, [in 1978] at 62 *tamozhnyas* and 41 *tamozhennye punkty*, 2.300 customs officials carry on with their difficult service" - proudly reminded an internal newsletter - "many of them very far away from administrative and cultural centers [...] any weather, all seasons, around the clock, in impossible heat and biting cold, they oversee the flow of cargo stored in and on sea and river vessels, planes, cars, railways and in passenger bags."¹⁴ This 2.300 strong *komanda* was now equipped with technology so powerful that nothing should pass the border control unnoticed.

The artistic expression of Brezhnev's early confidence was the most popular movie of 1969: *Brilliantovaya Ruka*, the Diamond Hand. Up until the moment of release of that movie, maritime contraband had been largely a taboo and if mentioned: only in an unambiguously

¹² Brezhnev's Contribution to Acquisitive Socialism, Little Deal, JR Millar

¹³ RGAE, Fond 413, Opis 32, Delo 2639, 77. The decrease in the fraction of 'small interceptions' in the 1970s was very noticeable. Between 1971-1973 the number of violations 'under 100 rubles' made up more than a half of all the violations, in 1976 - 10 percent and by the late 1970s - 5 percent, with some *tamozhnyas* not registering this type of violations at all. Consequently, while the number of cases remained rather stable, the value of goods intercepted grew from 4.3 million rubles in 1971 to over 20 million by 1980, i.e. a higher results with a similar investment of labor and a sharper focus on organized crime. But this selective approach had its minuses: growing permissiveness for small-scale, grassroots forms of foreign exchange. (80)

¹⁴ Fond 413, Opis 31, 9849, 11

criminal context. The movie, now ranked second in Soviet cinematographic history in terms of the total number of tickets sold, has achieved a cult comedy status already in the 1970s. The success of the movie was thought to have rendered the issue of maritime contraband a subject familiar and rather hilarious. If one could laugh about it, it should help to disarm its destabilizing potential, both in economic and social terms. But things were about to change, soon and dramatically so.

2. The Time of Troubles

By the end of the 1970s, the timid pro-market Kosygin reforms in general, and the liberalization of the customs regime in particular, began to backfire. The confidence of the 1960s was gone. Some Soviet citizens, unfortunately, turned out to be "not conscientious enough" and the resulting "moral and material losses of our state [...] were [already] sizeable", complained the deputy minister of the MVD [Ministry of Internal Affairs] W. T. Shumilin. What was particularly alarming was the willingness of the young generation to "engage in contraband and speculation" and "their desire to imitate the Western style, fashion and manners."¹⁵ The roots of those alarming trends, Shumilin held, were in the legal domain - "the numerous instructions, letters, decrees" that overlapped, were merely partially enforced, if at all: "it all had to be clarified."¹⁶

Indeed, in February 1978, a plenum of the Supreme Court of the USSR introduced a special decree pertaining to *Court Practice with Respect to Contraband Cases*. It was based on a comprehensive survey of reports from supreme courts of the Republics, provincial courts, military tribunals, the GTU and numerous other organs. It was designed to clarify the numerous ambiguities and procedural issues. Specifically, a sharp distinction between "petty" [*melkaya*] and significant contraband [*krupnovo rozmera*] was restated once again, with even more emphasis. The latter was to be pursued with all seriousness of the Soviet penal apparatus while the former - merely kept in check by administrative means, i.e. small fines. What qualified contraband for the *krupnaya* category was, for example, the existence of sophisticated caches,

¹⁵ Fond 413, Opis 32, Delo 480, 46

¹⁶ Fond 413, Opis 32, Delo 480, 48

falsified travel and customs documents, organized group character or participation of state functionaries abusing their professional privileges. *Krupnaya* kind of contraband implied "heightened societal perils" and was to be eradicated, once and for all.

A few examples of such dangerous behavior were mentioned in the document. For instance, a captain's aide on a Lithuanian vessel *Privodino* smuggled large quantities of female scarves in various well-camouflaged caches of the cargo room, "in a place clearly not designated to transport goods" - hence the contraband qualified as *krupnaya*. In a larger case, several mechanics of the Estonian *A. Kulberg*, servicing the regular Tallinn-Stockholm line, banded into a large and "permanent" group which purchased hard currency in Tallinn, smuggled it out to Sweden to purchase female wigs "in significant amounts (up to 500)", "breaking a whole range of laws" and smuggled the wigs back into the USSR. Over the several years of activity in the 1970s, they made a profit of at least 35.000 rubles. A counter-example of petty [*melkaya*] contraband not to actively penalized: a one time purchase of 35 wigs (1.600 rubles) in Poland and their delivery to Perm - this case had all markings of a one-time escapade.

The document's main innovation was the equalization of legal responsibility of the so-called 'domestic speculators' (e.g. *farcovshiki* in port cities) with 'contrabandists' proper. Both groups now qualified as participants in an organized crime group (OPK), both to be punished with equal severity.¹⁷ This change was in fact a crucial modification. Before 1978, it mattered greatly where exactly the act of speculative activity took place: whether it was within the territory of the USSR (including territorial waters) or overseas. If it took place in foreign ports, the penalty was significantly harsher, mostly because it qualified the deed as contraband proper, an act which involved (tres)passing the Soviet state border illegally, i.e. without the appropriate customs paperwork. If the act of acquiring a foreign good took place in a Soviet port, it qualified merely as *spekulatsija* because it entailed no movement of goods across the border. This legal nuance meant that it was safer to be a local *farcovshik* than a trafficker, a situation perceived as blatantly unfair by the Soviet maritime sector, since not only did they have to do the harder part of the job (procurement and smuggling, as opposed to finding a Soviet customer), but also faced

¹⁷ Biuletin Verhovnovo Suda SSSR No 6 1978, 12-19

severe punitive measures, including execution.¹⁸ The optimal combination for a black marketeer was thus to develop contacts with foreign sailors visiting Soviet ports regularly, not with the Soviet sailors. This less risky option avoided the most severe 'hard currency' and 'contraband' paragraphs of the criminal code.

What passed for *krupnaya kontrabanda* varied after 1975, the first time the distinction was turned into a law. Usually, it implied values greater than 1.000 rubles (roughly: an average annual salary) or materials deemed dangerous, either in a direct, physical sense or ideologically. In the Ventspils customs office, for example, only 2 out of 73 contraband shipments intercepted in 1982 qualified as *krupnaya* contraband.¹⁹ This usually meant that the sailors failed to clear some goods that were clearly not intended for commercial purposes, an act that entailed either negligible or no disciplinary consequences.²⁰ In this sense, the new policy incentivized a peculiar kind of a black market golden mean. While industrial dimensions of *spekulaciya* were severely repressed right until 1991, the level of permissiveness for small-scale *sdelki* [deals] for personal consumption was considerable, with operations contained to narrow collegial or familial circles being largely tolerated. This tendency was on the rise in the 1970s. It was another exemplification of what the political scientist James R. Millar aptly coined as "Brezhnev's Little Deal". By the end of the decade, a majority of Soviet citizens would eventually be in touch with imported consumer goods one way or another. The ambivalent legal nature of those encounters was encapsulated by the phrase *somnitel'noe proishozhdenie* (questionable provenance), often applied by both policing organs and ordinary citizens. It referred to the goods that were obviously foreign, but their precise path to the country remained unknown: it could be legal, it could be illegal or somewhere in between. A dead letter of the law it was not, however. After the Rokotov-Faybishenko case, one possible punishment for *krupnaya spekulaciya*, especially with hard currency, was execution (*vide*: paragraph 88 of the Criminal Code). There was no shortage of other economic policing paragraphs that could be turned against a citizen if or when the state deemed it desirable.

¹⁸ Ukaz Prezidijuma Verhovnovo Sovieta SSR ot 5 Avgusta 1960 g. Also: IZMAILOV CASE, 70

¹⁹ With just one *krupnaya kontrabanda* case (6.000 woman's headscarves worth 30.000 rubles constituting nearly a third of the total value, Delo 2639, 144.

²⁰ Fond 413, Opis 32, Delo 2639, 145

It was not just the ambiguous and overlapping law itself that was problematic, but also its irregular application. Soviet law could be applied arbitrarily and its functioning could be conditioned, for instance, by the social status of the actors involved, the current international climate or any other possible mitigating (or worsening) circumstances. After receiving the Nobel Prize in physics in December 1978, Piotr Kapitsa purchased an automobile: a brand new Mercedes Benz 280 SEL. The car was scheduled to be shipped by a Finnish company *Filipsons Norr Bil AB*, from Stockholm to Moscow. Prior to the shipment, the President of the Soviet Academy of Sciences had sent a letter to the deputy minister of Foreign Trade requesting a duty-free clearance for that vehicle to Moscow. His wish was granted.²¹ While no one could hold a Mercedes against a person of Kapitsa's stature, a hero of socialist labor and a Nobel-prize laureate, the correspondence between the two organs is representative of the increasingly indifferent attitude to blatant legal arbitrariness of the late 1970s. This arbitrariness helped some Soviet citizens to claim their elite status and some to keep up with the Joneses. It could get others into their graves.

In a more widespread type of cross-border goods movement, Soviet statistics were indicating that international tourists began to surpass overseas-bound sailors as the main carriers of contraband by the mid-1970s. In 1977, 501 cases of contraband investigations targeting foreign tourists were initiated by the Soviet authorities, with 17.000 thousands of objects worth 304.000 rubles intercepted. In 1979: 649 cases, 530.000 rubles and 11.000 objects - "a constantly growing trend" and a reflection of the newly reinforced focus on *krupnaya kontrabanda*. The leading tamozhnyas were: 1) The Sheremetovo Airport: 263 cases 2) Vyborg: 70 cases and 26.000 rubles, including 5.523 instances of "ideologically deleterious literature" 3) Leningrad's Pulkovo Airport, 4) Tallinn and 5) Leningrad's port. Finish citizens were unrivalled leaders in the numeric aspect of this ranking: 112 cases (13.600 rubles), followed by Italians (49 cases, 14.700 rubles) and Americans (42 cases, but 224.000 rubles, mostly antiques) followed by the West Germans - 43 cases, 21.000 rubles. Tourists travelling by maritime channels, while making up 10-30 percent of all cases, were responsible for 7.900 out of the 10.700 "ideologically deleterious materials" intercepted.²²

²¹ RGAE, Akademija Nauk SSSR 06.04.79, 1010-10120-4601

²² Bjuletyň Operativnoj Informacji, No 4 (25), Dekabr 1979, 63-67, 70

The contraband intercepted on the way into the USSR added up to less than 20 percent of all tourist contraband registered, which "is indicative of the fact that, on the whole, the effectiveness of control of the persons entering the USSR was significantly lower than [the control of] those leaving the country." Even more tellingly, in 1980, while the value of contraband registered among the foreign tourists leaving the country grew by 150 percent, the value confiscated on the way in - decreased by 28 percent. A similar trend was registered among the so-called 'transit passengers'. It was an obvious sign of arbitrariness and directionality: to some degree, supplying the domestic market through backdoor channels was tolerated while the state's grip on anything that could be exported from the USSR was tightened. But the process of controlling and penalizing foreign tourists was a distinct legal sphere, the laws of which did not apply to Soviet citizens. To give just one example: as of 1982, the *MinRybHoz* employed 143.000 servicemen with a passport of *moryak zagranplavaniya* [foreign-bound sailor], which gave access to foreign ports. Altogether, there were 52.000 such sailors based in the Western Sector [Baltic] and 26.000 in the Northern Sector [Barents Sea].²³ Between 1976 and 1981, the authorities registered 1.635 customs violations performed by those servicemen, including "licentious" [*beznravstennyi*] and "harmful [*vrednyi*] ideological material." Indicatively of the real relation between demand and supply, which was clearly distorted in the selectively surveilled foreign tourist traffic, 85 percent of those cases were registered upon return, 15 percent - upon leaving the USSR.²⁴

One of the louder scandals in the 1970s was the sentencing of seven customs and border control officials from Leningrad implicated in internationally organized contraband, alongside dozens of other "valutchiki and vzyatochniki". The main activity of that OPG [*organizovannaya prestupnaya gruppirovka*] (active between 1974 and 1976) was the illicit export of antiques and other object of "cultural significance" from Leningrad, including its world-famous museum exhibits. The value of intercepted contraband added up to (at a minimum) 222.000 rubles: 186 icons, three paintings and "analogical objects of art and antiques", the value of which could not be determined exactly or deemed priceless. The key to the sustainability of the procedure was the connection with a former USSR citizen named Frumson, who had earlier emigrated to the FRG

²³ 55 percent of all Soviet foreign-bound fishermen were based either at the Baltic or the Barents Sea. Fond 413, Opis 32, Delo 2639, 16

²⁴ Fond 413, Opis 32, Delo 2639, 16

and now returned on a tourist visa, smuggling in three high-rate diamonds on his way. Another émigré was instrumental in making this OPK operational. The fellow's last name was Raizberg and he was based in New York, which helped the group to convert thousands of rubles into US dollars (in the ratio of e.g. 2000 dollars: 7000 rubles). Ultimately, seven Soviet citizens were sentenced to 6-11 years of prison and their property was confiscated.²⁵

In 1978, the regulation concerning the inter-ship trade of foreign-purchased goods between Soviet cruise vessels [mentioned in the introduction] was suspended by the *tamozhnyas* in Odessa, Leningrad and Riga. The official explanation: "the lack of [those particular] normative acts" in their books.²⁶ That formulaic excuse could not hide the fact that the inter-ship business of *moryaki zagranplavaniya* [overseas-bound sailors] abused the window of opportunity to deal in imported merchandise on a scale that became unacceptable. In 1978, the *Prikaz* no 917 was issued by the *MinMorFlot* for the Baltic Shipping [*Baltiyskoe Parohodstvo*]. Its title: "On strengthening the fight against violating [trespassing] the access [*propuskovyi*] regime and theft of socialist property on/from the units of the Parohodstvo". In accordance with the decrees 79 (1973), 603 (1975) and 404 (1978) of the *MinMorFlot*, signed by the chief of the Baltic Shipping B. P. Trunov, the level of control over the cargo transported by sea and river vessels was to be increased. Despite all those new measures, the phenomena in question did not cease, to the contrary. In 1977 alone, 1.016 employees of the Baltic *Parohodstvo* were penalized for various disciplinary violations, including 190 cases of alcohol consumption or smuggling on duty. 560 individuals were arrested for cargo theft, 456 in Leningrad alone, 453 individuals lost their access [*propusk*] privileges. The phenomenon [of sharing the customized port-grounds or vessel *propusk* with unauthorized individuals] was widespread.²⁷

By 1979, the inherent trade-off between security and efficiency of the foreign trade flow came to a head in the aftermath of the so-called *Okean* scandal, also known as the *rybnoe delo*, the fish case, or the Feldman/Fishman case. The competence and power conflict in the triangle MVD-KGB-foreign trade/maritime ministries, and between Andropov and Nikolai Shchelokov personally, could no longer be hidden under the surface. What followed was the dismissal of the

²⁵ MVT, GTU, BJULETIN OPERATYWNOJ INFORMACJI NO 1 (22), mart 1979 goda, 22-24

²⁶ DOKU: 23 XI 1978, SM-28/4399, p. 6

²⁷ KGRAD, Fond R-17, Opis 1, Delo 737, 36

minister of *MinRybHoz*, Aleksandr Ishkov and the execution of his deputy, Vladimir Rytov (alias: *botsman*, boatswain).²⁸ In general, the *MinRybHoz* [Fisheries] and *MinMorFlot* [Merchant Fleet] both argued that there was too much oversight, which created bottlenecks in the foreign trade sector, whereas the KGB and related services - that insufficient oversight led to unprecedented levels of corruption and profiteering.²⁹ The plurality of overlapping regulations and blurriness of competence divisions had always been there, but it grew after the half-hearted liberalization of the 1960s. Metaphorically put, in the old days, the KGB had the last word, but under the late Brezhnev: the MVD often *kryshevalo* [established a protection racket] over the profit-oriented activities of the *MinRybHoz* and the *MirTorFlot*, as Andropov's investigations were to demonstrate.

Beyond corruption at the top revealed by the *Okean* scandal, multiple legal inconsistencies and contradictory regulations issued by different administrative bodies plagued the daily work of the rank-and-file customs officers. To give the plainest of examples, it was illegal, according to a regulation issued by the *MinMorFlot*, for sea-going crews to consume alcoholic beverages on board. A more self-evident example of a legal dead letter could hardly be found. Still, "customs officers [were] instructed that each sailor is permitted take up to two bottles of vodka onboard" in some of the Union's Republics.³⁰ The customs officers did have the legal prerogative to regulate this issue, but it happened to be in conflict with the internal regulations of particular Republican fleets and the so-called executive [*predstavitel'ski*] ratios of the *kommandyi sostav*. In the Latvian SSR, for example, the chief of the Ventspils *tamozhnya*, upon trying to formally confiscated some of the alcohol being carried onboard, received the following reply from the captain: "if you go on acting this way, you will achieve nothing."³¹ According to the ministerial decree, no alcohol was allowed, but the customs officials allowed some carry-in alcohol (one liter per person) to pass in order to avoid conflict with the captains, to focus on *krupnaya kontrabanda* and to pacify their own Republican fleet management. "We, the customs officials, end up being ignorant about how much alcohol is actually allowed [...] Everything ends up being decided ad hoc."³²

²⁸ See: <http://www.m24.ru/videos/10252>,

²⁹ Fond 413, Opis 32, Delo 2639, 212

³⁰ Fond 413, Opis 32, Delo 2639, 14

³¹ Fond 413, Opis 32, Delo 2639, 147

³² Fond 413, Opis 32, Delo 2639, 147

The frustration of the chief of the Ventspils *Tamozhnja* becomes more comprehensible if one considers that during the entire period between January 1979 and August 1982, his post was not equipped with a single vehicle to keep the officers mobile across the extensive port grounds. "Obviously, this has influenced negatively [...] the operative transfer capacity of our squads from one part of the port to another." The condition of furniture was in "utter disrepair" and the only reason why it had not been thrown out was that there would have been "nothing to write on otherwise."³³ Due to the high hopes associated with the advertised effectiveness of the TSK [*Tehnicheskie Sredstva Kontrolia*], many *tamozhnyas* were now simply undermanned. By 1980, it became clear that the TSK had its own limitations. The x-rays were actually considered useless for anything other than carry-on luggage, or so argued the more seasoned *tamozhenniki*. In 1980, out of 28.464 interceptions, 6.598 were made possible also thanks to the TSK (7.8 out of 17 million rubles): a significant increase, but still - experience and the "psychological factor" remained irreplaceable.³⁴ In general, the distribution of human and technical resources was characterized by highly selective, arbitrary methods. For example, in the late 1970s, Tallinn received thirty two new employees just because of the upcoming Olympics, other posts did not receive or actually lost personnel. This hand-picking had eventually created weakly-manned loopholes, quickly spotted by the black marketeers.

The real detection rate was estimated to be in the single digits, the GTU admitted. While no particular figure could be determined, the general trend was hard to reverse: the customs search squads preferred routine searches which often lead to numerous 'successful' disclosures of 'petty' amounts of contraband, which in turn helped to pacify the bureaucratic overseers, but did little to combat the OPKs. That organized crime was very much present in the Baltic was confirmed by the fact that the GTU issued two special reminders in their Bulletins of Operative Information (August 1976 and August 1978) in response to two major cases of Baltic dock workers using their own service vessels to help the sailors in smuggling.³⁵ Another fact, and this was universally true across the communist Baltic region, was that the most significant interceptions happened only after 'operative information' was received from the KGB or related organs, and virtually never upon routine customs clearance. Customs officials had to find an

³³ Fond 413, Opis 32, Delo 1908, 19

³⁴ Fond 413, Opis 32, Delo 2639, 96

³⁵ DOKU: "O merach po usileniju barby z kontrabandoj w krupnyh razmierzah i ideologiczeskii vrednyh materialov", 54

uneasy middle ground. On the one hand, they were rebuked if the number of exposed contraband cases fell. If the statistic grew numerically but not in value, they were accused of a "formalistic" approach to their duties. Secondly, a permanent jurisdiction conflict between various administrative bodies was always at play in the background. The GTU accused the Baltic *tamozhnyas* of not relying on KGB's "operative information" often enough, while the *tamozhnyas* blamed the KGB for unjustified interference and ignorance about the specificity of their job. Two other seemingly prosaic yet hugely consequential problems were the unwillingness of the rank-and-file to learn foreign languages as well as the plague of alcohol consumption on duty.³⁶ Ironically enough, the *tamozhnyas* were accused of "artificially increasing" the value of the contraband intercepted by means of relying not on the official prices, but on "the prices of the so called 'black market'", which is illustrative of the difficult waters they had to navigate between the irreconcilable demands of bureaucratic formalism and pragmatic realism.³⁷

The customs administration was never on its own. It was assisted by the KGB, the GU BHSS, *Glavnoe Upravlenie po Bor'be s Hishhenijami Socialisticheskoy Sobstvennosti*, and many other organs. The Committee's job was to deliver information obtained from all kinds of sources that could help to identify and intersect scheduled contraband shipments. The crucial factor upon the reception of such information was the timing of an intervention performed by the customs officers. If the suspect crews learned too early that a thorough customs inspection was awaiting them, they had more than enough time and opportunities to get rid of the goods or in the worst case: to declare at least some of them. It was vital, therefore, to inform the captain of the inspection "right at the moment of the mooring of the ship at berth".³⁸ The reason for the crucial importance of timing was that no crew member could be trusted entirely. *Krugovaya poruka* among the crews was a fact of life and one among many examples of group solidarity and interest getting the better of the overtly professed egalitarianism of the allegedly post-class communist society.

³⁶ FOND 413, 32, 1177, prikazy GTU, 1980, 134, 135

³⁷ GTU MVT, prikaz, 31 dekabrya 1980, g. Moskva, no 263, 140

³⁸ KGB Vilnius, K-1, op-46, d. 972, 44

In general, the policing organs divided the influence of contraband on Soviet reality into three categories: economics (state monopoly on foreign trade, currency and credit systems), politics (state security) and ideology (societal cohesion). The state monopoly on foreign trade was not to be trifled with. The significance of the customs service, the institution that "for the past sixty years has been guarding it non-stop, day and night" could hardly be overstated.³⁹ After Khrushchev's intervention in 1961, a Soviet citizen could be shot for trying to question that monopoly.⁴⁰ Nevertheless, the KGB insisted that it was not so much the contraband itself that was a threat, but rather its usage for the sake of "intelligence as well as ideological diversion work" by foreign secret services. "Persons leaving the USSR are helped in carrying out their illegal currency operations by the representatives of *kapstrany* [capitalist countries]. [...] Persons practicing contraband and other violations, are meticulously studied and recruited by foreign secret services. This is confirmed by facts"⁴¹ - warned the deputy chief of the KGB E. I. Shirkovskii in 1981. In the era of modern intelligence warfare relying on supercomputers and satellites, "the most potentially dangerous [for our state] is still the personal recruitment among the active Soviet cadres. The secret services are looking for compromised persons. Earlier, it used to be the so-called dissidents, now - the morally weak [*moral'no-neustoychivye*], self-interested, egoists, prone to drink and indecent entertainment. [...] Legal channels such as the BBC or the Voice of America have not been forgotten, but the main emphasis is now on creating a [criminal] Soviet underground and supporting it with illicit methods of struggle".⁴² This statement was a an example of the KGB trying to use the ideological *deus ex machina* to revive its fading power, the last word they were so used to wielding. By the late 1970s, the influence of commercial incentives, as represented by the foreign trade and maritime ministries, already had the power to challenge the unassailable.

What was even more alarming for the KGB was the fact that the customs administration was prone to ignoring Lubyanka's good advice, including the special *orientirovki* [personalized intelligence files] that the Committee was laboriously preparing to help the customs service open their eyes and ears.⁴³ This was especially relevant since some of the largest contraband

³⁹ Fond 413, Opis 31, 9849, 1

⁴⁰ Another important paragraph on hard currency deals was Paragraph 164. But 77 appears to be most frequently used in practice.

⁴¹ Fond 413, Opis 32, Delo 480, 42

⁴² Fond 413, 32, delo 1894, 32-24

⁴³ Fond 413, Opis 32, Delo 2639, 176

operations under the late Brezhnev -- according to the GTU -- were organized with support of foreign secret services "and unfortunately - with the assistance of [our own] customs officials."⁴⁴ A contraband load worth 200.000 rubles was overlooked by the Leningrad Pulkovo airport, despite prior hints from the KGB, which must have enraged many in Moscow. Airport traffic was a particularly sensitive "operative sector" because it was the main channel used by diplomats. As remarked by the chief of the Pulkovo airport customs office, oversight over diplomats was often the weakest link in the system, both because of international legal regulations and unpredictable political ebbs and flows.⁴⁵ In the late 1970s, the KGB registered the existence of a "steady contraband channel" organized by "diplomats of developing countries, [...] but not only developing."⁴⁶ More than half of US diplomats, according to the deputy head of the KGB, were "in one way or another working for the CIA and other secret services" in the early 1980s.⁴⁷ True or not, this renewed suspicion of Leningrad certainly echoed the reserve with which many *siloviki* in Moscow approached that city at least since the Kirov murder in 1934.

Rampant corruption was another cause for concern. An investigation run by the GTU in the late 1970s revealed that 20 percent of the surveyed *tamozhnyas* were in some way implicated in bribery. Two of the Baltic *tamozhnyas*, Leningrad and Riga, were singled out among the six worst perpetrators. "[H]ow many cases of bribery have not been revealed - cannot be determined," a GTU official honestly admitted. "Comrades, the current situation when bribes are being regularly received from the screened persons should alert us. The management of *tamozhnyas*, party and trade unions [*profsoyuzy*] should wage a determined war against this dangerous phenomenon. [...] Particularly alarming is the state of discipline among the leaders of the operational shifts [i.e. the search squads]." Fourteen seniors customs inspectors were fired due to disciplinary violations, including several from Riga, Ventspils and Leningrad. In 1980, twenty three rank-and-file customs officers in *Pribaltika* were fired for "blatant violation of professional discipline", twelve for bribery. Another problematic nexus was the security of the confiscated contraband goods, which often disappeared already after they had been confiscated.⁴⁸

⁴⁴ Fond 413, Opis 32, Delo 2639, 181

⁴⁵ Fond 413, Opis 32, Delo 2639, 158

⁴⁶ Fond 413, Opis 32, Delo 480, 42

⁴⁷ KGB Vilnius, K-18, o. 1, delo 343, 234

⁴⁸ Fond 413, 32, Delo 1895, 11-13

The problems run deeper than the fiscal losses, the weakened grip on the state monopoly of foreign trade or the CIA. "By establishing a connection with citizens of capitalist countries in order to purchase foreign currency", the violator eventually "got infected with capitalist ideology and embarked upon an anti-Soviet path. [...] The enrichment of *valiutchiki* thanks to the illegal currency deals has a decomposing influence on the volatile [*neustoichivye*] members of society, providing an opportunity to drag them into crime, seducing [with the prospect] of easy profit."⁴⁹ According to the KGB officer who uttered those words, foreign currency speculation in the USSR did not exist until Khrushchev came to power. It was the development of international tourism, especially with the capitalist countries, that began to "inflict serious harm to the interest of the Soviet society."⁵⁰

The GU BHSS, *Glavnoe Upravlenie po Bor'be s Hishhenijami Socialisticheskoy Sobstvennosti*, was a special weapon in the MVD's arsenal. The main task of that much-feared institution was "prevention and disclosure of the most dangerous, concealed economic crimes such as theft, graft, speculation, violations of currency operations, profiteering [...] and many other [similar crimes]."⁵¹ Its chief in 1982, W.A. Tumend, was far from pleased by the fact that, despite the increased severity and vigilance, the number and value of violations registered by the department has been "constantly on the rise in the late 1970s."⁵² In the first half of 1982, the number of hard currency crimes increased by over 300 percent in comparison with the first half of 1981.⁵³ "It's not a secret", he argued, that "the collusion of thieves, dealers, grafters [*vziatochniki*], hard-currency speculators with the workers of the domestic and foreign trade sectors has been widespread recently."⁵⁴ The director complained that the "operational situation has become more complicated" in recent years as the Soviet economy kept growing while the amount of institutional support from the center had plateaued. In consequence, one BHSS inspector now had to monitor "on average more than 150 units of the national economy."⁵⁵

⁴⁹ Fond 413, Opis 32, Delo 2639, 27-28

⁵⁰ Fond 413, Opis 32, Delo 2639, 28

⁵¹ Fond 413, Opis 32, Delo 2639, 23

⁵² Fond 413, Opis 32, Delo 2639, 27

⁵³ Fond 413, Opis 32, Delo 2639, 24

⁵⁴ Fond 413, Opis 32, Delo 2639, 14

⁵⁵ Fond 413, Opis 32, Delo 2639, 14

The GU BHSS was not directly responsible for targeting contraband and related trafficking crimes. However, contraband was to "a large degree the gateway step" that had to occur for the kinds of economic crime such as currency speculation to become possible. Without tackling the border-crossing contraband first, the department was tilting at windmills.⁵⁶ As of 1979, 56 percent cases of contraband cases "were committed in conjunction with speculation and violation of hard currency regulations."⁵⁷ Without the international connection there would have been no supply, without supply there would have been no demand. "That is why we have to" - the GTU agreed with the BHSS - "strengthen the cooperation between the [internal] organs - the MVD, KGB, border guards; on the one hand - [we have to proceed] from speculators to contrabandists and on the other - from contrabandists back to speculators."⁵⁸

In February 1980, a longshoreman servicing the US ship *Thomas Jefferson*, anchored in Leningrad, was intercepted carrying out American jeans. The additional search onboard yielded thirty five stolen religious artifacts, mostly icons, worth 5.600 rubles.⁵⁹ As the *tamozhenniki* were quick to notice, most of the *sdelki* with foreign sailors took place directly onboard or in the ship's immediate vicinity. Afterwards, the goods and currency were often carried out through the newly organized bypasses that avoided the *prohodnaya*, the checkpoint. This complaint was a typical example of one surveillance body (customs office) blaming another (port administration) for the other's inability to counteract the "negative phenomena" basking in broad daylight. Additionally, "the uncovering of contraband was very complicated, because the news of a team of customs officers entering the port spread around very fast."⁶⁰ Analogously, on the higher ministerial level, the Soviet state, beyond its totalitarian facade, was more of an oligopoly of numerous institutionalized (or not) interest groups, with different organs issuing often contradictory and overlapping regulations and one blaming the other for *provaly* - failures.

Nonetheless, the dawn of the 1980s did witness the Soviet state seriously flexing its still very potent muscle for another round of the old struggle with all kinds of illicit economic activity, this time with emphasis on contraband and other cross-border trafficking violations,

⁵⁶ Fond 413, Opis 32, Delo 2639, 27

⁵⁷ Rassmotrenije ugolovnyh del o kontrabandzije (Abzor sudebnoj praktiki), 9

⁵⁸ Fond 413, Opis 32, Delo 2639, 181

⁵⁹ Fond 413, Opis 32, Delo 2639, 39

⁶⁰ Fond 413, Opis 32, Delo 2639, 39

with Andropov at the helm. According to the GTU, the value of all contraband confiscated in 1980 grew by 40 percent in relation with the preceding year and reached a record sum of 17 million rubles.⁶¹ In 1970, it was 3.6 million, in 1974 - 4.2 million rubles, 1978 - 11.6 million rubles. Over the second half of the 1970s, the average value of a single contraband interception grew from 212 to 546 rubles, i.e. ca. five average monthly salaries in the state sector.⁶² In 1980, the total number of contraband investigations [*dela po kontrabandie*] grew to 26.464, from 24.851 in 1979. The total amount of extra-plan [*vneplanovye*] confiscations by all-Union tamozhnyas grew from 18.9 million rubles in 1974 to 45 million rubles in 1978.⁶³

The level of alarm was growing steadily in the 1970s as the GTU, BHSS and related organs delivered the statistical evidence to Moscow. Not unlike in 1961, however, those organs were jolted into a new frenzy of activity by a few spectacular violations. Odessa's *tamozhnya* failed to stop an operation that led to an illicit outflow of art and jewelry to America, intercepting just a part of a shipment worth ca. 3.7 million rubles. The Sheremetovo airport let go of narcotics worth 5 million, which travelled from the GDR to Iran and then back to West Germany, passing through Moscow's biggest airport twice. The Tallinn port let go of valuables worth 200.000 rubles in a single shipment.⁶⁴ The Foreign Trade Ministry was forced to admit that their customs protection performance was now lagging not only behind the model GDR, but also behind Czechoslovakia, an unacceptable state of affairs.⁶⁵

There was another reason for the increased vigilance in 1980: the Olympics. In many ways, it was at the "all-Union conferences of the chiefs of customs offices" that representatives from all the major Soviet policing organs met to discuss the causes behind the recent upswing in contraband violations. Those conferences included top officials from the CC, GTU, GU BHSS, Sport Ministry, Foreign Trade Ministry, MVD, KGB, Ministry of Aviation and other. At one such meeting in April 1979, eight six high officials convened in Moscow. According to the deputy head of the KGB, E. I. Shirkovskii, who spoke at that congregation, "the preparation for Olympics is a huge effort, but it cannot be considered separately from the larger operative

⁶¹ Fond 413, 32, Delo 1985, 45

⁶² RGAE, Bjuletyň Operativnoy Informacji, No 2 (23), June, 1979

⁶³ Biuletyň Operativnoy Informacji, No 2 (23), June, 1979, 37

⁶⁴ Fond 413, Opis 32, Delo 2639, 209

⁶⁵ Fond 413, Opis 32, Delo 480, 48

situation pertaining to the war on contraband."⁶⁶ The recent customs liberalization created a loophole through which a Soviet citizen who moved (without registration) up to 10.000 rubles in cash out of the USSR, carried only "negligible responsibility" for such a violation. According to the KGB's own data, "hundreds of millions of rubles where now kept abroad" in anticipation of the massive demand upswing to be generated by the millions of people coming to the USSR to participate in or see the Olympics.⁶⁷ The KGB was particularly appalled to register that "for a long time already, many foreign companies have been avoiding the *WneshTorgBank* [the Foreign Trade Bank]" to service their currency needs. "One wonders how it is possible for them [the foreingers] to get by. Namely, it is thanks to the Soviet currency purchased illegally here [on the black market], and thanks to the Soviet currency purchased at lower rates abroad, illegally smuggled back to our country."⁶⁸ It was at such pre-Olympics conferences that many Soviet officials, who were normally not in touch with the foreign trade/customs sector of the economy, could perhaps begin to suspect that the fundamentals of the Soviet economy were seriously adrift.

The international dimensions of the politicization of the 1980 Olympics are well known. The KGB was fond of quoting prominent Western leaders (Gerald Ford, Giscard d'Estaing) to illustrate the significance of the Olympics: "sport successes at large competitions raise the spirit of the nation, evoke patriotism at least as strongly as military victories." They also used the occasion to mobilize the chiefs of the customs service to work more effectively at intercepting any potential contraband associated with the logistical preparation for the Olympics as well as the passenger traffic during the event itself.⁶⁹ The logistical preparations were more problematic than it might seem at first glance. Western companies, for example, developed a habit of delivering various goods "under cover of Olympic cooperation". For example, Daimler-Benz delivered three automobiles to the *Orgkomitet* [organizational committee], upon the reception of which it turned out that many "valuable pieces of equipment had disappeared"⁷⁰ rendering the vehicles largely worthless. Such a situation "could not be tolerated" and the customs rank-and-file had to be motivated anew to do their job properly. In 1979 and 1980, 3.8 million rubles

⁶⁶ Fond 413, Opis 32, Delo 480, 41

⁶⁷ Fond 413, Opis 32, Delo 480, 42

⁶⁸ Fond 413, Opis 32, Delo 480, 42

⁶⁹ Fond 413, Opis 32, Delo 479, 11

⁷⁰ Fond 413, Opis 32, Delo 479, 57-58

worth of hard currency and 660.000 transfer rubles were spent by the Soviet state to import 165 cutting-edge x-ray machines to equip the *tamozhnyas* to intercept the contraband, including the same hard currency that had just been spent, flowing for the Olympics from all over the world.⁷¹

Due to Moscow's distance from suitably large and windy bodies of water, Tallinn was chosen to host the maritime part of the 1980 Olympics - the regattas. "The preparation for the Olympic regattas was especially labor-intensive in Tallinn. [...] For the last four years, we have been experiencing increased psychological tension" - admitted the chief of Tallinn's customs office.⁷² The preparations were particularly strenuous owing to the capital-intensive and complex nature of the equipment needed for the regattas, which meant extra screening efforts and potentially large sums of contraband involved. Other preparations included the construction of a 28-stories tall five-star hotel and a brand new airport. Expert Polish renovators were brought in to repair the crumbling facades of the medieval, Hanseatic Old Town. The US-led boycott did much to damage the prestige of the event, but Estonia's Baltic neighbors attended nonetheless: Finland, Sweden, Denmark did not participate in the boycott. Perhaps the most noticeable was the absence of the West German and Norwegian teams and fans, frequent guests in Tallinn otherwise.

3. The 1982 Tallinn Conference

The twenty sixth CPSU Congress in May 1982 dedicated an abundance of attention to the issues of contraband and speculation unseen since Khrushchev's crusade of the early 1960s. One of the most comprehensive documents produced by that congress was entitled *On strengthening the struggle against the theft of socialist property, bribery and speculation*. It became a harbinger and a blueprint for the forthcoming Andropov purge. Since it was generally recognized that "the cadres decide everything", the cadres were blamed for the growing troubles also in 1982. The Stalinist overtones of that congress were echoed by A. I. Matveev, the deputy director of the GTU. What had to be done, he admitted self-critically in front of higher MVD and KGB officials, was to "increase the efficiency of governance in all branches of the administration,

⁷¹ DOKU: O polozhitelnom opytie raboty tamozhennykh uchrezhdenii w pieriod XII Olimpiady i jego ispolzovaniye w tamozhennom kontrole w sovremjennykh uslovijach, 21.

⁷² Fond 413, 32, Delo 1985, 110

increasing the professional competence of officials, [...] wage a decisive war with indifference, lack of principles, bribery, speculation and other negative phenomena - strict adherence to socialist legality."⁷³

Matveev's statement was uttered on August 3, 1982. On that day, all the chiefs of the major customs control points from the Baltic and Arctic regions of the USSR came to Tallinn to discuss the alarming trends. Appropriately, they met in the brand new *Pirita Olympic Sailing Center*, right where the Pirita river discharges its waters into the Gulf of Finland. They were accompanied by the director of GTU J. H. Primerov as well as other high dignitaries: the director of the anti-contraband department of the GTU W. K. Skrypnik, deputy director of the GTU, top party leaders from Estonia's Central Committee, KGB officials and internal KGB prosecutors, pan-Union prosecutors, Ministry of Fisheries, Ministry of the Interior, head of the KGB border troops in Estonia (OKPP PV KGB SSSR), chief of the Estonian KGB and other top officials, all eager to learn more how closely the *tamozhnyas* of Arkhangelsk, Ventspils, Vyborg, Kaliningrad, Klaipeda, Leningrad, Murmansk, Riga and Tallinn were listening to the Party's recent recommendations.

In a fashion reminiscent of the Stalinist days, the head of Tallinn's Customs Office had received a letter the day before his arrival to the *Pirita Center*. The sender's address on the envelope: the Prosecutor's General Office, Moscow. A similar letter reached other Baltic and Arctic customs officers and informed them that from now on, their *tamozhnyas* were under direct supervision of the Prosecutor, no longer the Ministry of Foreign Trade. A week earlier, a "massive inspection took place". Both followed a series of special instructions issued in March - on enhancing the war on contraband. Consequently, all the *tamozhnyas* switched to "an enhanced labor regime, related to the upcoming *profsoyuzy* congress and the corresponding activation of our opponents in smuggling anti-Soviet literature and weapons."⁷⁴ Needless to say, the fact that "Reagan declared a crusade against our and other socialist countries" was an additional factor not to be taken lightly. According to the KGB's reported intercepts of CIA reports, two million pieces of literature were smuggled into the Soviet Union annually, according to the GTU data: 170.000 pieces were intercepted in 1981.⁷⁵

⁷³ Fond 413, Opis 32, Delo 2639, 172

⁷⁴ Fond 413, 32, Delo 1985, 148

⁷⁵ Fond 413, 32, Delo 1985, 178

To open up the debate, the deputy director of the Estonian Maritime Shipping, A. R. Zaharov, fired with a heavy salvo of *samokritika* right away. "The state of discipline in the fleet is frightening. Particularly worrisome is the fact 43 percent of all disciplinary violations have been perpetrated by the *kommandnyi sostav*."⁷⁶ A hair-raising 54 percent of all cases of smuggling "ideologically deleterious" literature were perpetrated by the officers and an astonishing 75 percent of all hard currency violations.⁷⁷ Even the captain's own lockbox was not immune to the contraband epidemic.⁷⁸ What was also intolerable was the fact that the operative work performed in "securing the [correct] behavior" of the sailors in obeying the customs regulations was "no longer taken seriously".⁷⁹ As the Lithuanian Republic's KGB confirmed, control over the behavior of Soviet sailors in foreign ports was "insufficient" and thus "the veritable name of a Soviet sailor was being discredited".⁸⁰ The surveillance work was admittedly easier in the Soviet Union - "anyone wearing a foreign piece of clothing" immediately stood out from the crowd.⁸¹

The fact that 54 percent of all contraband cases in *Pribaltika* implicated the officer echelon [*komandnyj sostav*] was also a concern for the GTU. "I would like to kindly request" - asked the deputy director of the GTU - "the representatives of the Ministries of RybHoz and MorFlot [present here] to inform their respective ministers, that such a situation will not be tolerated any longer. If they do not undertake appropriate measures, than the GTU will be forced to request assistance from other places. We have to liquidate it together. If we really want to fight contraband, first of all, we need to bring order back to the leading echelons [of the administration]".⁸² Furthermore, such phenomena made the work of the societal inspection groups -- *obshestvennye dosmotrovyje grupy* -- out of the question, since it was clear that all the ranks participated in the practice.⁸³ Consequently, all that could be relied on was the lone informer, but this method had its limits. "A golden mean" had to be found between collective responsibility and no responsibility. If "entire crews" were to be punished for *bezhazhajna*

⁷⁶ Fond 413, Opis 32, Delo 2639, 9

⁷⁷ Fond 413, Opis 32, Delo 2639, 49

⁷⁸ Fond 413, Opis 32, Delo 2639, 49

⁷⁹ Fond 413, Opis 32, Delo 2639, 9

⁸⁰ K-1, Op 58, Kontrabadnoe Delo 47636/73, 291

⁸¹ K-1, Opis 58, Delo 47424/3, 159

⁸² Fond 413, Opis 32, Delo 2639, 183

⁸³ Fond 413, Opis 32, Delo 2639, 182

kontrabanda - "soon, we will have no one to get the job done". There simply were not enough qualified officers to replace the ones already implicated in the contraband business.⁸⁴

Over the period of three years 1979-1981, the Tallinn *tamozhnya* initiated 4.000 investigations pertaining to contraband, their total value: over 2 million rubles. These numbers could be interpreted in two ways. Negatively - the incidence of violations was high. Positively - the relevant authorities were doing their job. The main problem, however, according to the deputy GTU director Matveev, was that the officers chose "the path of least resistance" - they continued penalizing ordinary sailors for small (*melkye*) violations, thence boosting the bureaucratic statistics, while organized crime flourished undisturbed.⁸⁵ A representative case in point was a Yugoslav citizen Radlovic who managed to "satisfy" the customs officers with 700 dollars in cash, which allowed him to smuggle in four guns and 250 units of ammunitions.⁸⁶ The KGB also accused *tamozhenniki* of "being [overly] timid in front of VIP [*mastnye*] foreigners."⁸⁷

Customs and border protection of *Pribaltika* had its own "unique operational characteristics" - in the words of the head of the Tallinn customs office - "that did not exist in any other region of the USSR". In *Pribaltika*, Tallinn was the most exposed hub, he argued.⁸⁸ It was located "in direct proximity of the highly developed countries of the West [and was thus] certainly not the least important target of imperialism." As of 1982, at least sixty organizations, enterprises and institutes based in Tallinn participated in some form of cooperation with Scandinavia, Western and Central Europe. "Each day, the Estonian Society of Friendship with Foreign countries greets 60-70 delegations from 30-35 countries." Tallinn was visited by 360.000 foreign tourists annually, each staying four or five days on average. Given Tallinn's population at the time (450.000), such quantities certainly had an immense influence on the everyday life of the Estonian capital, especially in the summer. Of the 140 cities in the USSR open to international tourism, only four cities - Moscow, Kiev, Sochi and Leningrad - had more visitors, with only Moscow and Leningrad being visited by more 'capitalist tourists' and none having more capitalist tourists per capita than Tallinn. Among *kapturisty*, the neighboring Finns

⁸⁴ Fond 413, Opis 32, Delo 2639, 213

⁸⁵ Fond 413, Opis 32, Delo 2639, 175

⁸⁶ Fond 413, Opis 32, Delo 2639, 177

⁸⁷ K-18, Op 1, Delo 33, 67

⁸⁸ Fond 413, Opis 32, Delo 2639, 59

held a special place. It was the Finish connection that worried the GTU director Primerov the most, as "the strong-connection between many Finish and Soviet citizens" was used to smuggle "all kinds of ideological materials" to weaken the Soviet Union.⁸⁹ In this context, he was surprised to learn that it was a few Finish companies that were awarded the contracts to construct the New-Tallinn [*Novo-Tallinskii*] Merchant Port in 1982. The old port was no longer suitable to serve the growing volume of traffic, granted, but why were the Finns picked to do the job - he wondered.⁹⁰

The perils of the Finish connection are well-illustrated by the case of a fishing boat named *Shwentoin*. The ship, originally based in Klaipeda, was scheduled to undergo a six-month renovation in a Finish dock, sometime in the early 1980s. Such a long stay in a capitalist country combined with the possibility to restructure its internal compartments must have raised many an eyebrow. Even before an official control took place upon the ship's return, "skillful psychological pressure" had been applied upon the ship's captain (named Stasiukevich), following an information received from a *smezhnaya organizacija*: in all likelihood - a secret informer on the ship. Thanks to this operation, the captain admitted on his own that the ship did contain well-hidden contraband, no prior search was necessary: radios, record players, cameras and other wares were all confiscated. "In the end, the captain alone was found smuggling items worth 9.000 rubles. For this kind of behavior, the captain was excluded from the party and demoted. I would have never thought that the customs officials could influence him [the captain] in such a subtle, professional way so that he confessed and gave up all the goods voluntarily, certainly [mistakenly] thinking that his actions would go unpunished." - the GTU director added.⁹¹

JU. S. Sokolov was the director of Tallinn's OKPP (*Oblastnye Kontrolno-Propuskovye-Punkty*), the border checkpoints. He considered the capitalist countries across the other side of the Baltic to be a hotbed of "all kinds of emigrant, nationalist organizations, religious sects and other missionary institutes [sic] that published massive amounts of anti-Soviet literature". Those materials were often simply thrown overboard onto the Soviet ships. In the first half of 1982, 53

⁸⁹ Fond 413, Opis 32, Delo 2639, 208

⁹⁰ Fond 413, Opis 32, Delo 2639, 60, 61

⁹¹ Fond 413, Opis 32, Delo 2639, 107-108

pieces of anti-Soviet literature were intercepted by the Tallinn border control units.⁹² How were the persons responsible for ideological contraband to be identified? Those were usually individuals who "do not come into contact with other passengers, do not drink, do not smoke, follow the proceedings of the border control with agitation, their actions limited, hands shaking" - 23 such individuals smuggling ideologically hostile materials were arrested in Tallinn in the first half of 1982.⁹³

The thirty-mile Tallinn-Helsinki cruise service was an unparalleled basket case, a fomenting source of trouble in a league of its own. This line, according to the Baltic customs director, was particularly abused by "imperialist forces" due to its sheer logistical convenience. A representative arrival of a West German cruiser *Georg Ots*, travelling from Bremen to Tallinn through Helsinki in April 1982, included the following groups: Finish tourists, an organized American tour, a parliamentary delegation from Kiel, individual businessmen, relatives, immigrants, "a Finish religious sect," a Latvian sports delegation, a delegation of the Soviet Academy of Sciences. This varied combination made it particularly difficult for the customs officials to control all the traffic effectively while assuring its smooth flow. Both outcomes were demanded by their superiors. In general, this situation gave birth to a perception that the Helsinki connection was the main channel of 'ideologically deleterious' influence of the West on the entire Soviet territory.⁹⁴

In the late 1970s, the incidence of maritime customs violations in Tallinn had been on a constant rise: 1978 - 34 violations on 21 ships (15.000 rubles), 1979 - 53 on 36 ships (33.000 rubles), 1980 - 61 on 37 ships (55.000 rubles), and in the first half of 1981, already 35 cases on 21 ships (34.000 rubles). Per usual, the so-called *bezhazjajna kontrabanda* [owner-less contraband] was the greatest concern as it demonstrated insufficient infiltration of the ship by the informers and indicated the existence of *krugovaya poruka*, crew solidarity.⁹⁵ In response to those growing numbers, the Estonian Fleet servicemen were prohibited from taking personal bags or even wallets with them as they went ashore in foreign ports. To help prevent further

⁹² Fond 413, Opis 32, Delo 2639, 103

⁹³ Fond 413, Opis 32, Delo 2639, 103

⁹⁴ Fond 413, Opis 32, Delo 2639, 73-75

⁹⁵ Fond 413, Opis 32, Delo 2639, p. 10, 18.

violations, each ship had to establish a "volunteer crew commission" [*obshestvennaya komissija*] and inspect all personal luggage after the ship's return to Tallinn. Maritime transport, by its nature, offered the most conducive conditions for *bezhozajna kontrabanda* to develop, but the Baltic region had the worst ratio in the entire Soviet Union: 40 percent of all contraband intercepted remained 'owner-less'. "It is a frightening sign. [...] It encourages the contrabandists [to carry on and] to hide their contraband in ever more sophisticated ways."⁹⁶

In the Estonian SSR, this unfavorable situation was exacerbated by the particular vibrancy of the two main channels of contraband: from Scandinavia and from North-Western Europe. The inbound contraband channel from Scandinavia thrived on the following goods: jeans, polyethylene bags, silver necklaces and "ideologically deleterious" materials. Outbound: black caviar, alcohol, cigarettes, antiques and art. Western Europe, outbound: fur, silver coins, art and Soviet currency. Inbound: carpets, jeans and car parts.⁹⁷ These channels remained "stable" and "in operation for many years". The five main ports servicing both channels stayed the same for the past few decades: Rotterdam, Antwerp, Hamburg, Bremen and Copenhagen. More recently, they have been reinforced by Stockholm, Porto and in particular: Las Palmas and Santa Cruz on the Canary Islands. Outbound smuggling often occurred "under the guise of Beryozka products".⁹⁸ The Estonian Maritime Fleet serviced many regular cruise lines, with Balt-Levant, Tallinn-Copenhagen, Tallinn-Oslo-Kiel and Tallinn-Stockholm being the main ones. On the last three of those, ships could perform up to five round trips per month, also thanks to the recently constructed Ro-Ro container facilities.

All of those ports mentioned above were serviced by "numerous private stores specializing in supplying the Soviet sailors. This is particularly true of Antwerp and Rotterdam. The owners of those stores [frequently] happen to be of Jewish nationality, they have [recently] abandoned the USSR." Dawitex of Antwerp was perhaps the most popular destination of this sort. The head of the Ventspils Customs Office, W. U. Bartashunas, also blamed the Jewish diaspora of the Low Countries for his *tamozhnya's* problems. *Ustoychivye svyazi* - permanent, stable connections between Soviet sailors and former Soviet citizens of Jewish nationality were -

⁹⁶ Fond 413, Opis 32, Delo 2639, 182.

⁹⁷ Fond 413, Opis 32, Delo 2639, 63

⁹⁸ Fond 413, Opis 32, Delo 2639, 203

in his opinion - the fundamental reason behind the intensity of contraband in the Baltic region. He also claimed to be in possession of information exposing the cooperation between those diasporas and foreign intelligence services.⁹⁹ A representative voyage was organized as follows: the sale of Russian vodka in Rotterdam for Swedish crowns and D-Marks which were then used to purchase Drachmas in Greece, the acquisition of 180 meters of synthetic fabric in Istanbul, return journey to Tallinn, train trip to Armenia and the sale of the fabric for 30 rubles per meter. Total revenue: 5.500 rubles.¹⁰⁰

According to the KGB's own estimates, Belgium and Netherlands housed "hundreds of the so-called maklaki" - intermediaries or brokers. They specialized in keeping a detailed track of the schedule of Soviet vessels and of their "operational regime", i.e. who kept watch and when.¹⁰¹ "The delivery of contraband usually happened under the cover of darkness, when the watch was performed by 'your' man." In those specialized maritime stores, prices were usually much lower than in regular stores. Each store normally employed at least one person who knew Russian. Not infrequently, those shops had Russian large signboards "tovary dlya maryakov"¹⁰² greeting their customers.

Illustrative of those trends is an example of a seaman who sailed with the Lithuanian Maritime Shipping between May 1974 and February 1977. During those 34 months, he visited the following ports: Oxelsund, Luleo, Copenhagen, Rotterdam, Dordrecht, Antwerp, Bremen, Emden, Hamburg, Rostock, Szczecin, to mention just a few. "Together with my peers, we bought goods exclusively in the privately-owned stores, the owners of which spoke decent Russian. All those shop-owners were interested exclusively in business matters."¹⁰³ He visited *magaziny dlya maryakov* in "Antwerpen, Hamburg, Bremen, Rotterdam, Ruen, Dunkirk, Copenhagen, Oxelsund, Venice, Napoli, Athens, London, Montreal and others". "Usually there were at least one or two *maklyaki* who knew Russian and one could thus come to terms with them". Most of

⁹⁹ Fond 413, Opis 32, Delo 2639, 145

¹⁰⁰ Fond 413, Opis 32, Delo 2639, 65-66

¹⁰¹ KGB Vilnius, K-18, o. 1, delo 343, 33.

¹⁰² KGB Vilnius, K-1, 58, 47733/3, p. 72.

The KGB systematically gathered data on all foreign stores that services Soviet sailors, see K-18, Opis 2, Delo 769 --- for a complete catalog of individuals and commercial units in Rotterdam.

¹⁰³ K-1, 58, 47733/3, volume 5, 343.

those shops displaying a banner "Tovary dlya moryakov" offered "prices that were significantly lower on all kind of goods and items".¹⁰⁴

While the Soviet customs administration kept extensive records of what items were likely to arrive from which port or to be hidden in what kinds of compartments, updated those records and acted upon them, intercepting contraband was a truly Sisyphean effort as the ships got ever bigger and more complex and thus the number of caches (*tayniki*): practically infinite. The most difficult ships to control were those adapted to navigating both high seas and inland waters, a situation more common in the Baltic than anywhere else due to the region's geography. Hence, the Baltic ships had the highest number of additional equipment that could be used as a *taynik*:¹⁰⁵

Methods of concealment vary: in the smoking lounge - inside the sofa; in the electromechanical storage room - closed inside a metal bench; in the air-conditioning room - hanging on a hook on a cord with a hook in the air vent under the ceilings; in the locker room - in the space between ceilings and cabinets; in the mechanical storage room - in a bag with clothing; in the shower - under the boxes with glass containers; the storage room - inside the ventilation pipe; in the toilet - inside the ventilation pipe's casing and in the space between the mirror and the bulkhead; in the pantry - in some bags resembling similar food bags already there; in the drying room - in a pipeline casing, passing though a hardly accessible place under the ceiling; in the dirty underwear storage room - in two pipelines that are among the 80 other similar pipelines, in the laundry - in the casing of the washing machine, etc.

The Baltic ports suffered from a related topographical problem. Due to the geography of the coast, especially from Klaipeda northwards to Narva, there were very few natural harbors suitable to allow for undisturbed clearance of vessels waiting in the roadsteads. In Ventspils, for example, out of ca. 200 ships cleared per month, only 2 were cleared in the roadsteads in 1978. "Frequent storms and choppy seas do not permit the customs patrol to enter their [service] boat." Even if the inspection teams made it onboard, there were problems with supplying them with food, the crews apparently unwilling to share. Difficult conditions in the roadsteads made such controls two-three times longer than at berth. During the stormy winter of 1978/1979, one patrol team was forced to spend 48 hours onboard. Consequently, the Baltic ports usually cleared 25 percent (Leningrad) or 20 percent (Kaliningrad) of the incoming vessels in the roadsteads, compared to a comfortable 80 percent in Murmansk or Vladivostok. This fact led to demands to widen the port grounds, which in turn made surveillance more difficult as well as to increased

¹⁰⁴ K-1, 58, 47733/3, volume 5, 72

¹⁰⁵ Fond 413, Opis 32, Delo 2639, 72

pressure on patrol squads to work faster, since the incoming ships often could not afford to wait in the roadstead due to the capricious Baltic weather. On the other hand, the KGB had its own reservations about clearing in the roadsteads as such. The problem was the insufficient "operative control" that could be exercised while the inspection crew stayed aboard for many hours, perhaps socializing too extensively with the crew.¹⁰⁶

Its own kind of problematic category unique to northern ports were the icebreakers. Especially those returning from Canada were fabled to contain legendary volumes of pornographic materials. What the local tamozhenniki found "interesting" was the fact that quite often - those materials were hidden under cover of religious materials, including the Bible. Both categories of items - pornographic and religious materials - belonged to the umbrella category of 'ideologically deleterious' materials.¹⁰⁷ Furthermore, arctic conditions were conducive to a popular kind of smuggling in the North - somewhere in or on the sailor's body. "An overwhelming majority" of smuggling in Murmansk took place under the many layers of clothing that "the owners" were wearing on themselves. Needless to say, this type of contraband could be more conspicuous in more southern latitudes.¹⁰⁸

4. Baltic Division of Labor

4.1. Klaipeda

In 1963, the echoes of Khrushchev's anti-black-market crusade reached Klaipeda. A typical final verdict from that period (ug. delo 2-22, 1963) read: "[d]uring their stay in Klaipeda's merchant port, the sailors of capitalist countries, violating the laws of currency operations, sold foreign currency, speculated with various industrial contraband goods [...]. For that purpose, they have established connections with the insufficiently morally upright youth. Through this connection, they socialized with the ladies of easy virtue, organized binges and debauchery, which creates an unhealthy moral-political situation among the youth."¹⁰⁹ In this particular case,

¹⁰⁶ Fond 413, Opis 31, Delo 9848, 33-36

¹⁰⁷ Fond 413, Opis 32, Delo 2639, 129, 131

¹⁰⁸ Fond 413, Opis 32, Delo 2639, 129, 134

¹⁰⁹ K1, Opis 58, Delo 47424/3, volume 2, 114

"the accused Krawickas, Pranulis, Ulanow and [four] others, while socializing with foreign sailors and calling themselves 'businessmen', purchased foreign currency and contraband goods from them, with which they then speculated to obtain profit. Moreover, Krawickas has turned his apartment into a den [*priton*]. [...] Fedorov and Portnov distributed a foreign magazine with pornographic imagery." The largest illicit operation documented in this case amounted to an exchange of 20 dollars, 60 dollars and sweater bought in Klaipeda for 9 dollars, resold in Kaunas for 20 rubles. No larger sum than 100 rubles was ever mentioned.¹¹⁰ Still, "the court jury consider[ed] it necessary to impose a strict measure of penalty" [...] due to "the considerable amounts of foreign currency involved".¹¹¹ Each of the seven convicts received prison time, including two seven-years sentences in a "a colony of heightened regime", not to mention the confiscation of all property.

Reflecting Khrushchev's sentiments, while "[t]he court jury recognized the mitigating circumstances such as the illness or the first-time crime situation of citizen Pranulis, it has to be considered that his was a serious crime [*tjazhkoe prestuplenie*] [...] and he did not cease his activity even after a warning, but on the contrary - he morally decomposed [further], [despite] having a family, *razputnichal* with the ladies of easy virtue and engaged in souteneur proceedings [*svodnichestvo*]. The severity of the sentencing practice in this sphere continued only partially abated into the 1970s. By 1980, 25.8 percent of sentences for maritime contraband led to prison sentences of three years or more, 35 percent - to public works, 14.4 percent - to suspended prison sentences, 21.7 percent - to a combination of suspended prison time and public works.¹¹²

Germans and Poles were the usual suspects in Klaipeda already in the 1960s, as demonstrated by the Izmailov case (contraband case 47530/3, criminal case no. 240) run by the Lithuanian KGB.¹¹³ Izmailov was a man born in 1946 and active on Klaipeda's black market scene at least since 1962, when he "established a criminal connection with foreign sailors visiting the port city of Klaipeda from whom he had been systematically purchasing nylon jackets, shirts

¹¹⁰ K1, Opis 58, Delo 47424/3, volume 2, 114-115

¹¹¹ K1, Opis 58, Delo 47424/3, volume 2, 119

¹¹² MVT, GTU, BJULETYN OPERATYWNOJ INFORMACJI NO 1 (22), mart 1979 goda, 12

¹¹³ K-1, Op 18, Delo 47530/3

and other items and [then] speculated with these goods." Since 1966, Izmailov worked as a *valutchik* too. Prior to that engagement, he had in fact been *profilaktirovan* [prophylactically forewarned], but could not be sent to jail as he was still underage. However, "he did not cease his criminal activity, quite the contrary, he intensified it, and involved other persons." A frequent crime scene was the *Palanga* cafe, popular among the Swedes.¹¹⁴ In 1967, Izmailov was sentenced to six years in prison (paragraph 87 UG: 4 years and paragraph 164 UG - 2 years), but his sentence was shortened to four years of a labor camp of regular regime.¹¹⁵ The KGB's final verdict spared no harsh words against the local *tamozhnya*, which was to blame for the porous control.¹¹⁶

Izmailov's case is illustrative also because his position in Klaipeda was used by a friend from Kuybyshev, Marina Katkova, who visited the Lithuanian port city regularly. In Kuybyshev, "fashionable clothes are hard to find, or not available at all."¹¹⁷ Furthermore, it included frequent deals with Norwegians and Swedes: clothes were exchanged for vodka in Klaipeda's best restaurant *Neptun* and its best cafes *Jurata* and *Banga*. Playing blackjack after a meal was a favorite recognition sign for the interested strangers, a universal phenomenon across the entire Baltic region. After Izmailov lost 200 rubles in one of the rounds, he remarked: "I do not regret losing money. The Poles will help me out. When they arrive to Klaipeda, I will have the money again."¹¹⁸ Izmailov's key to success was his fluent English, Swedish and German and his extensive friendships with the brotherly Poles.¹¹⁹ The term "businessman" was deployed to describe those among the local who met with foreign sailors on a regular basis, "in particular if they were Polish".¹²⁰ The Poles were notorious for not shunning away from entering into all kinds of deals directly on the port grounds, an impressive act of defiance.¹²¹ They also accepted nothing but hard currency, no rubles whatsoever.¹²² In general, it was plainly visible that Klaipeda's businessmen "were in possession of money in excess of their base salary." Izmailov's

¹¹⁴ DOKU: Postanowlenije o priwleczeniii w kachestwije obwinjajemowo, 10 June 1967 goda, gorod Wilnius, 34, 35

¹¹⁵ Prigowor Imienijem Litewskoj Sowetskoj Socialisticzskoj Respubliki 14 sentjabrija 1967 goda, gorod klajpeda, 70

¹¹⁶ Prigowor Imienijem Litewskoj Sowetskoj Socialisticzskoj Respubliki 14 sentjabrija 1967 goda, gorod klajpeda, 66

¹¹⁷ Protokol doprosa, 14 Ijunija, gorod Wilnijus, Doproso Izmailowa Romana Ibrahimowicza, 72

¹¹⁸ DOKU: Protokol Doprosa, 16 ijunija 1967 goda, gorod Wilnijus, 83

K-1, Op 18, Delo 47530/3, tom 2, l. 3, 4

¹¹⁹ DOKU: DOPROS RAGINISA WLADASA WLADO, 274

¹²⁰ DOKU: Protokol Doprosa, 16 ijunija 1967 goda, gorod Wilnijus, 84

¹²¹ DOPROS RAGINISA WLADASA WLADO, 119

¹²² K-1, Op 18, Delo 47530/3, tom 2, l. 3

official monthly salary was 60 rubles. "Still, he visited restaurants and cafes often, where he spent his money freely."¹²³ The art of the deal, according to certain Wladas Raginis, sentenced to three years, revolved around meeting foreign sailors who were either first-timers in the USSR and/or intoxicated, which promised a higher probability of negotiating a competitive price.¹²⁴ What prompted Raginis to embark on the path of crime? "I wanted to, first of all, buy some nice clothes cheaply, secondly - I wanted to have money for personal expenses and to be able to visit my parents."¹²⁵ He had two sisters from Sverdlovsk who wrote letters asking for a nice coat.¹²⁶ Raginis witnessed Izmailov dealing with foreigners regularly for several years "and somehow he got away with it", "seeing him [do it] - others started to do the same."

"The milieu of businessmen" knew exactly where the foreign sailors were likely to appear. "We followed their path closely as soon as they exited the merchant port, then we awaited their arrival at the "Banga" cafe, next to "Waiva" cinema, the "Klaipeda" restaurant and at other spots. [...] Upon meeting them, we would ask immediately whether they have something to sell. If yes, we would go to dark alleys, gates and corners, where we perpetrated contraband deals quickly and dispersed. [...] I was a student at the Second Double Shift School of the Working Youth. It is located directly next to the prohodnaya of the merchant port. Dolgushev often skipped classes because he would stalk [*karaulil*] foreigners."¹²⁷ The Soviet urban planners could not have predicted that this seemingly coincidental fact of geography could impact negatively the educational process of Klaipeda's youth. Most future businessmen started with cigarettes and aspired to become a currency changer. The dream goal was of course a motorbike. After a few successful operations, Dolgushev and others went to Moscow, "from whence they returned in green nylon jackets [...] purchased with foreign currency".¹²⁸ The desire to impress was stronger than the fear of the authorities, including the KGB. "The businessmen were easy to spot, [because], after all, they put the foreign clothes on by themselves."¹²⁹

¹²³ DOPROS RAGINISA WLADASA WLADO, 118

¹²⁴ DOPROS RAGINISA WLADASA WLADO, 118

¹²⁵ DOKU: DOPROS RAGINISA WLADASA WLADO, 192

¹²⁶ DOKU: DOPROS RAGINISA WLADASA WLADO, 207

¹²⁷ K-1, Op 18, Delo 47530/3, tom 2, 21-22

¹²⁸ K-1, Op 18, Delo 47530/3, tom 2, 23

¹²⁹ K-1, Op 18, Delo 47530/3, tom 2, 188

Altogether, Izmailov's case was complex enough to result in three thick judicial volumes and to provide for over a year of investigations. The several years of criminal activity never involved sums larger than 1.100 rubles. Izmailov's case allows to spot a few more patterns. The gateway moment for most future inmates was noticing "various foreign items, coats, shirts, clocks and other" items worn by their peers, which lead to a suspicion of involvement in the "re-selling business with foreigners". Then came an invitation to join the "business", for example in Klaipeda's *Baltika* restaurant, where a senior businessman would "personally [announce] that occupies himself with [this procedure], and consequently - he can afford binge drinking in the restaurant." And then the newly induced member would be sent on his first mission, which was usually exchanging cigarettes and chewing gum.¹³⁰ From there, the path usually led downhill and eventually: into a labor camp.

As Izmailov's and other cases demonstrate, the most chronic problem in Klaipeda, as confirmed by the head of its *tamozhnya*, was the high likelihood of regular dock workers entering into deals (*sdelki*) with the sailors, also due to the always insufficient number of truly dedicated security personnel. In simpler words: there were never enough Russians so under-qualified as to be willing to work as port security service. On September 18, 1980, for example, three sailors from the West German *Bremer Flagge* were caught offloading jeans and polyethylene bags in Klaipeda, with active assistance of an entire crowd of dock workers. Similar practices occurred after the arrival of the *Bremer Horst Bischoff* in February 1981. In both cases, it was the *smezhnaya organizacija* - the KGB and its informers - that helped to intercept the contraband, "merely partially unfortunately, [...] but it served as good prophylactics."¹³¹

By the mid-1980s, Baltic port cities (including Kaliningrad, excluding Leningrad) serviced about a third of the Soviet foreign trade. With Leningrad included, this figure occasionally exceeded 50 percent.¹³² While Leningrad's status as the number one port of the USSR was never under question, other major Baltic cities: Kaliningrad, Klaipeda, Riga, Tallinn, but also the smaller ports of Ventspils or Liepaja, held a comparable and still considerable

¹³⁰ DOKU: "Protokol doprosa swidzitela, ob-2, 7 dekabnja 1960 r, Pranulis Rajmondas Alfonso, 159

¹³¹ Fond 413, Opis 32, Delo 2639, 108

¹³² Fond 399, Opis 3, Delo 1793, 16-17

second-rank status and regularly serviced similar and considerable amounts of cargo and personnel. The Lithuanian port of Klaipeda, for instance, serviced around 10 million tons of cargo annually in the 1980s, the local *tamozhnya* cleared 37.000 Soviet sailors and 74.000 pieces of hand luggage, excluding *inomoryaki*.¹³³

In 1980, the Baltic ports of Klaipeda, Tallinn and Riga held the highest three places Union-wide (respectively) by the value of the so-called ownerless contraband passing through them. The total value of all-Union contraband confiscated among the crews of overseas-bound ships equaled 425.000 rubles.¹³⁴ While the values were not exactly impressive (from 28.000 in Riga to 42.000 rubles in Klaipeda), their predominance was indicative of the high incidence of *krugovaya poruka* and related phenomena, which often run along the nationalities lines in the Baltic, not unlike in the Black Sea region, especially in Georgia. In a typical case of *krugovaya poruka*, the Russian director of a Latvian *sovkhos* entered into collusion (*sgovor*) with a manager from the *LenFinTorg* (a company servicing Finland, run by the Ministry of Foreign Trade) named Savenko and smuggled "electric organs" [i.e. a synthesizer] and other musical instruments worth 13.500 rubles and cleared them as construction materials. In consequence, Savenko was arrested.¹³⁵ For the Estonians, Latvians and Lithuanians, analogous forms of collusion were also within reach, but usually along a much lower profile. What was also alarming was the fact that the Baltic customs officers and other transport personnel "embarked upon the path of crime on their own [...] and actively sought help from high officials, trying to bribe them with foreign goods and currency. "[T]his was the most dangerous channel that we have to liquidate", insisted the GTU.¹³⁶ To prevent further developments in this direction, a number of officials from the *LenFinTorg* were arrested; others were *profilaktirovonye* as they "were already getting ready to perpetrate such a violation".¹³⁷ Furthermore, the GTU claimed to "be aware of many cases" of young adepts joining the customs academies, with the main headquarters in Riga, the seat of a pan-Union MVD/GTU Academy training future officers, precisely in order to be able to find a source of *netrudovyyj dohod* - unearned, non-labor income.¹³⁸

¹³³ Fond 413, Opis 32, Delo 2639, 115

¹³⁴ DOKU: "O merach po usileniju barby z kontrabandoj w krupnych razmierach i ideologiczeskii wrednych materialow", 49-51

¹³⁵ Fond 413, Opis 32, Delo 2639, 57

¹³⁶ Fond 413, Opis 32, Delo 2639, 184

¹³⁷ Fond 413, Opis 32, Delo 2639, 185

¹³⁸ Fond 413, Opis 32, Delo 2639, 185

Klaipeda in particular suffered from a chronic insubordination of the rank and file Lithuanian customs workers, who got too easily corrupted, according to a Vilnius court sentence from 1969, which enabled their fellow countrymen and seamen to smuggle the contraband goods inland undisturbed. Functional bribes run as low as 70 rubles, which was not much compared to the black market value of a typical contraband shipment of "ca. 3000 rubles: pens, nylon scarves" of the late 1960s.¹³⁹ It is only in the late 1970s, however, that the (registered) sums begin to exceed tens of thousands of rubles.¹⁴⁰ By then, those who did not actively participate in smuggling at a given time, were keen to learn about who does. The non-participating sailor had to be rewarded with 1.000 rubles to keep quiet. "Kazimierchak [the sailor who accidentally learned about his colleagues' operation] deals in contraband himself and while at it - he wants money from others threatening to denounce them"¹⁴¹ The level of crew solidarity was incomparably greater in the neighboring Poland [as my other chapters demonstrate], where Kazmierchak's kind of behavior was absolutely unacceptable in the sailor's milieu. In the USSR, the group solidarity was spoiled by the nationalities problem, which was more skillfully manipulated by the KGB in their divide and rule tactics. Yet this tactic could not always overcome historic ties and new opportunities. Poles and Lithuanian sailors were usually on good terms with each other. In Klaipeda, two Polish ships were particularly notorious in the 1960s: *m/s Rokita* and *m/s Boruta*. All in all, due to the unreliability of the customs administration in Klaipeda, as well as in other non-Russian Baltic ports, it was the KGB that had to carry the bulk of the fight against contraband.

4.2. Kaliningrad, the faithful outpost or a basket case?

Kaliningrad was, after Leningrad and Riga, the third major regional center of customs control in the Baltic region. RSFSR's youngest oblast was added to the *Pribaltyjskoe Bassejnoe Upravlenie* (PBU, the Baltic Waters Administration) in 1953 and was subordinated to the Riga Customs Office, which also included the seaports of Ventspils, Liepaja and Klaipeda.¹⁴² In the 1970s, the city hosted a special customs consultation center, where *tamozhenniki* offered

¹³⁹ K-1, Opis 58, 47589/3, Kontrolno-Nabludatenoje proizvodstvo No 259, 1968-1970, 46-48

¹⁴⁰ DOKU: "O merach po usileniju barby z kontrabandoj w krupnych razmierach i ideologiczeskii wrednych materialow", 45

¹⁴¹ K-1, 58, 47733/3, volume 1, l. 234

¹⁴² KGRAD, Otchiot o rabotije z kadrami Pribaltijskovo Bassejnovno Upravlenija Putii za 1953 god, 2.

consultations for all kinds of seafaring personnel navigating the Baltic. They also published the *Mayak* [Lighthouse] newspaper and distributed it among the crews¹⁴³ as well as a bulletin for party and state organs which reported on "all violations" committed by the employees of all maritime institutions in the Baltic region.¹⁴⁴ As of 1981, the Kaliningrad Oblast stationed 15 independent points of control responsible for customs clearance, employing 50 servicemen. 3.000 overseas-bound ships were cleared by those points annually, including 700 fishermen boats, 300 river boats, 60 scientific and 100 military vessels. This volume of traffic was serviced by 40.000 units of railway transport, 1.500 military trucks, 5.000 shipping parcels delivered to fishing crews at sea, 1.1300 containers for passengers (that separately followed some vessels that were too small to have them onboard). Approximately 120.000 Soviet sailors passed through the port annually, excluding the very large contingent of military personnel.¹⁴⁵

Kaliningrad was a port city and an oblast in a league of its own. It was both a model and a unique *tamozhnya*. Because of the extra investment in terms of personnel and equipment, it enjoyed a reputation of the most bulletproof shipment screening facility in the entire Union.¹⁴⁶ By the 1980s, it boasted the highest number of prizes won at the annual competitions organized by the GTU: 5, followed by Grodno: 4, Brest and Vyborg: 3.¹⁴⁷ On the other hand, it was the only Baltic port closed to foreigners. Therefore, the local officials could focus all of their attention on intercepting the inbound contraband of Soviet seamen. Due to the enhanced resources and solid reputation of Kaliningrad's customs office, it was a frequent practice to unexpectedly re-direct a suspect homebound vessel after it crossed the Danish Straits to Kaliningrad, for the most thorough inspection available in the Baltic.

Despite the "significantly enhanced professionalism" of the inspectors working in the Kaliningrad Oblast and "the growing numbers of the true enthusiasts of their profession, who worked thoughtfully, diligently, with passion to uncover", "the results of the war on contraband were unsatisfactory." Both the selection of ships to be controlled as well as the control itself still included "too many failures." The main problem, the head of the Kaliningrad Customs argued,

¹⁴³ Fond 413, Opis 32, Delo 2639, 18

¹⁴⁴ Fond 413, Opis 32, Delo 1894, 83

¹⁴⁵ Fond 413, Opis 32, Delo 2639, 105

¹⁴⁶ Fond 413, Opis 32, Delo 1894, 83

¹⁴⁷ MVT, GTU, BJULETYN OPERATYWNOJ INFORMACJI NO 1 (22), mart 1979 goda, 37

was that "the contrabandists were studying us [the officers] more attentively than we were studying them, they began to work more professionally than ever before. Out of the 437 contraband cases registered over the past three years, 42 percent of them (186) failed to identify the perpetrators."¹⁴⁸

The most serious systematic failure was related to the closed status of the Oblast. It was caused by the fact that those ships based in Kaliningrad that did not have a permission to visit foreign ports were not controlled upon return. As it turned out many years later, many ships - in particular fishing ships - that were stationed in the high seas, at some point came into contact with those ships that could visit foreign ports. What ensued was rendezvouses that were not registered by the relevant authorities at home. After a few "selective controls on those vessels in the late 1970s, the results unambiguously demonstrated that from now on all the ships had to be controlled, without exception."¹⁴⁹

Special as Kaliningrad was, the contrabandists were aware of its *tamozhnya's* limited resources, they knew that a full surveillance team of three or more inspectors could perform a full search only "rarely". Sometimes, a full search could take an entire day and produced negligible results, such as the search on a scientific-exploratory ship of the *PromRyb* [Fisheries], which yielded fifteen pairs of jeans and two pornographic journals, which did not qualify as *krupnaya kontrabanda* and was thus not rewarded by Moscow.¹⁵⁰ According the head of the Kaliningrad *Tamozhnya*, the "weakest link" was that "no one carried responsibility" for faulty accounting upon reception of imported goods. The seaman's favorite excuse: cargo could not be weighted accurately in high seas. One of the more spectacular cases registered by Kaliningrad in 1980: a *nedomer* [under-measurement] of 400 tons of cocoa, either sold on the black market or delivered to a *Beryozka* store.¹⁵¹

As everywhere else in the Baltic, Kaliningrad's *tamozhnya* struggled with high levels of participation of the merchant navy officers in some of the criminal activities perpetrated by the

¹⁴⁸ Fond 413, Opis 32, Delo 2639, 106

¹⁴⁹ Fond 413, Opis 32, Delo 2639, 114

¹⁵⁰ K-1, 58, 47733/3, ugotovne delo 5/78

¹⁵¹ Fond 413, 32, delo 1894,

crews they commanded. In 1981 and the first half of 1982: 46 officers were found participating in smuggling, including three captains and three doctors onboard.¹⁵² Between January 1980 and July 1982, the *tamozhnya* registered 54 cases of contraband worth nearly 38.000 rubles.¹⁵³ Its director admitted frankly that he did not believe in the effectiveness of "prophylactic-educational work". Only "active interception" and merciless penalization could lead to some results.¹⁵⁴ This statement, uttered publically in presence of many high Soviet officials in Tallinn, many of them from the KGB, was reflective of the barely concealed reserve of some echelons of the Soviet nomenklatura toward communist ideology as such as well as toward its usefulness as an instrument of influencing societal processes. This was particularly true with respect to the 'commanding echelons' of the fleet. Veteran Soviet seamen, world-class professionals whose expertise was not easily disposable, have seen too much of the world to be swayed by a politruk's empty waffle.

What became a relatively new problem in Kaliningrad in the late 1970s were "the speculative tendencies" registered in the automobile aftermarket. By 1979, the port had become one of the main inlets of new and used cars imported from the West. In particular, the city became a regional center of aftermarket parts and second-hand vehicles. According to the *tamozhnya's* chief D. A. Shishkov, that phenomenon was caused by a legal loophole ("Instruction on duty-free import of autoparts...", Point 12.A.) which encouraged some "unscrupulous individuals (especially sailors)" to import car parts "in unlimited amounts" and up to two cars per person. Even in those (ambiguous) cases when the *tamozhenniki* were able to impose tariffs, the cost was "insignificant enough" to allow the flow of automobiles and parts to continue unabated.¹⁵⁵

Nonetheless, Kaliningrad, in Moscow's perception, remained the only truly reliable port and *tamozhnya* south of Leningrad. Stalin's insistence on endowing Russia with an ice-free port in the Baltic in Potsdam in 1945 did turn out to be a prudent move, especially in the cold 1970s. By then, it had become a common practice to re-direct vessels scheduled to return to a different

¹⁵² KGRAD, F 1, Op, 1, Delo 444, 24

¹⁵³ KGRAD, F 1, Op, 1, Delo 444, 25

¹⁵⁴ KGRAD, F 1, Op, 1, Delo 444, 26

¹⁵⁵ 12 Aprelia 1979 goda, 112-II/206, 69-70

Baltic to Kaliningrad first. The Estonian ship *Roshal*, for example, entered the port of Kaliningrad on August 1, 1980, and was found smuggling 186 pairs of jeans worth 15.200 rubles.¹⁵⁶ The subsequent investigation revealed that the initial capital for that purchase had been obtained by smuggling out silver (rate 999), sold in Antwerp. Upon the discovery, the captain admitted that he had a deal [*sgovor*] prearranged with an officer of Tallinn's *tamozhnya*, which failed to bear fruit due the ship's unplanned diversion to Kaliningrad. This case led to a major KGB investigation.¹⁵⁷

The tactic of diverting vessels to Kaliningrad by surprise became widespread in the 1970s. It is exemplified by a complex case of the merchant ship named *Elec*. The vessel left the port of Klaipeda and sailed to Emden and Hamburg in June 1976. On October 23, 1976, the ship returned to Kaliningrad. This journey gave birth to thirteen volumes of the joint ug. delo 26/delo po kontrabandiye 93/76. Upon preliminary inspection in Kaliningrad, the ship was exposed carrying 209 female wigs (100% kanekalon, modacrylic fiber, unflammable, made in Korea) and two balloons filled with "Original TW 1000 Super schutzt Sie" tear gas from West Germany, hidden in the cabin no 89. The illicit cargo was worth 16.720 rubles and its shipment was recognized as a violation of paragraphs 77 and 143 of the criminal code of the Lithuanian SSR. After the preliminary investigation was over, the persecutor decided to upgrade the investigation to the senior interrogator "for particularly important cases" of the investigative department of the KGB by the Council of Ministers of the Lithuanian SSR, lieutenant colonel Linjaskas and his assistant, senior investigator captain Raditis.¹⁵⁸ The KGB's investigation revealed that the *Elec* in fact smuggled 398 female wigs worth 27.860 rubles.¹⁵⁹ All in all, the case involved thirteen convicts, thirteen thick volumes of files, months after months of interrogations and in total: over a year of intensive judicial proceedings.

Upon departure in Klaipeda, the sailor named Nabeev told his comrade Matveevich: "It would not be bad to *otovaritsya* [get some supplies] in Hamburg." Matveevich agreed. Upon departure, Nabeev was in possession 340 DM "earmarked to purchase some goods in Hamburg,

¹⁵⁶ KGRAD, F 1, Op, 1, Delo 444, 32

¹⁵⁷ KGRAD, F 1, Op, 1, Delo 444, 33

¹⁵⁸ K-1, 58, 47733/3, volume 1, l. 3, 5, 93-95, 100

¹⁵⁹ K-1, 58, 47733/3, volume 3, 317.

deliver them back to the USSR and resell them". How did he get the 340 DMs? After disembarking from the *Elec's* previous journey, around midnight, he went to Klaipeda's cocktail bar *Neringa* to get some champagne. There, he met two girls (20-24 years of age), or so he told the KGB, selling DMs 1:1 to rubles. This story was fabricated, it turned out later in the investigation. Nabeev was serviced by professional currency changers whose names became known only in the concluding phase of the investigation. The 340 DMs were hidden upon departure in the kitchen chamber of the ship.

Other items making it out covertly to Hamburg alongside the currency were the staples of Soviet illicit export: icons. Icons could be liquidated easily in the West to obtain the hard currency necessary for the purchases. The crucial step in Hamburg was to make sure there was no informer in the small group (5-7) of sailors who went ashore and that the acts of purchases remained invisible. There were many stores in Hamburg where one could easily communicate in Russian. On average, each member of the small group bought forty female wigs. The ca. two hundred wigs that had ultimately been purchased were delivered by the salesman to the port of Wendel (a northern suburb of Hamburg) at 2am by a microbus. Such arrangements had to be extremely precise, the margin for error was non-existent. As soon as one made it back to the Soviet Union with the goods intact, "pokupatelya vseгда mozhna najtii. [Selling] wigs in Klaipeda presents no problem at all. Sailors are surrounded and solicited by women in stores and other spots in the city [...] If I cannot sell them this way, I would sell them to the komissionyi magazin."¹⁶⁰ Demand was also infinitely flexible for all kinds of AV equipment. A *Grundig* tape recorder that made it from Rotterdam to Donetsk, even if broken, could still be sold for 400 rubles.¹⁶¹

Elec's contraband cargo was hidden in an unoccupied cabin that underwent renovation the previous summer, which guaranteed a complex enough diffusion of responsibility if captured. Everything went according to plan until the crew learned that the ship was not going back to Klaipeda, but to Kaliningrad. The KGB's branch in Kaliningrad belonged to the RSFSR and the Klaipeda's - to the Lithuanian SSR, which was of more importance than a monolithic view of the

¹⁶⁰ K-1, 58, 47733/3, volume 3, 110

¹⁶¹ K-1, 58, 47733/3, volume 3, 255

USSR permits. The communication between the two branches was not always streamlined, to mention just one aspect. The RSFRS branch was to be taken much more seriously, needless to say, also because the local Baltic branches prioritized traditional political-nationalist criminality and deviations, even at the cost of the illicit private economic activity. The two cities also differed markedly in their respective demand and supply equations. Klaipeda boasted an officially recognized commission store [*kommisionnnyj magazin*], right by to the main bazaar in town. In general, a higher level of private entrepreneurship was either tolerated, uncontrollable or both. The *kommisionnyi magazin* was where the sailors went to look for local women interested in purchasing wigs. In this case, one sailor sold 25 wigs 40 rubles each, a return of 1000 rubles for the 100-200 rubles invested.

Nonetheless, Kaliningrad was not entirely immune to the phenomena described in this chapter. Hand-to-hand trade did take place even on the theoretically strictly monitored port grounds. Sometimes, two ladies dressed as laundry service would approach immediately after the sailors disembarked. A few barber shops specialized in servicing the returning sailors, right by the *Atlantika* restaurant. The price per wig in Kaliningrad was also 40 rubles, a sign of pan-Union market convergence.¹⁶² Another hotspot was the *Albatros* bar where one could purchase goods with the VTB checks [bills from the *WneshTorgBank*].¹⁶³ It was not only the petty private trade that crept into the Kaliningrad Oblast through the Baltic. The period of *zastoy* also saw a growing commercialization of the local real estate. Desire "to accumulate some money to purchase a cooperative apartment" was a frequent rationale given to explain one's criminal involvement.¹⁶⁴

[Please feel free to skip forward to the conclusion, the next few pages are very early work in progress]

¹⁶² K-1, 58, 47733/3, volume 1, 210, 213, 216

¹⁶³ K-1, 58, 47733/3, volume 3, 95.

¹⁶⁴ K-1, 58, 47733/3, volume 1, 1, 213. More on this issue, see: KGRAD, Fond 231, Opis 6, Delo 297

5. Cars for Comrades

Soviet *inomoryaki* were given a green light to import foreign cars (*inomarki*) back into the country in January 1976 (*MinWneshTorg* Instruction No 411, November 12, 1975).¹⁶⁵ One car per family after four years abroad was allowed for those who were permanently stationed abroad and in some official capacity connected to a Soviet institution cooperating with a recognized foreign partner. In 1970: 300 cars were imported to the USSR (60 *inomarok*, foreign cars), in 1975 - 427 (69). Brand new *inomarkas* imported by Soviet citizens did not exceed 20 per year prior to 1975: "Soviet artists, cultural figures, members of sport delegations" were the only ones who could dream of such a luxury. By 1978, the number of imported vehicles reached 20.000. The main culprits of this dramatic increase: the Red Army personnel in Hungary, GDR, Poland and Czechoslovakia as well as maritime professions of all kinds.¹⁶⁶ There were two main ports of home-shipment: Szczecin for the military and Antwerp for everyone else.¹⁶⁷

The Kaliningrad-Antwerp line became the main inlet of automobile import in the USSR by the late 1970s. Responsible for this state of affairs were certain peculiarities of Belgium's registration system: the country did not require the originals, merely copies of the car's title and registration, which made them easier to falsify. By 1978, Kaliningrad's *tamozhnya* registered a rapidly growing flow of cars purchased in Belgium and shipped from Antwerp. Only in February 1979, 30 *inomarki* from Antwerp were cleared through Kaliningrad's port. After a series of exchanges with the Soviet consulate in Belgium, the falsification problem became identified as the root cause. The scandal reached the Soviet consul general in Belgium and the director of the GTU in Moscow as well as top officials of the *MinWneshTorg* and *MinMorFlot*. It threatened to reach the diplomatic surface. Needless to say, by 1980, the general secretary's penchant for foreign limousines was becoming recognized worldwide. It could certainly become deleterious to the USSR's prestige if that fact could be somehow linked to the recent increase in the purchasing power of Soviet seamen in Belgium. The GTU authorities could not do much, however, since

¹⁶⁵ Also: "Instrukcija o porjadkije tamozhenovo kontrolija za avtomaszynami, prinadlezhashymi licam, sledujushym cherez gosudarstvennuju granicu SSSR, vvvedennoj w dziejstwije z janwarja 1976

¹⁶⁶ Fond 413, Opis 31, Delo 9848, 24-26

¹⁶⁷ Spravka o nekatoryh vaprosach, kasajuszichsja dziejatelnosti konsulskich i tamozhennyh uczrezhdenii", 15 VII 78, 28-31

they had no influence on the internal regulations in Belgium and thus the practice continued because it remained nominally legal.¹⁶⁸

By late 1979, the *MinMorFlot* realized that the phenomenon of maritime car import became "practically uncontrollable." According to a *MinWneshTorg* regulation, the Soviet *inomoryaki* had to pay a much higher tariff for imported cars older than four years. Consequently, "illicit *sdelki* with foreigners" proliferated. The goal was to obtain "falsified documents" that would conceal the true mileage and value of the cars. Other sailors imported vehicles not for their own personal use - as the regulation specified - but "for the purpose of speculation", leading to an "unhealthy air of agiotage, marring the honor and dignity of Soviet sailors." Intermediaries quickly appeared abroad and at home, all specializing in supplying the Soviet sailors, not refraining from dealing in "stolen and crashed cars." This situation was a result of insufficient market research on the regulations and aftermarkets in foreign countries - the Soviet sailors were learning faster than their state. Apart from the prestige damage incurred, "the moral and political harm to the good name of our maritime transport and the Soviet state", the vibrancy of the automobile market led to a series of "negative press publications" reporting on the recent activities of Soviet sailors in Western Europe. "This phenomenon has recently become of interest for the foreign organs of police, secret services and various other organizations hostile to us." This led to a temporary halt of the practice. New instructions were issued in 1981: one had to work at least for five years as a sailor and possess a "positive professional and moral-political qualities", purchase a car only under the personal watch of a captain, only in the countries where information about the prices and conditions of purchase were known".¹⁶⁹

6. The Germans

The single most dangerous, potentially subversive national element in the Baltic was its large group of former, and the much smaller group of current, German residents. This applied particularly to Szczecin, Gdańsk, Kaliningrad and Klaipeda, of course, but was also a common

¹⁶⁸ Fond 413, Opis 32, Delo 475, l. 93-116

¹⁶⁹ Fond 413, Opis 32, Delo 482, 253-255

set piece of KGB's analysis in the more northern ports as well, which, even if not politically a part of the German world since the Middle Ages, housed millions of Baltic Germans before World War II. Those Germans who somehow managed to survive and remain in their homelands by the 1960s, began to be perceived by the KGB no longer as obvious targets for another wave of deportation or emigration, but more as a "bourgeois relic" and consequently: a convenient scapegoat for all kinds of negative phenomena. This applied particularly to the officially non-existent phenomenon of prostitution. The Baltic Germans were regularly accused of being in a habit of "implicating underage girls" and for offering *prisons* - criminal dens where "libertine activity" [*rasputnichanie*] of Soviet citizens was underway.¹⁷⁰ The "citizens of German nationality", such as a certain woman named Kurshite living in Kretinga, were suspect by definition. They were seen as potential collaborators with the subversive West German operations and as major carriers of hard currency,¹⁷¹ especially if they were known to "have rich relatives" who send packages from the FRG "with foreign currency, which they [then] deposit in a bank." "I have deduced that he might have foreign currency and decided to do some reconnaissance" - a Lithuanian hard currency dealer confessed in the 1960s.¹⁷² His deduction turned out to be true, gulden and pornography was found upon his own and later: a KGB inspection.¹⁷³ Memel's suburb of Krettingen (in prewar nomenclature) was not only not purged thoroughly enough after the war, but also: some West German sailors were often able to navigate the cities they knew from their youth quite well. For example - Bernard Cibulinski (born in 1924 in Königsberg), was captured spying in Klaipeda 1986. Unusually, he was "capable of finding his way alone in the city" and of spotting the shipyard and the piers where the Soviet Baltic Fleet was stationed.¹⁷⁴

By the 1970s, the West German BND was considered the most challenging counterpart in the Baltic by the KGB. The West German intelligence agency was known to conduct a "deep and comprehensive study of Soviet seamen, [to] monitor their fulfillment of service duties, [to] study

¹⁷⁰ Postanowlenije (o predawlenii obwinienija), gor Wilnijus 18 maja 1963 goda, 276

¹⁷¹ Postanowlenije (o predawlenii obwinienija), gor Wilnijus 18 maja 1963 goda, 275

Another case: Komitet Gosudarstvennoj Bezopastnosti Goroda Klajpeda ot Ulanowa S.I. prozyw. w Klajpedze, ul. Szwiturino, d. 6, kw 22, 300.

¹⁷² Komitet Gosudarstvennoj Bezopastnosti Goroda Klajpeda ot Ulanowa S.I. prozyw. w Klajpedze, ul. Szwiturino, d. 6, kw 22, 300.

¹⁷³ Komitet Gosudarstvennoj Bezopastnosti Goroda Klajpeda ot Ulanowa S.I. prozyw. w Klajpedze, ul. Szwiturino, d. 6, kw 22, 302.

¹⁷⁴ Spravka no 1986, 166.

their collegial relationships their attitude to the management, [to] register various mistakes in their work, violations of financial discipline, etc. The enemy attempts to use the accumulated materials for [the sake of] provocation and blackmail, thus trying to exert psychological pressure on our people, intending to force them to collaborate."¹⁷⁵ According to the KGB's "operative data", the captains of the West German ships that have visited Soviet ports were required to submit a quarterly report about the work and behavior of their crews in those ports. "Each sailor, for the past 3-4 years (1981-1985), who goes on leave, has to submit a similar verbal report about his vessel and the captain." Each foreign sailor who appeared on the BND's radar had his own file, just like in the KGB.¹⁷⁶ The generally increasing clout of West Germany was also reflected on the black market side of the coin. By the 1980s, D-Marks have actually supplanted dollars as the number one 'hard currency' supplied for the black market in Poland: they constituted 18 percent of the intercepted incoming currency contraband versus 17 percent claimed by US dollars. In the USSR, the dollar was still the number one hard currency (31 percent), but the fraction of D-Marks reached 12 percent in 1979 and was rising fast.¹⁷⁷

By the early 1980s, West German ports became particularly notorious for being a source of all kinds of contraband, including weapons, explosives and pornography. In typical examples, the *Novomoskovsk* delivered industrial amounts tear gas from Bremen in 1981, the *Warnemünde*: unprecedented numbers of pornographic magazines from Hamburg in 1982. FRG-bound ships were also notorious for the highest incidence of *bezchazyayna contrabanda*. "Those criminals used practically all spaces which could be accessed: the dining hall, the smoking room, various agricultural and industrial cargo rooms, changing rooms, shower rooms and other." With the Polish ships largely out of business in the Soviet Union in the first half of the 1980s, it was the West and (to a lesser extent) East Germans who carried on the legacy. Even more dangerously for domestic stability purposes, the German ports of Kiel, Bremen and most importantly: of Hamburg, became a popular byword for a different, better life in the West, not only in East Germany, but all across the communist controlled Baltic.

¹⁷⁵ Spravka 182, 1985, l. 58.

¹⁷⁶ Spravka 182, 1985, l. 59.

¹⁷⁷ "Doklad ob obmenije opytom barby z kontrabandoy waljuty, blagorodnykh matallow i izdelii iz nich" (1980, undated), 23-24

7. The fatal Polish link

The Tallinn meeting of August 3-5 ended, appropriately, with a balanced mix of *samokritika* and scapegoating. There was only one issue more commonly discussed than the Jewish diaspora and the CIA: Poland. "It is true, that is indeed how it was. The Poles occupied themselves with contraband almost everywhere, through all channels. [Targeting them individually] was easier than to inspect ships or cars," complained the director of the GTU.¹⁷⁸ The dawn of Solidarity and the Martial Law changed the rules of the game completely.

The most noticeable trend that most of the speakers at the Tallinn conference remarked on was the fact that -- after the explosion of *Solidarność* in August 1980 and the resulting travel restrictions for Polish citizens -- the number of various trafficking violations committed by Polish citizens fell dramatically, even if the Poles could already be seen substituted by others. A.W. Kozlov, the director of Leningrad's Customs Office, which dealt with 16 million tons of maritime transport yearly, reported that in 1979-1980, 40 percent of all contraband violations were committed by Polish citizens. "In 1981, when such contacts did not occur, the total volume of maritime contraband fell as well."¹⁷⁹ Similar trends were registered by the *tamozhnya* at the Pulkovo Airport, where contraband cases perpetrated by citizens of capitalist nations grew (1979 - 72, 1980 - 109, 1981 - 175) and socialist nations fell: (210, 209, 181 respectively): "it is largely to be explained by the sharp decrease in passenger traffic with the PNR."¹⁸⁰

Even in the remote Arctic port of Murmansk, Polish citizens were by far the most numerous group of violators. In 1979, out of the 70 cases of contraband registered, 52 were committed by them. In 1980 - 85 out of 152, even in 1981 - 55 out of 96. Altogether, in those years, the Polish sailors were caught smuggling currency and items worth nearly 40.000 rubles in Murmansk. They belonged, together with the Bulgarians, to the usual suspects.¹⁸¹ One of the bolder smugglers, a senior mechanic on the Polish vessel *Paweł Kajkow*, transported various

¹⁷⁸ Fond 413, Opis 32, Delo 2639, 209

¹⁷⁹ Fond 413, Opis 32, Delo 2639, 33

¹⁸⁰ Fond 413, Opis 32, Delo 2639, 150

¹⁸¹ Fond 413, Opis 32, Delo 2639, 126

shirpotreb (general consumer goods) worth over 5.138 rubles, all hidden in "quite sophisticated *tayniki* spread all around the ship's many compartments."¹⁸²

What Polish citizens were particularly skilled at was establishing permanent contacts with the local populace in order to facilitate their illicit operations. In August 1980, two sailors from the m/s *Górnik* (miner) were intercepted carrying four bags with 72 pairs of jeans that they tried to smuggle out through a hole that had been prepared in advance by the local *farcovshiki*. They were betrayed by the fact that as soon as they disembarked, they started walking in the direction directly opposite to where the customs gate was located. Other Poles were particularly skilled at observing the *tamozhnya's* regime of work, registering the timing of shift rotations and other potentially helpful regularities. When one of them was intercepted smuggling 1.000 rubles exactly at the scheduled time, he angrily replied "that according to his calculations, there should be no control at this point in time."¹⁸³

Another serious problem was that the *tamozhnyas* bordering with Poland (and not only) "have learned their profession on [i.e. thanks to] the Polish contraband. After this channel had been closed, they [the *tamozhnyas*] lost their bearings and tried to look for new channels, which had been beyond their control so far."¹⁸⁴ As the discussion at the Tallinn conference demonstrates abundantly, the Polish context is necessary to understand why the meeting took place in the first place and why in Tallinn. The disease of Solidarity, born in the Baltic port cities, could certainly become seaborne, and the recognizable symptoms could already be seen developing along the Soviet Baltic in the 1970s. Thus the Polish problem was twofold. Retrospectively, Poland had been ultimately confirmed as the trouble child of the Soviet Bloc with enough potential to destabilize the neighboring countries and republics. Forward looking: the Martial Law introduced in December 1981 and other travel limitations introduced already in 1980 had set in motion an entirely new pattern for travel, tourism, foreign trade and everything else logistic in the heart of the Soviet Bloc. Everything had to be researched, intercepted and regulated anew.

¹⁸² Fond 413, Opis 32, Delo 2639, 132

¹⁸³ Fond 413, Opis 32, Delo 2639, 135

¹⁸⁴ Fond 413, Opis 32, Delo 2639, 175

The awareness of the Polish penchant for contraband had long been common knowledge among the Soviet authorities by 1980. Before the birth of Solidarity and the ensuing travel limitations, Polish citizens were particularly detested for taking advantage of the new customs regulations for the 'brotherly' cruise liners visiting Soviet ports. Those regulations freed the brotherly nations from filling out customs declarations on everything else apart from currency. In consequence, jewelry and precious stones could be brought to the USSR without registration in carry-on luggage, an unacceptable state of affairs, according to the head of the Leningrad customs office.¹⁸⁵ In 1980, the cooperation and sharing of information between Poland and the USSR was particularly intensive. Between June 1 and 10 August, the authorities of both countries cooperated very closely in controlling the flow of Olympic traffic, both ways. The Polish authorities were responsible for "a full inspection" of all traffic, including postal traffic, from Poland to the USSR. Full inspection meant a full bodily inspection of all passengers on any vessel (land, air, sea) on all possible entryways from Poland to the USSR. Earlier, in March, just a few months before the strikes of August, a congress took place, incidentally, in Gdańsk. The Polish *celnicy* and Soviet *tamozhenniki* discussed various "practical issues of cooperation" during the Olympics, especially on the maritime front.¹⁸⁶

However, the first six months of 1982 had demonstrated that the *cordon sanitaire* now firmly established around Poland did not do much to alleviate the perennial problems of the Soviet economy, of which contraband was just one among many symptoms. As the data from the Leningrad's *Tamozhnya* demonstrates, 40 percent of contraband violations had been perpetrated by Polish citizens before 1981. The ratios were much higher at the control points bordering with Poland directly. The city of Brest, directly along the Moscow-Berlin route, was the busiest Soviet border control point after the Sheremetevo airport. The incidence of Polish-related cases there varied between 60 and 80 percent in the 1970s.¹⁸⁷ Other *tamozhnyas* got both "distracted and used to the Polish contraband" to such a degree that they eventually became "satisfied by it" - intercepting traffic from Poland became a bulletproof way to satisfy the required quotas of violations. However, as the Polish traffic dramatically decreased after December 1981, the numbers fell equally dramatically initially, but soon began to approach the pre-1980 levels.

¹⁸⁵ Fond 413, Opis 32, Delo 2639, 42

¹⁸⁶ Fond 413, Opis 32, Delo 478, l. 34.

¹⁸⁷ Fond 413, Opis 32, Delo 31, l. 21

Ominously, the new violators came increasingly from the capitalist countries - "the greatest dangers for our state." The conclusion drawn by the GTU was that the rank and file controlling the Polish border had been satisfied with catching low-level [*melkye*] crimes prior to 1980, while organized crime was left untouched.¹⁸⁸

At the twenty third conference of the chiefs of socialist National Customs Services in the summer of 1982, the head of the Polish Main Tariffs Bureau [GUC] informed his socialist colleagues that "in consequence of the well-known limits introduced in international passenger travel in their country, the number of criminal investigations [launched by his office] declined by 70 percent."¹⁸⁹ Earlier, 67 percent of violations were committed by Polish citizens, 15 percent - capitalist citizens, 6 percent - citizens of other socialist nations, 12 percent fell victim to the *beshozjajnaja kontrabanda* [ownerless contraband]. Tellingly, only 7 percent of the currency contraband was committed in socialist currency. Among the capitalist citizens, West Germans and Swedes were the two main national groups of perpetrators.¹⁹⁰ With Poles effectively (but temporarily) kicked out of the socialist *lager*, the burden of supplying Soviet citizens with the *deficit* had to be carried on by others. In this context, the role played by the Scandinavian and especially: the West German traffic, steadily grew in importance in the 1980s.

8. Conclusion [Just a sketch of the general direction, provisional]

Maritime contraband had always been a core part of the underground foreign trade in and out of the Soviet Union. It accounted for 10-20 percent of all contraband intercepted in the 1970s, but its real contribution must have been higher as it had the lowest detection rate. In 1980, the number of all detected maritime contraband cases in the Baltic region was 1.630 (655.000 rubles), which constituted ca. 6% and 4% of all-Union contraband cases in numerical and value terms respectively. This figure grew to 8% and 5% in 1981 and was equivalent to roughly half of the maritime contraband detected in the Soviet Union.¹⁹¹ In 1982, 13 percent of all detected contraband in the Soviet Union was perpetrated by sailors and 17 percent of the ownerless

¹⁸⁸ Fond 413, Opis 32, Delo 2639, 176

¹⁸⁹ Fond 413, Opis 32, Delo 2640, 152

¹⁹⁰ Fond 413, Opis 32, Delo 2640, 159

¹⁹¹ Fond 413, Opis 32, Delo 2639, 97

contraband was their doing. 33 percent: foreign tourists, 28 percent: international students, 13 percent: Soviet officials on a foreign *komandirovka*. The ranking of capitalist tourists by number: Finland: 9%, Syria 8%, Greece 7%, FRG and USA - 4 percent.¹⁹² It has to be admitted, however, that while the Soviet Baltic was an important inlet of contraband and a permanent source of trouble, its underground had to acknowledge the unquestionable primacy of the Black Sea.¹⁹³ Odessa alone intercepted more contraband than all the Baltic ports combined in 1971-74 and 1977.

Odessa, however, was not a city in an independent state in the interwar period and was not affected by the Ribbentrop-Molotov Pact. *Pribaltika* had always been recognized as a potentially more destabilizing element and this was especially true after the birth of Solidarity in Poland. This area was also important strategically because of the intensity of the German exposure, both past and present [as shown in other chapters]. Black Sea usually meant tourism, leisure and spectacular (yet rare) cases of contraband of gold, silver, art or jewelry. The Baltic was more of a workhouse, a regular importer of *shirpotreb* with inexhaustible supplies of hard currency from the neighboring capitalist countries, with the D-Mark becoming dominant in the 1980s. From a political point of view, the workhouse of the Baltic was potentially more problematic not only because of its well-known nationalities problem. It was such because Istanbul had never been perceived as a 'near-abroad' potentially as alluring as Stockholm, Copenhagen or Hamburg.

What is remarkable is the degree to which some KGB officials used the language of 'capitalist' economics to capture the kind of reality they were facing already in the 1970s. "The war on contraband [*barba s kontrabandoj*] could not be successfully waged without taking into account the business cycle [*koniunktura*]. As it is well-known, *koniunktura* is determined by demand and supply, both on the domestic and foreign markets."¹⁹⁴ Those were the words of a senior KGB official stationed in Vilnius in 1973. It is also interesting that, already in the 1960s, the *farcovshiki* in Klaipeda insisted on calling themselves "businessmen" when they socialized

¹⁹² Fond 413, Opis 32, Delo 2640, 179-181

¹⁹³ E.g. See: Bjuletyn No 3 (20), August 1978 goda

DOKU: "Aktualnyje voprosy tamozhennovo kontrolja w morskich i rechnyh portach" (28)

Bjuletyn No 3 (20), awgust 1978 god

¹⁹⁴ Fond 413, Opis 32, Delo 2639, 63

with *inomoriaki*, the foreign sailors.¹⁹⁵ At the same time, the politically correct approach to such phenomena could not yet deviate from the Marxist-Leninist orthodoxy in public. For example, the profit from smuggling wigs from Western Europe and selling them on the black market was considered a *netrudovoj dohod* - a non-labor, unearned income. This peculiar term was a direct legacy of the original Marxist-Leninist approach to trade as such. All the endeavor, movement and risk it took to supply Soviet citizens with goods that satisfied their needs did not count as work. But Marxism-Leninism was on its way out in the 1970s. To understand the genesis behind the explosion of 'violent-entrepreneurship' in Russia after 1991, studying the incomparably more peaceful Soviet underground economy is absolutely essential.

[As suggested in the Polish chapters] Maritime contraband exacerbated the inherently problematic issue of social stratification in the motherland of world communism. It happened to be particularly acute in port cities for all the reasons described in this dissertation. Soviet Klaipeda, for example, had always struggled with her irredeemable dock workers constantly stealing imported citrus fruit, not in the least because everyone knew that maritime managers, sailors and their friends consumed them on a daily basis. "They cannot be purchased in stores, and I wanted to bring some for my children" - said a woman who stole 1.5 kg of oranges from a port depot in 1977 and was fired from work.¹⁹⁶ In Kaliningrad, in a typical month of May 1977, 17 kg of pineapples and 170 kg of oranges were stolen from port depots. In June - 82 kg of oranges and 49 kilograms of meat. In a record theft of 1973, over 1.000 kg of oranges were stolen. "A major part of the stolen goods" was never seen again. The same problem applied even more urgently when it came to such consumer delicacies as stylish clothes and cosmetics, not to mention the ultimate trophy: *inomarkas*. In the final analysis, the regime's strategy of importing such delicacies for select groups of Soviet citizens backfired because it undermined the egalitarian ideology and was noticed by ordinary citizens, especially quickly in port cities. As this chapter demonstrates, even high school students in Klaipeda were perfectly aware that there were distinct classes of consumption available in the Soviet Union. While it was perhaps true of the entire period between 1917 and 1991, by the late 1970s it was not so much the heroes of socialist labor who enjoyed the deservedly exquisite fruits of their labor, but it was increasingly the people from

¹⁹⁵ K1, Opis 58, Delo 47424/3, 114-115

¹⁹⁶ Klaipeda, Fond 539, Opis 2, Delo 231

the margins, the same people who had been under a permanent ideological pillory and (theoretical) social ostracism. In the author's opinion, the processes captured in this chapter did at least as much to undermine the ideological robustness of the system as any other.

In 1987, eighteen years after the release of the *Brilliantovaya Ruka*, the Soviet film industry was assigned a new mission on the contraband front. This time it was not the sunny shores of the Black Sea, it was the dark winter nights of Leningrad. It was not a comedy, but a documentary, *Valiutchiki* - its title. There was no happy ending, but fifteen years for the gang's boss Mikhail Dahia and over a hundred prison sentences for his fellow *farcovshiki*. In 1993, Dahia was released. The *Beryozka* stores were no longer there and one did not have to encounter a foreign sailor or a Finn to obtain currency. But he quickly returned to his old ways, choosing the energy sector this time around. Dahia was shot dead in St. Petersburg by a sniper on December 29, 1999, a clear headshot from a very large distance. He was rumored to have angered the wrong kind of people in the oil business.

While his story cannot be told here, the documentary is worth watching. It was the KGB's last stand on the contraband front, still true to the Dzerzhinsky spirit. As of 1989, *farcovka* was still a serious crime and an official term used in internal KGB communication.¹⁹⁷ But there would be no more battles with the old-school black market. The attention had already been switched to a new occurrence: the co-ops. For example: the newly-created, Leningrad-based *Morskoe Perevozki* was already subjected to a KGB investigation. In 1989, Leningrad's RO UKGB initiated a case entitled "Criminal activity of officials in the economic sphere" directed against the management of the co-op. The company purchased two vessels from the PO *Litrybprom* for *ostatochnaya stoimost lkak metaloloml* [residual value, scrap-metal]. The persecution was supervised by colonel W. A. Epimahov, the head of Department IV of the KGB of the Lithuanian SSR. According to his verdict, both vessels (MRTR-254 *Lukstas* and SRTMK-8124 *Menkar*) were in a fully operational condition and their nominal value was over 40.000 rubles while their "actual value" was over 200.000 rubles. "For the organization and execution of this deal the deputy director of PO *Litrybprom* has received a bribe".¹⁹⁸ A justice from

¹⁹⁷ Sekretno, egz 2, Naczalnik OKGB Lit. SSSR po g. Klajpedzije i LMB, polkovnik W. Ju. Stropus, 27 najabra 1989 goda, 6.

¹⁹⁸ DOKU: "Spravka w otnoshenii Koptewa N.I.", Sekretno, 18/1367, 20 XI 89, 8

Leningrad's RO UKGB V.V. Strelkov also reported on receiving a bribe from the deputy director of *Litrybprom*, N. I. Koptev, a resident of Klaipeda and a member of the CPSU. "On the basis of the above-mentioned facts, it can be stated that this contract has been signed and executed in order to steal state property by means of deception, which inflicted serious damage on the state."¹⁹⁹

A few year later, the old enemies would become allies. Before that happened, in August 1989, the KGB was still fully operational. In their spare time, the Lithuanian branch surveyed their records. Following the decree no. 00185-79 issued ten years earlier, the 1989 *delo specproverki* surveyed the ten operational group of the KGB stationed in what was becoming the Baltic States. Their files contained ca. 33.000 separate *orientirovki*, customized individual files held on sailors, domestic and foreign. Roughly half of them were no longer in service, but the other half - still at sea. On average, 2.500 new files were added to the records each year, with each 'inactive' file archived for up to 10 years.²⁰⁰ Whatever happened after 1991, it cannot be said the Committee for State Security had not taken its former task seriously.

¹⁹⁹ DOKU: "Spravka w otnoshenii Koptewa N.I.", Sekretno, 18/1367, 20 XI 89, 9

²⁰⁰ K-1, op-46, d. 964, p. 2