Illegal, Anti-Socialist and Petty Bourgeois: How Maritime Smuggling in the Baltic Undermined the Soviet Economy

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SUMMARY

In 1945, cross-Baltic commercial links, damaged by World Wars, the Great Depression and protectionism of the preceding decades, appeared broken beyond repair. Long before 1945, the Baltic had already been dismissed as a place where regional economic integration, though perhaps impressive in the sixteenth century, had been steadily declining ever since. The Cold War era ushered in new kinds of barriers that further disintegrated what had once been a common market. By the 1950s, the Baltic's role as a shared marketplace, the way it functioned at the zenith of the Hanseatic League, reached a nadir.

Amidst the Cold War freeze, signs of grassroots cross-Baltic economic exchange could hardly be spotted. They remain neglected in current historiography as well. During the Cold War, only Matti Männikkö and Klaus Zernack wrote a transnational, region-focused history of the Baltic. In light of access to new sources, the old wisdom needs to be revised, and the issue of unofficial trade in the Baltic during the Cold War should be restored to its proper place in historiography.

Black marketeers remain the unsung heroes of a special kind of resistance to the communist economic order. Most scholarly attention has so far been given to the so-called "commercial tourism" on the European continent, with the maritime channels receiving only scant recognition. I argue that it needs to be acknowledged that Soviet Bloc sailors, many of them Baltic-based, were among the pioneers of trans-Iron-Curtain exchange, both legal and illegal.

This article is based chiefly on the records of the Soviet secret police and other organs of state repression. It relies mostly on the KGB Archive in Vilnius and the Russian State Economics Archive in Moscow. The first part the article focuses on outlining the evolution of maritime smuggling practices in Lithuanian Klaipeda. The second part sketches an overview of the same phenomena in their most advanced condition, in the early 1980s, both in Klaipeda and across the entire Soviet Baltic. Despite the inherent distortions of such a view, generated by executives of a police state, these Soviet records nonetheless constitute one of the best sources of information about practices that were meant to leave few traces behind.

KEYWORDS: Baltic, Cold War, trade, contraband, Klaipeda, Soviet Union, KGB

1 Introduction

With the arrival of the railway in the nineteenth century, the importance of sea routes seemed to be destined for decline. By 1914, most Baltic cities had had their logistical profile reoriented in line with the geopolitical, logistical and economic priorities of their respective national and imperial centers, predominantly those of Wilhelmine Germany and Romanov's Russia. With the opening of the Kiel Canal (1895), which shortened the sea journey from Hamburg (North Sea) to Lübeck (Baltic) by some 300 miles, the special logistical position of Denmark (in particular) and Scandinavia (in general) seemed to be relegated to the annals of history. Furthermore, as put by a leading regional expert in the 1990s, "the role of the Baltic Sea as a connecting medium was reduced and the whole area became a zone of weakness in the European geographic system."[1] This was also the conclusion reached in 1950 by the German economic geographer Walter Christaller in his essay *Das Grundgerüst der räumlichen Ordnung in Europa*. According to Christaller, the Baltic Sea has largely always been a borderland that has separated, not united, four distinct regional and cultural systems: the German, the Polish-Baltic, the Russian and the Nordic.[2]

By the time Christaller published his essay, the Cold War had further widened the gap between the northwestern and the southeastern shores of the Baltic. In 1945, it looked like the ancient regional ties and links, already badly damaged by the First World War, the Great Depression, trade wars, protectionism and economic nationalism, were broken beyond repair. Even without the destructive and disintegrative effect of both World Wars, the Baltic region had been long neglected as a "Nebenschauplatz der Geschichte".[3] This somewhat patronizing view of the region can also be detected in some of its English-language historiography.[4] Following the disruption and destruction of the first half of the twentieth century, the politicians who lowered the Iron Curtain upon the European continent, not only southwards to Trieste, but also north of Szczecin, proceeded to erect all kinds of tangible and intangible barriers that further disintegrated what had once been a common market, even if the ties had already been more fragile in 1913 than

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1 JAN-HENRIK NILSSON: Economic Development and Communication Networks in the Baltic Sea Area, in: MARTIN ÅBERG, MARTIN PETERSON (eds.): Baltic Cities: Perspectives on Urban and Regional Change in the Baltic Sea Area, Lund 1997, pp. 43-73, here p. 71.

2 WALTER CHRISTALLER: Das Grundgerüst der räumlichen Ordnung in Europa: Die Systeme der europäischen zentralen Orte, Frankfurt am Main 1950 (Frankfurter Geo–graphische Hefte, 24,1), pp. 68-75.

3 JÜRGEN VON ALTEN: Weltgeschichte der Ostsee, Berlin 1996, p. 10.

4 For a recent attempt to reclaim the region's position in world history and historiography, see MICHAEL NORTH: Geschichte der Ostsee: Handel und Kulturen, München 2011. For other similar attempts, see DAVID KIRBY: Northern Europe in the Early Modern Period: The Baltic World 1492-1772, London 1990; IDEM: The Baltic World 1772-1993: Europe's Northern Periphery in an Age of Change, London 1995.

in the golden days of the Hanseatic League and the Renaissance. By the 1950s, the Baltic's role as a shared marketplace reached a historic nadir.

In the postwar period, the Baltic remained a backwater of world history, but due to the intensifying Cold War standoff, it unexpectedly assumed a new significance. It turned into a shatter zone of superpower confrontation.[5] Amidst the fog of war and the smokescreen of maneuvers, low-profile economic exchange at grass roots level (intra-region and across the Iron Curtain) could hardly be spotted by contemporary observers. This was also due to the simple fact that they were not meant to be seen, because they were illegal, underground (occasionally, literally, underwater), politically incorrect, or, as was usually the case, some combination of the three. Those cross-national undercurrents remain largely neglected in historiography as well. In 2010, Lars Fredrik Stöcker observed that "so far there has been no attempt to study the Baltic as a region transcending the Iron Curtain, or to examine the various transnational threads. This reflects the fact that the contemporary perception of the Baltic during the Cold War as a kind of non-region, or as a region with merely historical significance, is still prevalent in current historiography."[6] He adds that, due to the geopolitical reality of divided Europe and the hostile political discourse between East and West, an integrative view of the region as a whole hadn't been an option.[7]

During the Cold War, virtually only two scholars, Matti Männikkö and Klaus Zernack, attempted to write a transnational history of the Baltic.[8] However, even they agreed that the region was at the time more fragmented and insulated than ever before. In the 1990s, this gloomy picture began to change. The Baltic "was no longer regarded as a total and exclusive unit but instead it was described as a meeting-place,"[9] noted Zernack's students such as Stefan Troebst and Ralph Tuchtenhagen.[10] In light of access to new sources in the

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5 For the geopolitical, diplomatic and military aspect of the Baltic situation during the Cold War, see JOHN HIDEN, VAHUR MADE et al. (eds.): The Baltic Question During the Cold War, London 2008; OLAF MERTELSMANN, KAAREL PIIRIMÄE (eds.): The Baltic Sea Region and the Cold War, Frankfurt am Main 2012; THORSTEN B. OLESEN (ed.): The Cold War—and the Nordic Countries: Historiography at a Crossroads, Odense 2004.

6 LARS FREDRIK STÖCKER: Eine transnationale Geschichte des geteilten Europa? Die Brückenfunktion des polnischen politischen Exils in Schweden 1968-1980 als Fallstudie, in: WŁODZIMIERZ BORODZIEJ, JERZY KOCHANOWSKI et al. (eds.): "Schleichwege": Inoffizielle Begegnungen sozialistischer Staatsbürger zwischen 1956 und 1989, Köln 2010, pp. 253-273, here p. 257.

7 Ibidem, p. 256.

8 As seen by MARKO LEHTI: Call for a New Northern Agenda: Mastering Regions—Training Masters, in: CARSTEN SCHYMIK, VALESKA HENZE et al. (eds.): Go North! Baltic Sea Region Studies: Past—Present—Future, Berlin 2006, pp. 55-66, here p. 65.

9 Ibidem.

10 See STEFAN TROEBST: Nordosteuropa: Geschichtsregion mit Zukunft, in: Nordeuropa-Forum, N. F. 2 (1999), 1, pp. 53-69, and RALPH TUCHTENHAGEN: Nordosteuropa, in: HARALD ROTH (ed.): Studienhandbuch östliches Europa. Vol. 1: Geschichte Ostmittel- und Südosteuropas, Köln et al. 1999, pp. 73-80.

twenty-first century, the old (and outdated) view needs to be (continued to be) revised, also for the Cold War period.[11]

Links between non-state and non-corporate actors were established usually on the margins of the framework of inter-state relations. In other words, a majority of them could not have had a chance to form without some cooperation between larger units (states, state-controlled firms or large corporations) being present in the first place. The more inter-state contacts there were, the more the détente-induced permissiveness and eagerness to maintain them, and the larger the volume of traffic between East and West, the more room there was for individual citizens to engage in some extra business on the side.[12] While inter-state relations were the *sine qua non*, it is the relationships between non-state actors that are studied in depth in this article. The state remains in the background as a law enforcement officer and the final judge of what was allowed, and with whom. James Scott's metaphor of "seeing like a state" aptly describes the kind of perspective that the state-generated documents examined in this article reveal.[13]

While some surviving Stalin statues still exist, in Russia and elsewhere, it is likely that there are none of black marketeers. They remain the unsung heroes of a passive-conformist kind of non-alignment with the communist economic order. Most scholarly interest in this group of actors has so far been dedicated to the so-called "commercial tourism" on the European continent via land routes, with the maritime channels receiving recognition only in passing.[14] I argue that it needs to be acknowledged that Soviet bloc foreign-

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11 For examples of such new literature, see LARS FREDRIK STÖCKER: Bridging the Baltic Sea: Networks of Resistance and Opposition during the Cold War Era, Lanham 2017; SIMO MIKKONEN, PIA KOIVUNEN: Beyond the Divide: Entangled Histories of Cold War Europe, New York 2015; SARI AUTIO-SARASMO, KATALIN MIKLÓSSY: Introduction: The Cold War from a New Perspective, in: IDEM (eds.): Reassessing Cold War Europe, London—New York 2011, pp. 1-15. See also OLAF MERTELSMANN, KAAREL PIIRIMÄE: Preface, in: IDEM, The Baltic Sea Region (as in footnote 5), pp. 7-11; ANNETTE VOWINCKEL, MARCUS M. PAYK et al. (eds.): Cold War Cultures: Perspectives on Eastern and Western European Societies, New York 2012; GYÖRGY PÉTERI: Nylon Curtain—Transnational and Transsystemic Tendencies in the Cultural Life of State-Socialist Russia and East-Central Europe, in: Slavonica 10 (2004), 2, pp. 113-123.

12 For examples of literature on the "not-so-iron curtain" and transnational black markets, see NATALYA CHERNYSHOVA: Soviet Consumer Culture in the Brezhnev Era, London 2013; JAMES R. MILLAR: The Little Deal: Brezhnev's Contribution to Acquisitive Socialism, in: Slavic Review 44 (1985), 4, pp. 694-706; ALENA LEDENEVA: Russia's Economy of Favours: Blat, Networking, and Informal Exchanges, Cambridge 1998; PAULINA BREN, MARY NEUBURGER (eds.): Communism Unwrapped: Consumption in Cold War Eastern Europe, New York—Oxford 2012; DAVID CROWLEY, SUSAN E. REID (eds.): Pleasures in Socialism: Leisure and Luxury in the Bloc, Evanston 2010.

13 JAMES C. SCOTT: Seeing like a State: How Certain Schemes to Improve the Human Condition Have Failed, New Haven 1998.

14 For some general scholarship on this issue, see BORODZIEJ/KOCHANOWSKI (as in footnote 6). See also: MARK KECK-SZAJBEL: The Politics of Travel and the Creation of a European Society, in: Global Society 24 (2010), 1, pp. 31-50. For one of the best journalistic overviews of black-market trends under communism, see ROGER BOYES: The

bound sailors, many of them Baltic-based, were among the pioneers of trans-Iron-Curtain trafficking, a phenomenon that became endemic to the region in the 1980s.[15]

This article is based chiefly on the internal records of the Soviet secret police, and other organs of state repression and policing. It relies mostly on the KGB Archive in Vilnius and the Russian State Economics Archive in Moscow. Local operational reports from the Baltic field, both tactical and administrative, were surveyed, as well as general situational analyses produced in Moscow and statistical data and internal communication of the Soviet Customs Administration. Supplementary materials were also found in the records of the port administration held in the Klaipeda Regional State Archives. "Seeing like a state" also means seeing like a particular kind of a state, the police state run by the "Uncivil Society," as aptly coined by Stephen Kotkin and Jan Tomasz Gross. This article very much follows the trail blazed by the collection of essays in their jointly edited volume.[16]

The first part the article focuses on outlining the evolution of maritime smuggling practices in the Lithuanian port of Klaipeda in the postwar period. This evolution is reconstructed with reference to documents produced mostly by the KGB (and related) organs responsible for the policing and prevention of such practices. The second part sketches an overview of the same phenomena in their most fully-fledged form, in the early 1980s, both in Klaipeda and across the entire Soviet Baltic region. This overview is based chiefly on the stenograph of a conference of top representatives of the above-mentioned institutions that took place in Tallinn in August 1982. This stenograph (over 200 typed pages) contains records of plenary statements made by numerous top Soviet executives responsible for policing cross-border traffic in the Baltic. Judging from these statements, the conference was called in response to the alarming incidence and scale of contraband recorded by Moscow in the late Brezhnev era. It should be placed in the context of Yuri Andropov's anti-corruption drive that preceded his ascendancy to the post of the General Secretary. Despite the one-sidedness and inherent distortions of such a view, generated by representatives of a police state after all, these official Soviet records nonetheless constitute one of the wealthiest sources of information about practices that were meant to leave few traces behind.[17]

Hard Road to Market: Gorbachev, the Underworld and the Rebirth of Capitalism, London 1990.

15 For the role of Soviet ports as commercial gates to the world, see IRINA MUKHINA: From Rags to Riches: Port Cities and Consumerism in the Soviet 1970s and 1980s, in: EVA HAUSBACHER (ed.): Fashion, Consumption and Everyday Culture in the Soviet Union between 1945 and 1985, Wien 2014; DMITRY KOZLOV: Sailors and Youth Consumption in Soviet Seaports during the Cold War Period, in: Valahian Journal of Historical Studies 20 (2013), pp. 61-72.

16 STEPHEN KOTKIN, with a contribution by JAN T. GROSS: Uncivil Society: 1989 and the Implosion of the Communist Establishment, New York 2009.

17 The main methodological problem of working with these types of sources is their credibility. Many documents quoted here were written with a specific agenda in mind.

2 Klaipeda: Lithuania's Gateway to the World during the Cold War

Klaipeda's postwar history deserves more attention than it has received so far. Most of the existing scholarship on Soviet Baltic republics' ports focuses on Tallinn and Riga, especially in the context of the burgeoning cooperation with Finland and Sweden in the 1970s and 1980s.[18] Lithuania's port city, even if smaller than its northern cousins, had some unique features that made it no less of a hub of commercial or tourist activity. It was the only port of the largest Baltic republic, and its livelihood was dependent on maritime operations much more exclusively than was the case in Tallinn or Riga (which were also capitals and administrative centers).[19]

The first postwar year-end report on the condition and operations of Klaipeda's seaport was typed on the back side of documents inherited from the Siemens-Schuckertwerke in the spring of 1946.[20] Liberated by the Red Army on 28 January 1945, Lithuania's only port city was destroyed to an even greater extent than its southern neighbor Königsberg. Twenty-five square kilometers of the city (out of thirty-two) were razed to the ground, the remainder was heavily damaged. The amount of work required to render the port operational seemed endless. To begin with, the railway track gauge of the sea-to-land terminal had to be readjusted to fit the Russian width. In 1945, 70,265 German prisoners of war were available to lend a hand at rebuilding the city they used to call Memel. They did approximately two thirds of the total reconstruction work.[21]

Despite the wartime destruction, several shipwrecks blocking the port's entrance and the virtually complete eradication or displacement of its prewar population, Klaipeda was ready to greet the first incoming ship in September

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Some were designed to incriminate, some to compromise. *Kompromat* always needs to be taken with a large grain of salt.

18 For the existing literature, see HANNA KUUSI: Accidental Traders—Finnish Tourists in the Soviet Union in the 1950s-1970s, in: VISA HEINONEN, MATTI PELTONEN (eds.): Finnish Consumption: An Emerging Consumer Society between East and West, Helsinki 2013, pp. 206-227; also KIRSI LAURÉN: Facing the Otherness: Crossing the Finnish-Soviet Estonian Border as Narrated by Finnish Tourists, in: Culture Unbound: Journal of Current Cultural Research 6 (2014), 6, pp. 1123-1143; OLIVER PAGEL: Politicized Tourism between Finland and Estonian SSR, 1950s to 1970s: Ideological and Security Considerations, in: Sisekaitseakadeemia Toimetised 10 (2011), pp. 325-343.

19 To the author's knowledge, the only scholar who has written about the illicit activities of Soviet-Lithuanian sailors is BRIGITA TRANAVIČIŪTĖ: Dreaming of the West: The Power of the Brand in Soviet Lithuania, 1960s-1980s, in: Business History (2017), pp. 1-17.

20 Klaipėdos regioninis valstybės archyvas (KRSA) [Klaipeda Regional State Archives], f[ond] 539, inv[entory] 1, file 5, p. 1: Prikazy nachalnika porta po osnovnoi delatel'nosti porta za 1946 god [Orders of the Port's Director Concerning the Basic Operations of the Port in 1946].

21 KRSA, f. 539, inv. 1, file 4, pp. 1-4: Godovoi otchot po osnovnoi deiatelnosti porta za 1945 god [Annual Report on the Basic Operations of the Port in 1945].

1945. Nine more followed that year. Seven of them were inherited from Germany as war trophies.[22] They arrived loaded with reparations making their way from Central Europe into the Russian hinterland. Trophy ships and trains were one reason why so many German POWs were initially deployed to the Baltic front of reconstruction. They helped to secure a fast and secure flow of war tribute that bypassed the ruins of the still politically uncertain Poland. The other common type of shipment arriving from the West was a United Nations Relief and Rehabilitation Administration (UNRAA) delivery. The first UNRAA transport included fifteen Studebaker trucks and other trademarks of American industrial prowess, already familiar to many Soviet citizens through the wartime Land-Lease deliveries. Unbeknownst to Klaipeda's new rulers, German and American consumer durables were to become a set piece of life in Lithuania's only port, far beyond the reconstruction period.[23]

The first contraband case was registered by the authorities in 1947. It included BMW motorcycles and other war trophies.[24] Tolerance for more or less legal importation of all kinds of wares from defeated Germany was high at the time. Most of these goods were shipped from the East German Baltic port of Rostock. Emptied vessels carried the Red Army personnel and supplies back to the USSR. This new maritime Baltic link between East Germany and Soviet Lithuania foreshadowed numerous future developments. In fact, servicing the Soviet Union's seaway to Central Europe determined the bulk of Klaipeda's postwar history.[25]

In the Stalinist period, the incidence of contraband remained episodic and its content was largely "retail" in scale, especially if compared with what unfolded in the 1970s. Penalties rarely exceeded 100 rubles or a minor disciplinary sanction. An effective warning for profit-seeking sailors was cancelling the privileged customs clearance status they enjoyed on goods "imported" from abroad. Prewar trade routes and commercial networks had been decimated during the war. The Iron Curtain that descended on the European continent held the Baltic with a grip at least as firm as that of the Szczecin-Trieste land border. The first non-communist port from which contraband shipments to Klaipeda were investigated by the authorities was Antwerp, in 1952. Sailors tried to illicitly import Western consumer goods inaccessible in the Soviet Union, including clothing, cosmetics and cigarettes, but the dangers along the many stages of their enterprise were daunting.[26]

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22 Ibidem, pp. 5, 10.

23 Ibidem, p. 10. Also see the following files: 5, 7, 59.

24 KRSA, f. 32, op. 1, inv. 12, p. 2, untitled.

25 Ibidem, files: 12, 13, 20-21. See the entire files 20 and 21 for an overview of the 1945-1956 period. For an overview of Klaipeda's history, see VYGANTAS VAREIKIS: The Baltic Sea City System in Historical Perspective: The Case of Lithuania and Klaipeda, in: ÅBERG/PETERSON (as in footnote 1), pp. 97-112.

26 KRSA, f. 539, inv. 1, file 48, pp. 23-26: Prikaz po Klaipedskomu Morskomu Portu, 16 marca 1953, nr 70 [Order no. 70 on the Klaipeda Seaport, 1953-03-16].

The beginnings of the Lithuanian maritime policing organs were characterized by a permanent shortage of resources, as most of their attention was directed to the Forest Brothers, a Lithuanian nationalist underground movement, and other forms of political opposition that remained active until the mid-1950s.[27] Nonetheless, as foreign ships began to anchor in Klaipeda in the 1940s, foreign sailors appeared in the city. They had to be surveilled by the relevant policing organs. In the 1950s, the performance of the local branch of the Ministry of Interior (MVD) left a lot to be desired: "The investigation run by the MVD […] of the Klaipeda Oblast found that the performance of personal surveillance is in an extremely neglected, dissatisfactory state. The observation of crews of foreign merchant ships is disorganized and primitive. The *inomoriaki* (foreign sailors) often remained unattended to for a long time and strolled on the shore unaccompanied. Nine [important] encounters of foreigners [with the locals] occurred without control." Entire ship crews went roaming through the city unattended, complained the minister of the Interior of the Lithuanian SSR to his subordinates in 1953.[28] Such outcomes would be worrying anywhere, but especially in *Pribaltika*, due to its convoluted recent past, underground resistance and its complex and shifting mosaic of ethnicities. "The city of Klaipeda is inhabited by a large number of persons with relatives abroad," wrote two KGB officers in 1987, "who maintain regular mail contact, as well as persons with a criminal record for particularly dangerous offenses, and German and Jewish minorities who occasionally inundate us with their petitions to emigrate to the FRG or to Israel."[29]

A detailed report to Moscow, authored by the head of the maritime section of the Lithuanian KGB, Colonel Bykov, is filled with complaints about the inability to recruit enough local Lithuanians to work for the security organs. Altogether, Bykov reported, 510 agents and informants worked on the 137 ships of the Lithuanian fleet in 1954, but the home-front protection of the newly-annexed Soviet soil was still insecure. Fourteen foreigners were classified as worthy of "operative interest" and surveilled whenever they came to Klaipeda. A new agent codenamed "Leningradskaia" was recruited to strengthen the KGB effort in this area. She "possessed a large circle of friends among the foreign-bound sailors and can be characterized as a lady of easy virtue." But single recruitments were not considered enough and a new plan

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27 For more about the nature of anti-communist resistance in Lithuania, see Epp Annus: The Problem of Soviet Colonialism in the Baltics, in: Journal of Baltic Studies 43 (2007), 1, pp. 21-45.

28 Lietuvos Ypatingasis Archyvas (LYA) [Lithuanian Special Archives], f. K-18, inv. 1, file 317, p. 17: Nachalniku Upravleniia MVD Klaipedskoi Oblasti, Podpolkovniku tow. Korobkin [Letter to the Head of the Interior Ministry of the Klaipeda Oblast, Lieut. Col. Korobkin], signed by the Minister of Interior of the Lithuanian SSR, General Kondakov.

29 LYA, f. K-1, inv. 46, file 962, pp. 147-148: Plan kontrazvedovatelnogo obespechenia kompleksa mezhdunarodnoi morskoi paromnoi perepravy Klaipeda-Mukran [Plan for Counterintelligence Work on the Klaipeda-Mukrain International Ferry Connection], signed by A. F. Chaikovski and A. I. Armonas, 1987-03-31.

was outlined that called for a creation of a dense network of informers, as specified in a decree from 25 March 1954.[30]

By 1963, the echoes of Nikita Khrushchev's anti-black-market crusade[31] had reached Klaipeda. A typical judicial final sentence from that period (criminal case 2-22/1963 from the Klaipeda criminal court) reads: "[d]uring their stay in Klaipeda's merchant port, sailors of capitalist countries, violating the currency exchange laws, sold foreign currency, speculated with various industrial contraband goods [...]. For that purpose, they have established connections with the insufficiently morally resilient youth. Through this connection, they socialized with some ladies of easy virtue, organized binges and debauchery, which creates an unhealthy moral-political situation among the youth." In this particular case, "the accused Kravickas, Pranulis, Ulanov and [four] others, while socializing with foreign sailors and calling themselves "businessmen," purchased foreign currency and contraband goods from them, with which they proceeded to speculate to obtain profit. Moreover, Kravickas has turned his apartment into a *priton* (den). [...] Fedorov and Portnov distributed a foreign magazine with pornographic imagery."[32] The largest illicit operation documented in this case amounted to an exchange of 20 dollars, 60 rubles and a sweater bought in Klaipeda for nine dollars and resold in Kaunas for 20 rubles. No larger sum than 100 rubles was ever mentioned in the course of the investigation. Nonetheless, the jury considered it necessary to impose "a strict measure of penalty […] due to the considerable amounts of foreign currency involved." Each of the seven convicts received a prison sentence, including two seven-year sentences in a penal colony. Confiscation of property was also carried out.[33]

Germans and Poles had become the usual suspects in Klaipeda by the 1960s, as demonstrated by the Izmailov case run by the Lithuanian KGB in 1967.[34] Izmailov was a young 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

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30 LYA, f. K-18, inv. 28, file 85, fol. 157, decree no. 60/2/1265: Dokladnaia Zapiska po kontrazvedovatelnoi rabote sredi ekipazhei sovetskikh sudov zagraplavania i inomoriakov poseshchaiushchikh porty Klaipeda i Kaliningrad s dekabrya 1953 po mai 1954 [Report on Counterintelligence Work regarding Crews of Soviet Foreign-Bound Vessels and Sailors Visiting the Ports of Klaipeda and Kaliningrad from December 1953 until May 1954].

31 See CHARLES A. SCHWARTZ: Economic Crime in the U.S.S.R.: A Comparison of the Khrushchev and Brezhnev Eras, in: The International and Comparative Law Quarterly 30 (1981), 2, pp. 281-296.

32 LYA, f. K-1, inv. 58, file 47424/3, vol. 2, pp. 114-116, ugolovnoe delo [criminal case] no. 2-22, 1963: Prigovor Imenem Litovskoi Sovetskoi Sotsialisticheskoi Respubliki [Sentence in the Name of the Lithuanian Socialist Republic], 1963-06-09.

33 Ibidem, pp. 114-119.

34 Ibidem, inv. 18, file 47530/3, vol. 1, pp. 19-20, ugolovnoe delo no. 240/1967. The three volumes of this case include various documents such as interrogations, confessions, sentences, bibliographical sketches, photographs of persons and evidence.

has been systematically purchasing nylon jackets, shirts and other items, and [then] speculated with those goods." Since 1966, Izmailov had worked as a *valutchik* (illicit currency dealer) as well. Prior to that engagement, he had in fact been *profilaktirovan* (prophylactically forewarned), but it was not possible to jail him 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.[35] In 1967, Izmailov was sentenced to six years in prison, but his sentence was shortened to four years at a labor camp. The KGB's "operative report" spared no harsh words in condemning the local *tamozhnia* (customs), whom they blamed for the porous control.[36]

Izmailov's case is typical also because his position in Klaipeda was used by a friend from Kuibishev, Marina Katkova, who visited the Lithuanian port city regularly. In Kuibishev, in Central Russia, "fashionable clothes were hard to find, or not available at all," she put on record.[37] Furthermore, Izmailov's business included frequent deals with Norwegian and Swedish citizens. Clothes were exchanged for vodka in Klaipeda's upscale restaurant "Neptun" and its touristy cafes "Jurata" and "Banga." Playing blackjack after a meal was a favorite activity among black-market dealers as a way to alert potential clients, a common practice across the entire Baltic region. After Izmailov lost 200 rubles in one of the rounds, he reportedly remarked: "I do not regret losing money. The Poles will help me out. When they arrive in Klaipeda, I will have money again." Izmailov's key to success was his fluent English, Swedish and German and his extensive contacts among Polish sailors. The term "businessman" was deployed to describe those among the local residents of Klaipeda who met with foreign sailors on a regular basis, "in particular if they were Polish." The Poles were notorious for their willingness to enter into all kinds of deals directly on the port grounds, an impressive act of defiance in the eyes of the locals. Polish sailors accepted nothing but hard currency, no rubles whatsoever.[38]

In general, it was plainly visible that Klaipeda's "businessmen" "were in possession of money in excess of their base salary," as reported by witnesses in the investigation. Izmailov's official monthly salary was 60 rubles. "Still, he visited restaurants and cafes often, where he spent his money liberally," a fellow resident of Klaipeda observed. The art of the deal, according to a certain Vladas Raginis, sentenced to three years in a penal colony, 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. What prompted Raginis to embark on the path of crime? "I

35 Ibidem, pp. 34-35: Postanovlenie o privlechenii v kachestve obviniaemovo [Decision on Issuing a Criminal Investigation Warrant], 1967-10-06.

36 Ibidem, pp. 66-70: Prigovor Imenem Litovskoi Sovetskoi Sotsialisticheskoi Respubliki [Sentence in the Name of the Lithuanian Socialist Republic], 1967-09-14.

37 Ibidem, p. 83.

38 Ibidem, pp. 83-84.

wanted to," he confessed to his KGB investigator, "first of all, so I could buy some nice clothes cheaply, and secondly, I wanted to have money for personal expenses, and to be able to visit my parents."[39] He had two sisters in Sverdlovsk, in the Urals, who wrote letters asking for a nice coat. Raginis saw Izmailov dealing with foreigners regularly for several years, "and somehow he got away with it." "Seeing him [do it], others started doing the same."[40]

The "businessmen" knew exactly where foreign sailors were likely to appear. One of the sentenced confessed: "We followed their path closely as soon as they exited the merchant port, then we awaited their arrival at the "Banga" cafe, next to the "Waiva" cinema, the "Klaipeda" restaurant and at other spots. [...] Upon meeting them, we would ask immediately whether they had something to sell. If yes, we would go to dark alleys, gates and corners, where we concluded contraband deals quickly and dispersed. [...] I was a student at the School of the Working Youth No 2. It is located directly next to the *prokhodnaia* (checkpoint) of the merchant port. Dolgushev [another accused in this case] often skipped classes because he *karaulil* (stalked) foreigners." The Soviet urban planners could not have predicted that this seemingly accidental fact of urban geography could negatively impact the educational progress of Klaipeda's youth. Most future "businessmen" started with selling cigarettes and aspired to become currency changers. Many of them shared a dream of owning a motorbike. After a few successful operations, Dolgushev and others went to Moscow. "They returned in green nylon jackets [...] purchased with foreign currency," another witness reported. The desire to impress was stronger than the fear of the authorities, including the KGB, he assumed. "The businessmen were easy to spot, [because], after all, they wore the foreign clothes themselves."[41]

Altogether, Izmailov's case was apparently complex enough to produce three thick judicial volumes, and to provide for over a year of investigative proceedings. The several years of criminal activity never involved sums larger than 1,100 rubles. Still, Izmailov's case allows us to spot a few representative patterns. The gateway moment for most *aficionados* of easy profit was noticing "various foreign items, coats, shirts, clocks and other items" worn by their peers, which led to a suspicion that they must have been involved 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, as another witness testified, would "personally [announce] that he occupies himself with [this practice] and, consequently, can afford to binge drink in the restaurant."[42] Then, the newly induced member would be entrusted with his first mission, which usually meant exchanging

39 Ibidem, vol. 2, pp. 192, 207, 274.
40 Ibidem, vol. 3, pp. 118-119.
41 Ibidem, untitled documents, pp. 21-23, 188.
42 Ibidem, vol. 1, p. 159: Protokol doprosa sviditelia Pranulis Rajmondas Alfonso [Interrogation Protocol of Witness Pranulis, Rajmondas Alfonso], 1960-12-07.

cigarettes and chewing gum. Afterwards, 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 *tamozhnia*, was the high likelihood of regular dockworkers entering into *sdelki* (deals) with foreign and local sailors, also due to the constant lack of sufficiently professional security personnel. What this often meant in practice was that there were not enough Russians available for hire as port security personnel. On 18 September 1980, for example, three sailors from the West German "Bremer Flagge" were caught offloading jeans and polyethylene bags in Klaipeda. "They were assisted by an entire crowd of dockworkers." Similar practices occurred after the arrival of the "Bremer Horst Bischoff" in February 1981, too. In both cases, it was the KGB and its informers who helped to intercept the contraband. The success was "merely partial," the local KGB organs held, "unfortunately, [...] but nonetheless it served as a good deterrent."[43]

In the late 1960s, it was often enough to hand fifty rubles to a *tamozhnia* worker so he would avert his eyes while a contraband operation took place. The cleaning services—their trucks and personnel—were among the many easily exploitable and corruptible links that were excluded from the normal customs control. A major case from 1968 involved, yet again, the Polish ship "Rokita." This time, the Poles colluded with Klaipeda's dock workers to smuggle pens and textiles into Soviet Lithuania on a scale that could hardly qualify as commercial. Nonetheless, the trial concluded with a prison sentence of five years in a labor camp for the "gang leader" and several shorter terms for his partners in crime, including the corrupt customs official. Because the operation implicated both port service personnel and customs officials, it qualified for prosecution as organized crime. Another ship-to-land trafficking option was to hide the contraband in a separate, hidden tank of a lorry supplying the ships with fuel.[44] In general, if smuggling remained invisible it was by and large tolerated, and the penalties limited to ordinary disciplinary sanctions imposed by the fleet administration. If the operation involved bribing public servants of any rank, it was punished with all severity.

Klaipeda, more than any other Baltic port, suffered from a chronic insubordination on the part of rank-and-file (usually Lithuanian) customs workers, who were "just looking for a chance to engage in corruption," according to a Vilnius court sentence from 1969. This tendency enabled their fellow countrymen and seamen to smuggle the contraband inland largely undisturbed. With an effective bribe secured at 50 rubles, a handsome profit could be made

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43 Rossiiskii Gosudarstvennyi Arkhiv Ekonomii (RGAE) [Russian State Archive of the Economy], Moscow, f. 413, inv, 32, file 2639, pp. 108-109. Protokol soveshchaniia rukovoditelei tamozhen Baltiiskogo regiona po obmenu opytom raboty w oblastii borby z kontrabandoi, gorod Tallinn, 3-5 Avgusta 1982 goda [Protocol of a Meeting of the Heads of the Customs Offices of the Baltic Region Concerning the Exchange of Experience in the Field of Counter-contraband Operations in Tallinn, 3-5 August 1982].

44 LYA, f. K-1, inv. 58, file 47589/3, pp. 15-18, ugolovnoe delo no. 259, 1968-1969.

from a typical contraband shipment, the value of which averaged around 3,000 rubles in the late 1960s.[45] It was only in the late 1970s, however, that the (registered) sums began to exceed tens of thousands of rubles.[46] By then, those who did not actively participate in smuggling at any given time were keen to learn about those who did. Non-participating sailors had to be rewarded with 1,000 rubles to keep quiet. "Kazimierchak [a 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."[47] The level of crew solidarity in crime was incomparably higher in neighboring Poland, where the kind of behavior Kazmierchak engaged in was absolutely unacceptable in the sailor's milieu.[48] In the USSR, group solidarity was occasionally broken along ethnic lines, which could be and was utilized by the KGB in their quest for information. Yet this tactic could not always overcome historic ties and new opportunities. Polish and Lithuanian sailors, unlike many nationalists in the hinterlands of both countries, were usually on good terms with each other. In Klaipeda, two Polish ships, "Rokita" and "Boruta," became notorious and figured in numerous criminal investigations. 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 and the MVD that had to carry the bulk of the fight against contraband by operative means, which in practice meant full dependence on informers planted among the seafaring crews.[49]

The number of capitalist ships visiting the port of Klaipeda grew steadily through the 1960s and the 1970s. In 1975, the volume of traffic reached 700 ships with about 8,000 servicemen per annum. More than a third of them hailed from the FRG, even "if their ships were camouflaged under the flags of Cyprus, Singapore and Liberia."[50] There were six liners, "Bremer Norden,"

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45 Ibidem, pp. 46-48: Kontrolno-Nabludatelnoe Proizvodstvo [Surveillance-Control Facility], no. 259, 1968-1970.

46 RGAE, f. 413, inv. 32, file 1985, p. 45: O merakh po usileniiu bor'by s kontrabandoi v krupnykh razmerakh i ideologicheskii vrednykh materialov [On Measures to Increase the Countermeasures against Large-Scale Contraband and Ideologically Harmful Materials].

47 LYA, f. K-1, inv. 58, file 47733/3, vol. 1, p. 234.

48 See, e.g. in the Archiwum Instytutu Pamięci Narodowej (IPN) [Archive of the Institute of National Remembrance], Warsaw, sign. IPN Gd 0046/227/3/5: Informacja o przestępczości przemytniczo-dewizowej w województwie gdańskim [Information about Contraband-Currency Crime in the Gdańsk Voivodeship], in: Informacja Prokuratury Wojewódzkiej w Gdańsku z dnia 23-04-1970 o przestępczości przemytniczo-dewizowej w województwie gdańskim, 1970 [Information Provided by the Gdańsk Voivodeship Procuracy from 1970-04-23 about Contraband-Currency Crime in the Gdańsk Voivodeship].

49 LYA, f. K-1, inv. 58, file 47589/3, pp. 15-18: ugolovnoe delo no. 259, 1968-1969.

50 Ibidem, inv. 46, file 962, p. 10: Spravka ob elementakh operativnoi obstanovki i zagruzke operativnogo sostava vo 2, 4 i 12 otdeleniakh OKGB Lit SSR po g. Klaipede i LMB [Report on the Operative Situation and the Workload of the Operative Teams in

"Bremer Saturn", "Hornbaltic," "Alca," "Inge Claussen" and "Iris Claussen," servicing the regular connections from Klaipeda to Hamburg and Bremen. The only other equally regular guests were the Finnish tanker-liners, which recorded up to forty visits per year. A capitalist ship in Klaipeda could normally stay anchored in port for up to three days. The merchant fleet of the Lithuanian SSR was composed mostly of tramp ships (34 units), meaning they serviced no regular connections and could be hired at discretion. In 1975, those ships visited capitalist ports 903 times, in 24 countries. The three most frequent destinations were Bremen, Antwerp and Oxelösund.[51]

Between 1965 and 1975, the merchant fleet of the Lithuanian SSR nearly doubled in size, while the number of fishing vessels tripled. After 1975, their numbers, as well as the level of traffic serviced by Klaipeda, plateaued or even declined. In 1985, the port serviced 400 "capitalist ships" with 10,000 crewmembers, 200-240 of them sailing under NATO flags. The KGB's perception of the region's most pressing threat had remained the same since the 1950s. "The analysis of operational data shows that the secret services of the FRG utilize the channel of international maritime traffic to conduct intelligence and other hostile operations against our country." It was the regular Bremen line, now serviced by four West German ships, "Hornbaltic," "Bremer Horst Bischoff," "Bremer Flagge" and "Alca," that attracted the greatest amount of attention from KGB officers in the 1980s. In 1986 alone, Klaipeda was visited by those regular West German liners seventy-five times. It was at the *Interclub*, a sailor's meeting place, that the particularly unwelcome connections with GDR sailors were often established by the West Germans. Local Klaipeda Germans, however decimated their number had become by the 1980s, traditionally remained the main suspects responsible for such dangerous liaisons.[52]

If locals were found dealing in foreign currency in Klaipeda, especially when no accompanying participation of foreigners or trafficking was detected, the KGB counterintelligence units were not charged with pursuing the case. It was "the MVD's area of competence to deal with *melkie valiutchiki* (petty currency speculators)" while the KGB was tasked with more serious

Local KGB Departments no. 2, 4 and 12 of the Lithuanian SSR in the City of Klaipeda and the Baltic Maritime Basin].

51 Ibidem, p. 10.

52 Ibidem, file 966, pp. 1-2: Spravka o rezultatakh kontrazvedovatelnoi raboty 2 Otdela KGB SSSR po g. Klaipede i LMB po borbe z podryvnoi delatenostiu spetssluzhb FRG s ispolzovaniem ekipazhei zapadnogermanskich sudov, poseshchaiushchikh port Klaipeda za 1981-1984 g. [Report on the Results of the Counterintelligence Work of the Second Department of the KGB in the City of Klaipeda and the Lithuanian Maritime Basin against the Subversive Activity of the Secret Services of the FRG, who Relied on the Crews of West German Vessels That Anchored in the Port of Klaipeda between 1981 and 1984].

responsibilities such as espionage detection.[53] At the same time, the KGB never lost track of the hard currency deals perpetrated by foreign-bound sailors. It was a common operational practice to use them as a hook to recruit new agents. The existence of this practice did not mean that smuggling was not regarded as a serious issue. In 1975, 27 Soviet sailors were arrested for hard currency deals.[54] In 1984, five hard currency dealers in Klaipeda received prison sentences for their actions. The Soviet press remained relentless in their educational work against such "aficionados of easy profit."[55] Still, hard currency criminality was just one among the many issues that the KGB oversaw. It was assigned lower priority especially in moments of heightened international tension. At the same time, the black market "specificity" of the Baltic coast was always a good reason for the local authorities to ask Moscow for more resources.

Klaipeda's relative importance in the Soviet Baltic grew in the 1970s after the completion of a large oil sea-to-rail terminal. Nonetheless, in comparison with Leningrad, Tallinn and Riga, it was of secondary significance, also on the map of maritime contraband activity. To better understand the nature, scale and geographical distribution of these phenomena in the late Brezhnev period, let us turn to the records of the 1982 Tallinn conference of top Soviet officials responsible for combating maritime trafficking (as well as other forms of illicit cross-border exchanges) in the Baltic region.

3 The 1982 Tallinn Anti-Contraband Conference

The XXVI CPSU Congress (1981) dedicated an abundance of attention to the problem of contraband and speculation unseen since Khrushchev's anti-black market 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." The Stalinist overtones of that congress were echoed by Alexander Matveev, the deputy director of the GTU, the Main Customs Administration of the Soviet Union. What had to be done, he admitted self-critically in front of senior MVD and KGB officials, was to "increase the efficiency of governance in all branches of the administration, increase the professional competence of officials, [...] wage a decisive war against indifference, lack of principles, bribery, specula-

53 Ibidem, file 962, p. 197: Spravka po analizu sostoiania roboty z agenturoi iz chisla moriakov zagranplavaniia … [A Report on the State of Intelligence Work among Foreign-Bound Sailors …].

54 Ibidem, p. 15: Spravka [Report] (untitled, 1975).

55 Ibidem, p. 78: Primernaia Sistema Mer po Vyiavleniiu i Proverke Podozritelnykh Sviazei Inostrannykh Moriakov iz Chisla Sovetskikh Grazhdan [A Representative System of Measures Aimed at Detection and Control of Dubious Contacts of Soviet Citizens with Foreign Sailors], 1981-05-19.

tion and other negative phenomena, while maintaining a strict adherence to socialist legality."[56]

Matveev's made his statement on August 3, 1982. On that day, all the heads 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, Iurii Primerov, as well as by other high dignitaries: the director of the anti-contraband department of the GTU, the deputy director of the GTU, top party leaders from Estonia's Central Committee, KGB officials and internal KGB prosecutors, pan-Union prosecutors, the Ministry of Fisheries, the Ministry of the Interior, the head of the KGB border troops in Estonia, the head of the Estonian KGB and other top officials, all eager to learn more about how attentively the *tamozhnias* of Arkhangelsk, Ventspils, Vyborg, Kaliningrad, Klaipeda, Leningrad, Murmansk, Riga and Tallinn were listening to the Party's recent recommendations.

To open up the conference, the deputy director of the Estonian Maritime Shipping, A. R. Zakharov, fired a heavy salvo of *samokritika* right away. "The state of discipline in the fleet is terrifying. Particularly worrisome is the fact 43 percent of all disciplinary violations have been perpetrated by the *komandnyi sostav* (officer corps). 54 percent of all cases of trafficking 'ideologically pernicious' literature were perpetrated by the officers, and, even more alarmingly, 75 percent of all hard currency violations." Even the captain's personal lockbox was not immune to the contraband epidemic. What was also intolerable was the fact that the operative work performed to "secure the [correct] behavior" of the sailors and to make sure they obeyed the relevant customs regulations was "no longer taken seriously."[57] As the local Lithuanian KGB confirmed, control over the behavior of Soviet sailors in foreign ports was "insufficient, […] the honorable name of a Soviet sailor is being discredited" abroad. The surveillance work was admittedly easier in the Soviet Union, as "anyone wearing a foreign piece of clothing" immediately stood out from the crowd.[58]

The fact that 54 percent of all contraband cases in *Pribaltika* implicated the officer corps was also a concern for the GTU. "I would like to kindly request," announced the deputy director of the GTU, "that the representatives of the Ministries of Fisheries (RybKhoz) and Fleet (MorFlot) [present here] inform their respective ministers that such a situation will be tolerated no longer. If they do not undertake appropriate measures, then the GTU will be forced to request assistance from other places. We have to liquidate this problem together. If we really want to fight contraband, first of all we need to bring back order into the managerial cadres" of the administration. Furthermore, the lack of societal condemnation for traffickers (to put it euphemis-

[56] RGAE, f. 413, inv. 32, file 2639, p. 172.
[57] Ibidem, pp. 9, 49.
[58] LYA, f. K-1, inv. 58, file 47530/3, vol. 2, p. 291.

tically) made the work of the *obshchestvennye dosmotrovye grupy* (grassroots inspection groups) out of the question, particularly on foreign-bound vessels, since it was clear that all the ranks participated in the practice with no exception. Consequently, all that could be relied on was the lone informer sailing undercover, but this method had its limits as well. "A golden mean" had to be found between collective responsibility and no responsibility. If "entire crews" were to be punished for *beskhoziainaia kontrabanda* (owner-less contraband, i.e. when the offender was not detected) "soon, we will have no one to do the job." There simply were not enough qualified officers to replace the ones already implicated in the contraband practice.[59]

Between January 1979 and December 1981, the Tallinn *tamozhnia* initiated 4,000 investigations dealing with contraband allegations. The total value of assets involved exceeded two million rubles.[60] These figures could be interpreted in two ways by the authorities. The negative version was that the incidence of violations was high, the positive one—that the relevant organs were doing their job properly. The main problem, however, according to Matveev, was that customs officers chose "the path of least resistance."[61] This meant that they continued penalizing rank-and-file sailors for small (*melkie*) violations, hence boosting the bureaucratic statistics, while organized crime flourished undisturbed. A representative case in point was a Yugoslav citizen Radlovic, who managed to "satisfy" a customs officer with 700 dollars in cash that he could claim as interception. This allowed Radlovic to divert the officer's attention and traffic four guns and 250 units of ammunition into the USSR.[62] The KGB also accused *tamozhenniki* of "being [overly] timid in front of VIP (*mastnye*) foreigners."[63]

The customs and border protection of *Pribaltika* had its own "unique operational characteristics," as put by 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. It was located "in direct proximity of highly-developed Western countries, [and was thus] certainly not the least important target of imperialism."[64] By his count, 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 (ca. 450,000), such volumes of traffic certainly had an immense influence on the everyday life of the Estonian capital, especially in the summer. Of the one hundred and forty cities in the USSR open to inter-

59 RGAE, f. 413, inv. 32, file 2639, pp. 182-183, 213.
60 Ibidem, p. 175.
61 Ibidem.
62 Ibidem, p. 177.
63 LYA, f. K-18, inv. 1, file 33, p. 67.
64 RGAE, f. 413, inv. 32, file 2639, pp. 59-60.

national tourism, only four—Moscow, Kiev, Sochi and Leningrad—had more visitors, only Moscow and Leningrad were being visited by more "capitalist tourists," and none greeted more "capitalist tourists" per capita than Tallinn.[65] Among *kapturisty*, the neighboring Finns occupied a special place. It was the Finnish connection that worried the GTU director Primerov the most, as "the strong links between many Finnish and Soviet citizens" were used to smuggle "all kinds of ideological materials," weakening the fabric of Soviet society as a result.[66]

The perils of the Finnish connection are well-illustrated by the case of a fishing boat "Shventoin." The ship, based in Klaipeda, was scheduled to undergo a six-month renovation in a Finnish dock, sometime in the early 1980s. Such a long stay in a capitalist country, combined with the possibility to restructure the ship's 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 (Stasiukevich) by a customs agent, following a tip-off received from a secret informer. Thanks to this operation, the captain "voluntarily" (without being caught red-handed) admitted that the ship did contain well-hidden contraband, making a search unnecessary. Radios, record players, cameras and other items were confiscated without a single officer entering the ship. "In the end, the captain alone was found to have smuggled items worth 9,000 rubles. For his behavior, he was expelled from the party and demoted. I would never have thought that customs officials would be able influence him [the captain] in such a subtle, professional way, making him confess and give up all the goods voluntarily. He must have thought that his actions would go unpunished," GTU deputy director Matveev said.[67]

Iurii Sokolov was the director of Tallinn's regional border checkpoints. Like many of his colleagues, he believed that the capitalist countries across the other side of the Baltic were a hotbed of "all kinds of emigrant, nationalist organizations, religious sects and other missionary institutes [sic!] that published massive amounts of anti-Soviet literature." Such materials were allegedly often thrown overboard onto Soviet vessels stationed in ports on the other side of the Baltic Sea. In the first half of 1982, 53 pieces of anti-Soviet literature were intercepted by the Tallinn border control units. How were the persons responsible for ideological contraband usually identified? They were usually individuals who "did not initiate any contact with other passengers, did not drink, did not smoke, followed the border control procedure with agitation, their actions were limited, hands shaking." Twenty-three such indi-

65 Ibidem. For more information about the significance of international tourism in Soviet Estonia, see ANNE GORSUCH: All This Is Your World: Soviet Tourism at Home and Abroad after Stalin, Oxford 2011, chapter 2.

66 RGAE, f. 413, inv. 32, file 2639, p. 208.

67 Ibidem, pp. 107-108.

viduals, all of them smuggling "ideologically hostile materials," were arrested in Tallinn in the first half of 1982.[68]

The thirty-mile Tallinn-Helsinki daily ferry service was a source of trouble in a league of its own. This line, according to the head of Tallinn customs, was particularly abused by unidentified "imperialist forces" due to its sheer logistical advantages. A typical arrival clearance, for instance of the Polish-built Soviet-Estonian cruiser "Georg Ots" that arrived in Tallinn from Helsinki in April 1982, included the following groups: Finnish tourists, an organized American sightseeing group, a parliamentary delegation from Kiel, individual businessmen, Estonian diaspora and relatives, "a Finnish religious community" (to use the KGB's terminology), a Latvian sports delegation and a delegation of the Soviet Academy of Sciences. Such a varied composition of the incoming passenger traffic made it particularly difficult for customs officers to control it effectively while assuring its relatively smooth flow. Both outcomes were demanded by their superiors. In general, this situation gave rise to a perception that the Helsinki-Tallinn connection was the main channel of the "ideologically deleterious" influence of the West on the entire Soviet territory.[69]

In the late 1970s, the incidence of maritime customs violations in Tallinn was on a constant rise. In 1978, 34 violations were registered on 21 ships (to the value of 15,000 rubles), in 1979: 53 violations on 36 ships (33,000 rubles), in 1980: 61 on 37 ships (55,000 rubles), and in the first half of 1981: 35 cases on 21 ships (34,000 rubles).[70] As usual, the so-called *beskhoziainaia kontrabanda* raised the greatest concern, because it demonstrated insufficient infiltration of ships by KGB informers, and indicated the existence of *krugovaia poruka* (crew solidarity in crime). In response to those growing indicators, the Estonian Fleet servicemen were prohibited from taking personal bags or even wallets with them when they went ashore in foreign ports. To help prevent further violations, each ship had to establish a volunteer crew commission and inspect all personal luggage after the ship's return to Tallinn. Maritime transport, by its nature, offered the most conducive conditions for *beskhoziainaia kontrabanda* to develop, but the Baltic region had the worst ratio in the entire Soviet Union: 40 percent of all contraband intercepted there

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68 Ibidem, p. 103. For more information on this topic, see LARS FREDRIK STÖCKER: Nylon Stockings and Samizdat: The "White Ship" between Helsinki and Tallinn in the Light of Its Unintended Economic and Political Consequences, in: Zeitschrift für Ostmitteleuropa-Forschung 63 (2014), pp. 374-398, here p. 391. In 1982 alone, the customs officers in the harbor of Tallinn confiscated more than 10,000 Christian writings from the luggage of incoming tourists, see RIHO SAARD: "Rõõmustame selle üle ...": Usulise ja teoloogilise kirjanduse saatmine Soomest Eestisse 1950.-1980. aastatel ["Let's Rejoice About This ...": Sending Religious and Theological Literature from Finland to Estonia Between the 1950s and the 1980s], in: Akadeemia 16 (2004), 4, pp. 844-869, here p. 851.

69 RGAE, f. 413, inv. 32, file 2639, pp. 73-75. For more information about the Georg Ots cruiser, see STÖCKER, Nylon Stockings (as in footnote 68), p. 376.

70 RGAE, f. 413, inv. 32, file 2639, p. 10.

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," complained the authorities.[71]

Illustrative of the kinds of phenomena decried by the Soviet officials in Tallinn is the case of a seaman who worked for the Lithuanian Maritime Shipping between May 1974 and February 1977. During the thirty-four months of his service, he visited dozens of ports in the Baltic and Northwestern Europe. "Together with my peers," the sailor reported to the KGB, "we bought goods exclusively at the privately-owned stores, the owners of which spoke decent Russian. All the shop-owners were interested exclusively in business matters." He intended to suggest that they were not a worthy target for investigation for the KGB as they did not engage in any politically motivated activities.[72] The sailor had the chance to visit such warehouses for sailors in "Antwerp, Hamburg, Bremen, Rotterdam, Rouen, Dunkirk, Copenhagen, Oxeloesund, Venice, Napoli, Athens, London, Montreal and elsewhere. […] Usually, there were at least one or two attendants who knew Russian and one could therefore somehow come to terms with them." Most of the shops displaying a *tovary dlia moriakov* sign offered "prices that were significantly lower [than in a regular store], for all kinds of goods and items."[73]

The Tallinn conference of August 1982 concluded, typically, with a mix of *samokritika* and scapegoating. There was only one issue more commonly discussed than the perils of the Scandinavian proximity, the merchant Jewish diaspora in the Low Countries or 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 inspecting entire ships or vehicles," admitted the director of the GTU.[74] The dawn of Solidarity (1980), the introduction of Martial Law (1981) in Poland and the resulting closure of Polish borders changed this situation, but only temporarily. In the second half of the 1980s, Poland, Polish sailors and international travelers returned to the top of the list of complaints made by the Soviet border control administration.[75]

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71 Ibidem, pp. 18, 182.

72 LYA, f. K-1, inv. 58, file 47733/3, vol. 5, p. 343.

73 Ibidem, p. 45.

74 RGAE, f. 413, inv. 32, file 2639, p. 209.

75 For more information about the vibrancy of Poland's domestic and international black markets, see JERZY KOCHANOWSKI: Jenseits der Planwirtschaft: Der "Schwarzmarkt" in Polen 1944-1989, Göttingen 2013.

4 A Brief Comparative Glance

In the 1970s and 1980s, the Baltic port cities (including Kaliningrad, excluding Leningrad) serviced about a third of Soviet foreign trade. With Leningrad included, this figure usually exceeded 50 percent.[76] While Leningrad's status as the country's number one seaport was never challenged, other major Baltic cities, such as Kaliningrad, Klaipeda, Riga, Tallinn, but also the smaller cities of Ventspils or Liepaja, held a respectable second-rank status, and regularly serviced similar and considerable amounts of cargo and personnel. The port of Klaipeda, for instance, serviced around ten million tons of cargo annually in the 1980s, the local *tamozhnia* cleared 37,000 Soviet sailors and 74,000 pieces of their hand luggage, excluding the *inomoriaki*.[77]

In 1980, the Baltic ports of Klaipeda, Tallinn and Riga occupied the top three places Union-wide (respectively) in terms of the value of the "ownerless contraband" passing through them. The total value of all-Union contraband confiscated among the crews of overseas-bound ships equaled 425,000 rubles. While the figures were not impressive in nominal terms (from 28,000 in Riga to 42,000 rubles in Klaipeda), the high number of cases was indicative of *krugovaia poruka*, which often ran along ethnic lines in the Baltic republics. A high ratio of "ownerless contraband" suggested that the scale of illicit operations that remained undetected could have been considerably widespread. "Compared to other republican fleets of the USSR," the KGB complained in the 1980s, "the quality of the Lithuanian fleet exhibits specific negative factors. Approx. 1,000 sailors with *kompromats* are still in service, among them: 180 with a criminal record, and over 400 with relatives in the USA, Canada and the FRG."[78]

In a typical case of *krugovaya poruka*, a Russian director of a Latvian sovkhoz entered into collusion with a manager from *LenFinTorg* (a company servicing Finland, run by the Ministry of Foreign Trade) named Savenko, smuggled a synthesizer and other musical instruments worth 13,500 rubles, and cleared them as construction materials. As a result, Savenko was arrested. For the Estonians, Latvians and Lithuanians, analogous forms of collusion were also within reach, but usually under 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. To prevent further developments in this direction, a number of officials from the *LenFinTorg* were arrested; others were

[76] RGAE, f. 399, inv. 3, file 1793, pp. 16-17: Gosplan SSSR, Sovet po izucheniiu proizvoditelnykh sil (SOPS): Generalnaia Skhema Rozmeshenia Proizvoditelnykh Sil SSSR na Period do 2000 g […] Baltiiskii ekonomicheskii region [Gosplan USSR, Council on Surveying the Available Production Reserves: General Plan of Allocating Productive Resources of the USSR until 2000 [of the] Baltic Economic Region], Moskva 1984.

[77] RGAE, f. 413, inv. 32, file 2639, p. 115.

[78] O merakh po usileniiu bor'by s kontrabandoi …, (as in footnote 46), pp. 49-51, 73.

profilaktirovannye as they "were already getting ready to perpetrate such a violation." Furthermore, the GTU claimed that it had received information about young cadets joining the customs academies, with the central one in Riga, the seat of the joint MVD-GTU Academy training future officers, precisely in order to be able to find a source of *netrudovoi dokhod*, an unearned, non-labor income.[79]

Maritime contraband was always a core part of the underground foreign trade into and out of the Soviet Union. It accounted for 10 to 20 percent of all contraband intercepted in the 1970s, but its real contribution must have been higher as it had the lowest detection rate compared to all other routes of contraband. In 1980, the number of all detected maritime contraband cases in the Baltic region was 1,630 (655,000 rubles), which constituted around six percent and four percent of all-Union contraband cases in numerical and value terms respectively. This figure grew to eight percent and five percent in 1981 and was equivalent to roughly half of the maritime contraband detected in the Soviet Union.[80] In 1982, 13 percent of all detected contraband in the Soviet Union was perpetrated by sailors, and 17 percent of the so-called ownerless contraband was their doing. 33 percent was claimed by foreign tourists, 28 percent by international students, 13 percent by Soviet officials on foreign *komandirovka*, or business trips. The ranking of "capitalist tourists" in this respect was as follows: Finland: nine percent, Syria: eight percent, Greece: seven percent, FRG and USA: four percent.[81] 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. Odessa alone intercepted more contraband than all the Soviet Baltic ports combined in 1971-74 and 1977.[82]

Odessa, however, was not a city in an independent state in the interwar period and was not affected by the Ribbentrop-Molotov Pact, or at least, not directly. *Pribaltika* had always been recognized as a potentially more destabilizing element by Moscow. This area was also strategically vulnerable because of the intensity of the German exposure, both past and present. The Black Sea contraband was characterized by spectacular (yet comparatively rare) cases involving gold, silver, art or jewelry.[83] The Baltic was more of a workhouse, a regular importer of *shirpotreb* (basic consumer goods) with inexhaustible supplies of hard currency from the neighboring capitalist coun-

79 RGAE, f. 413, inv. 32, file 2639, pp. 57, 184-185.

80 Ibidem, p. 97.

81 Ibidem, file 2640, pp. 79-81.

82 Ibidem, file 9865, pp. 28-29: Aktualnye voprosy tamozhennovo kontrolia v morskikh i rechnykh portakh [Current Issues of Customs Control in Sea and River Ports], Biuletin no. 3 (20), August 1978.

83 For an overview of the contraband culture in Odessa in the postwar period, see ABEL POLESE, ALEKSANDR PRIGARIN: On the Persistence of Bazaars in the Newly Capitalist World: Reflections from Odessa, in: Anthropology of East Europe Review 31 (2013), 1, pp. 110-136. For the pre-Soviet period, see JARROD TANNY: City of Rogues and Schnorrers: Russia's Jews and the Myth of Old Odessa, Bloomington 2011.

tries. From a political point of view, the logistical workhouse of the Baltic was potentially more problematic not only because of its well-known nationalities problem, but because Istanbul had never been perceived as a "near-abroad" destination as potentially alluring as Stockholm, Copenhagen or Hamburg.

5 Conclusion

There is little disagreement that ethnic (and broadly understood: colonial) tensions and inequalities led to the collapse of the federal structure of the USSR, a process pioneered by the Baltic Republics in the late 1980s. The knowledge that these republics also played an economically subversive role is less widespread, and the role of maritime contraband is generally little known. While this broader conclusion cannot be fully supported, I suggest that maritime smuggling generated tensions and inequalities that made Soviet rule more untenable, and also contributed to both the unraveling of the centrally planned economy and to the sowing of the seeds necessary for the re-birth of a market economy, which then followed in the 1990s.

The more their fight against the black market seemed to backfire, the more stubbornly the KGB stuck to the communist moral high ground, standing tall and proud above the vulgar profit-seekers. In an internal guide on how to foresee "poor ethical conduct of Soviet sailors" and prevent a hypothetical event of recruitment or desertion, the KGB assembled some early warning signs indicating a potential traitor. Next to the rather obvious "enthusiastic comments about the Western way of life, Western quality of services, finances and goods," it also mentioned: "an underdeveloped feeling of patriotism," "positive evaluation of dissident activity," "religious prejudice associated with nationalism," "poor family relations, interest in pornography, sexual deviation, greed, materialism, indebtedness, proclivity to contraband, egoism, autonomy, individualism," to mention just a few qualities from the much longer list.[84]

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. "The *borba s kontrabandoi* (war on contraband) could not be successfully waged without taking into account the *koniunktura* (business cycle). As it is well-known, *koniunktura* is determined by demand and supply, both on the domestic and foreign markets."[85] Those were the words of a senior KGB official stationed in Vilnius in 1973. It is also worth pointing out that, already in the 1960s, the *fartsovshiki* (black-marketeers) in Klaipeda insisted on cal-

[84] LYA, f. K-1, inv. 46, file 964, p. 171: Spravka o lichnykh kachestvakh i povedenii sovetskikh moriakov, k kotorym protivnik osushchestvlial verbovochnye podkhody [Report on Personal Qualities and Behavior of Soviet Sailors Who Were Approached by the Opponent with a Recruitment Purpose in Mind].

[85] RGAE, f. 413, inv. 32, file 2639, p. 63.

ling themselves "businessmen" when they socialized with the *inomoriaki*.[86] At the same time, the politically correct approach to such phenomena could not yet ostensibly deviate from the Marxist-Leninist orthodoxy. For example, the profit from smuggling wigs from Western Europe and selling them on the black market was considered *netrudovoi dokhod*, a non-labor, unearned income. This peculiar term was a direct legacy of the original Marxist-Leninist approach to trade as such. All the effort, movement and risk it took to supply Soviet citizens with exotic 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 pro-market transformation in the post-Soviet space, taking into account the proto-market tendencies of the Soviet underground economy, and the pioneering role of port cities in them, is essential.

The collapse of the Soviet Union in 1991 took many by surprise. "What we have seen over the last few years," wrote Swedish economist Jan-Henrik Nilsson in 1997, "is a reversal of the political situation underpinning this division, and, since 1990, new possibilities for regional integration and a renaissance of the Baltic cities have opened up."[87] While it is true that the political transformation between 1985 and 1991 had a revolutionary pace and scale, it was preceded and accompanied by the more gradual development of low-level socioeconomic processes that have often been overlooked due to their elusive nature.[88]

The wave of ethnic mobilization in non-Russian Soviet republics in the late 1980s also took many by surprise. The Soviet official thesis held that the Leninist nationalities policy had solved the problem of ethnic separatism once and for all.[89] Such a conclusion would certainly not have been reached if one had studied the microcosm of ethnic tensions in the Baltic more attentively. That microcosm was rarely more densely condensed than on a foreign-bound oceanic vessel or at a customs border checkpoint. The quasi-colonial problem between the ruling and the ruled nationalities overlapped in this region with disparities in economic (if illicit) opportunity. Soviet foreign-travelling maritime personnel received a hard currency supplement when scheduled to depart for a trip abroad. They were not the only professional group to receive it in the USSR. However, the impact of their operations was magnified by their strength in numbers and by the regularity of their contact with the capitalist world. The sailor's hard currency supplement was a point of departure, or perhaps a *sine qua non*, for many future black-market entrepreneurs. Sailors used it to purchase goods abroad, sell them at home for a profit and reinvest the profit into similar ventures in the future. Sailors were thus among the pioneers of the bottom-up transfer of goods, technology, currency, consumer

86 LYA, f. K-1, inv. 58, file 47424/3, v.1, pp. 114-115.

87 NILSSON (as in footnote 1), p. 71.

88 See MARINA KAAS, KERSTI KRAAS: Eesti ettevõtluse taassünd, 1987-1991 [The Rebirth of Estonian Entrepreneurship, 1987-1991], Tallinn 2009.

89 MARK BEISSINGER: Nationalist Mobilization and the Collapse of the Soviet State, Cambridge 2002, p. 2.

tastes and values from the West that tore the Soviet economy and society apart.[90] Ultimately, in the USSR and in all other post-socialist countries, their special status ended abruptly with the market reforms of the early 1990s. With the onset of a new liberal global world order after 1991, their profession had lost its previous allure of a hardly accessible, illicit international adventure with the promise of hard-currency profit. It returned to its more usual status of low-skilled manual labor, with poor pay, difficult working conditions and no-longer-so-exclusive privileges of globetrotters.

[90] As STÖCKER, Nylon Stockings (as in footnote 68), p. 388, points out, some Estonian journalists, such as Enno Tammer, went "even further in reassessing the repercussions of the unintended economic side effects of the Finnish [ferry] connection for Soviet Estonia." It was on the black market, Tammer held, that Estonia's "first capitalists" were raised.

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