

ANTI-SOVIET SABOTAGE EXPOSED

**BY
G. M. KRZYZZHANOVSKY**

**NEW YORK :
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FOREWORD

A new campaign of calumny against the Soviet Union, more furious than any that has taken place since the intervention of 1918-20, is now raging in all the countries of the capitalist world. All the supporters of the present régime, which is shaken to its foundations, have joined forces in this campaign—the Pope and the Archbishop of Canterbury, the monarchist fascists and the republican social-democrats, the forgers and their judges, the chiefs of general staffs and the pacifists.

Why is it that precisely *at this time* the campaign of calumny is growing from day to day? What is its aim?

The chief ground for this wild orgy of calumny and abuse of the Soviet Union lies in the contrast between capitalism, undermined by the approaching world crisis, and the overwhelming progress of socialist construction in the Soviet Union. The year 1929 in the Soviet Union was "the year of great changes." Even the bold rate of development which was set out in the Five Year Plan proved to be far too modest not only in the development of industry but especially in the collectivisation of agriculture. If nothing interferes, if the mighty socialist construction carried on by the millions of enthusiastic workers and peasants continues to develop without being disturbed by *foreign* interference—the Soviet Union will become in three or four years the impregnable stronghold of socialism.

It is, however, in order to hinder the smooth development of socialist forces, in order to disturb with all available means the work of construction in the Soviet Union, and if possible to destroy it, that the campaign of calumnies is now being intensified and interventions of all kind, including war, are being feverishly prepared.

Capitalists and their lackeys observe in despair that the hopes which they have cherished for years past for the destruction of the Soviet Union by inner forces are being frustrated. They speculated on the dissatisfaction and indolence of the backward sections of the proletariat. But hundreds of thousands of workers engaged in industry have been streaming into the Communist Party of the Soviet Union, especially during

the last few months. They speculated on the resistance and the sabotage of the kulaks. But the enormous development of the collective farms, which welds into an iron battalion not only the village poor but also the mass of the middle peasants, dooms the kulaks as a class to inevitable destruction. They speculated on the agitation carried on by the priests of all denominations. But the progress of national enlightenment and culture is killing religious prejudices among the masses, the sweep of economic and social construction is brushing aside the priests who resist it and exposing them as tools of the exploiters.

They speculated, finally, on the mean work of sabotage of their direct agents, specialists hired and paid by them, who, along with honest engineers faithfully devoted to socialism, have worked their way into the commanding posts of soviet economy and administration. But the worst nests of these criminals have been discovered, owing to the vigilance of the proletarian organisations, and destroyed by the hand of justice.

Now that the public is in possession, by means of the documents revealed by a series of trials, of a fairly complete picture of this work of sabotage, carried on for years, the rage which seized the whole of the capitalist and counter-revolutionary world on the occasion of the first of such trials, the famous Shakhta trial, and those which soon followed, becomes intelligible.

Engineers who guided the important branches of soviet economy; technicians and economists who were working out economic plans, including the great Five Year Plan; military specialists and administrators, were in the immediate service of foreign capitalists and financial groups, and worked on their behalf. Economic, military and political spying was the least of their offences. The most subtle methods of a planned and systematic work of destruction, which was intended to reduce to naught the self-sacrificing efforts of the workers, were applied with the deliberation of hardened criminals. The saboteurs formed ramified, well-organised gangs which were lavishly subsidised with funds by their foreign task-masters. Their avowed purpose was to ruin socialist economy, so as to pave the way for the restoration of capitalist exploitation, to bring about disarmament of the soviet state in preparation for military interventions, to bring about the restoration of the Tsarist monarchy.

The present pamphlet illustrates by means of authentic

material the mechanism of these crimes, which are among the most dastardly in the history of the class struggle waged by the bourgeoisie against the proletariat. The author is the pioneer of the first plan of electrification of the Soviet Union which was put forward in 1920. He is a prominent engineer and member of the Academy of Science; since the foundation of the State Planning Commission (Gosplan) in 1921 until the present day he has been acting as its president. He is the founder of the Five Year Plan. Before he was called upon to take the leading part in the socialist construction of the Soviet Union, in which capacity he has achieved undying fame, he had a long and active revolutionary career. He was Lenin's colleague in founding, in the middle of the nineties of last century, the first proletarian mass organisation in St. Petersburg; was exiled for many years to Siberia; was for years acting illegally as member of the Bolshevik Central Committee, and during the 1905 revolution was one of the organisers of the great railway strike.

No one is better qualified than he to describe the crimes of the sabotaging organisations in all their technical and economic details.

This narrative, when it becomes known to hundreds of thousands of proletarians in capitalist countries, will become in their hands a mighty weapon of defence against the shameless anti-soviet campaign now being waged by the capitalists who were deprived of their most valuable agents within the Soviet Union. For it is the proletarians of the capitalist countries who can and will thwart the plans pursued by this campaign, namely, the preparation of new war by the imperialist governments against the Soviet Union.

The whole of the Second International has already placed itself at the disposal of this campaign. At this very moment, when the pope showers his curses on the great workers' and peasants' republic, an article by the president of the Second International goes the round of the social-fascist press in all languages. This article defends the Russian "intellectuals"—Vandervelde thus characterises the criminal saboteurs, spies, and traitors to the Soviet Union—the "priests and monks," against the "Moloch" of the workers' rule. He protests violently against the fact that the soviet government—"in peace conditions (!) with no excuse for such counter-strokes as are dealt in civil war"—has made the agents of international capital feel the hand of its stern revolutionary laws, and appeals to these agents "to tolerate it no longer."

It is the duty of the workers—the whole of the proletariat, even that part of it which professes to be social-democratic, the proletariat which in all capitalist countries is itself engaged in the bitterest struggle against capitalism maddened by the world crisis to unmask and defeat the provocative plans of the leaders of the Second International. It is their duty to oppose the campaign against the Soviet Union by an active solidarity with the fatherland of all the exploited and oppressed of the world crisis to unmask and to defeat the provocative plans of the leaders of the Second International. It is their duty to oppose the campaign against the Soviet Union by an active solidarity with the fatherland of all the exploited and oppressed of the whole world.

The proletariat of all the capitalist countries must protect the work of socialist construction which is being carried on within the Soviet Union, against all imperialist interference and the most criminal of all possible wars.

For the cause for which the proletariat of the Soviet Union fought victoriously in 1917, and is fighting against a world of enemies now is the cause of all the workers, since the final victory of the Russian proletariat will also hasten their own victory over capitalism.

ANTI-SOVIET SABOTAGE EXPOSED

I

DURING the last two years, in a number of branches of soviet industry anti-soviet organisations for sabotage have been discovered in the upper stratum of the engineering profession and suppressed. The long period during which these counter-revolutionary organistaions were in existence, the grand scale of their sabotaging activity and, finally, their clearly expressed political aims—all this taken together cannot fail to attract the attention of the soviet public.

It would be a great mistake to regard the sabotage of underground organisations of the reactionary strata of specialists as a sporadic or temporary phenomenon, in no way connected by far-reaching ties with the whole course of the proletarian revolution within the country and with the international situation of the workers' and peasants' Republic.

Sabotage, which for a number of years was carried on in the industries of the Soviet Union, is one of the forms of an irreconcilable anti-soviet struggle of class enemies of the proletarian dictatorship and socialist construction.

At all stages in the life of the Republic—during the time when the working class was repelling the furious armed intervention; during the time when it was working self-sacrificingly to restore the ruined national economy; and, finally, during the time when the country was entering the road of socialist reconstruction — the sabotaging organisations never ceased their work of destruction, inspired by the former owners and the aggressive circles of the foreign bourgeoisie.

The data gathered at the preliminary investigation with regard to sabotaging organisations prove convincingly that the sabotage was originated in the furious resistance to the October Revolution on the part of the defeated bourgeois class and was historically as inevitable as all the other forms of anti-soviet struggle: white guard risings, terror, intervention.

Sabotage must therefore be regarded as the basic tactical form created by the peculiar conditions of counter-revolutionary struggle on the economic front. It is quite obvious that in 1918-20, simultaneously with the development of the civil war, there was bound to arise a secret struggle by the forces of reaction in the field of the industrial life of the country, having for its object the return of the factories, shops, and enterprises to the bourgeoisie.

The social composition of the upper stratum of the engineering profession, its attitude toward the October Revolution, and the common interests between them and the former owners, contributed to the formation of the sabotaging organisations animated by the strivings of the bourgeoisie for restoration.

The basic and guiding group of members of the sabotaging organisations consisted of persons who, by their whole ideology and their material interests, were indissolubly linked with the bourgeois-landlord régime. In the first place, we must consider the category of former capitalists, who before the October Revolution owned industrial enterprises, who were shareholders in various companies, and who had big banking accounts. In analysing the personnel of the sabotaging organisations which have been discovered up to the present, we note that former capitalists are the principal figures engaged in anti-soviet activities.

Beside former capitalists were military engineers, who occupied an important position under the old régime. Among those who sabotaged war industries there were ten former generals and nineteen colonels. It is quite natural that these people of the past, trained in the Tsar's army, should be trusty henchmen of capital and irreconcilable enemies of the proletarian dictatorship.

But the personnel of the counter-revolutionary organisations was, of course, not limited to the categories of the arch-saboteurs, described above. They were closely connected with a group of old specialists, who in the past owned neither enterprises nor capital, but who under former masters held a privileged position, both in law and as regards their material well-being.

It is precisely this topmost stratum of the engineering profession which one of the saboteurs called "lieutenants of capital." Their ideology, which had been in process of formation for decades through personal ties with the bourgeoisie,

and the fact that they had become thoroughly habituated to pre-revolutionary methods of work, would not permit these people to reconcile themselves to the existence of the soviet régime. A complicated combination of diverse motives prompted them to fight for the restoration of capitalism, and they fought by those methods which were facilitated by their special technical knowledge, namely, sabotage and the endeavour to prevent the industrialisation of the country.

The guiding nucleus of the organisation was fully conscious of the fact that in order to swell their ranks, by winning over engineers of more modest position and the young engineers, it was necessary to carry on preliminary propaganda of an anti-soviet character among the engineers; to destroy their confidence in socialist construction, to make use of the *esprit de corps*, of the scientific authority and the influential positions of the leaders of the sabotage, and so on. In other words, along with a practical undermining of the soviet industries there was going on a continuous methodical struggle for the conquest of the basic cadres consisting of specialists some of whom were loyal, some non-political, and some disposed to be hostile to the soviet régime.

II.

The vast material of the preliminary investigation, in the form of depositions by the accused, allow one to conclude that the tactics of the sabotaging organisations were most closely dependent on the international position of the workers' and peasants' republic. In fact, it could not have been otherwise, since the sabotage was guided by the former owners and by world capital.

Hopes for the speedy and irrevocable downfall of the soviet government, under the pressure of intervention and blockade, gave a special direction to the anti-soviet activity of counter-revolutionary groups in 1918-1920.

At this period the sabotaging tactics and instructions of former owners were reduced to keeping the enterprises idle, to delays in setting them in motion, concealing mineral wealth, and retarding its exploitation so as to prevent its utilisation by soviet industries.

The international situation and the internal position of the country radically altered after the failure of the intervention. The capitalist world lost all hope of overthrowing the soviet government by means of armed force. At the same time

Europe was passing through an acute economic crisis, created by the imperialist war and the exclusion of the Russian market from the system of world economy. The diplomats had to find out new methods of "ridding the world of Bolshevism." The advocate of "peaceful" tactics was the most supple politician in the bourgeois camp—Lloyd George then the British Premier. The theory of the dwindling away of the soviet régime under the influence of economic communion with capitalist countries was hastily elaborated and made the foundation for a diplomatic offensive against the workers' and peasants' republic.

In 1922 Conferences in Genoa and at The Hague took place, to which for the first time representatives of the soviet government were invited. The clash of two worlds, which was evidenced in connection with the so-called "Russian question," presented in a glaring light the new tactical forms of the struggle against the dictatorship of the proletariat.

For our purpose it is important to note that one of the main points of the May memorandum of the capitalist powers in 1922 was the demand that the nationalised enterprises be restored to their foreign owners, or, at least, that their losses be compensated for by the granting of concessions. This idea of liquidating the soviet régime by means of the restoration of the strongholds of capitalism was the hidden essence of the ultimatum of the European diplomats.

The calculations of the imperialists were plainly to be understood. The bourgeoisie was certain that the Soviet Republic, exhausted by intervention, hunger, and economic ruin, would capitulate and would allow a wide expansion of private capital in the economy of the country. The main object was to conquer the commanding heights of national economy for the former owners, and as a result to transform the country of the soviets into a state based on a system of private capital.

The international conferences of 1922 inaugurated a general tactical line for the whole of the bourgeois camp: the penetration of private capital in the form of concessions, the conquest of the whole economic system of the country, and the subsequent liquidation of the proletarian dictatorship. The leaders of the offensive of foreign capital were the biggest groups of former owners, but the immediate technical execution of anti-soviet plans was entrusted to sabotaging organisations within the country.

To this shameful traitorous work the counter-revolution-

ary section of the "lieutenants of capital" was trained by the whole course of the class struggle after the end of the intervention and the beginning of the reconstruction period of national economy. True, the collapse of the white armies shattered the hopes of an "automatic" return of the former owners. But new prospects appeared instead, created by the class aspirations of the anti-soviet strata of technical intellectuals.

Here is the deposition of *Vysochansky*, a former general and one of the leaders of the counter-revolutionary organisation in the war industry.

"After the end of the civil war, in spite of the fact that its results showed the good organisation of the bolsheviks and the futility of the efforts of the white armies, yet counter-revolutionary tendencies, both in our guiding group and in the personnel of the central administration of the artillery works, did not subside. Our conversations about the certainty of changes in the soviet régime became more frequent. We all were agreed that it was impossible to continue to live like that any longer. The exceptionally difficult economic situation of the country, and the hard conditions of everyday life contributed to our conviction that the soviet régime possessed no vitality. Although the bolsheviks were strong owing to their organised army, yet economic difficulties, insurmountable, as we believed, presented themselves; the country was being brought to final ruin. . . .

"The bolsheviks," we said, "knew how to create revolutionary enthusiasm, but they were incapable of solving economic problems; for that purpose they lacked both ability and men. It was easy to destroy, but it was another matter to build anew, and especially under such hard conditions. . . .

"Such in brief were the topics of conversations which took place both among the leading group and the departments of the *Tsepaz* [Central Administration of Artillery Works]. These political moods which had taken possession not only of the members of the organisation but also of the broad sections of the collaborators of *Tsepaz* and also of *Gurp* [State Administration of the Ore Industry], strengthened our conviction of the correctness of the method selected, and confirmed the anti-soviet position of our guiding group."

Owing to the existence of such a mood, which consolidated the sabotaging groups of the engineers, the New Economic Policy was treated as a first step towards a reversion to capi-

talism. The *Smenovekhovstvo** soon gave a form to these spontaneous aspirations and supplied a theory to justify them.

The depositions of *Stakhevich* describe in a most characteristic way this process of training for new active sabotaging tactics :

“ It seemed to me that the more the New Economic Policy was developing, the more active was life. At the same time I became acquainted with the literature of the *Smenovekhovists*, and it seemed to me that they gave a correct forecast of events, and that the Russian revolution had already taken a turn backward. . . Many people interpreted events and their significance after the fashion of Ustryalov and prophesied that capitalist features would gradually become marked in the life of Russia. In particular, the majority of them regarded the state industry as industry of a capitalist nature. . . ”

A very significant encouragement to counter-revolutionary elements among the engineers was given by the opposition within the Communist Party. The Trotskyist theories about the sliding back to a bourgeois order strengthened the confidence of the saboteurs as to the correctness of their tactics of demolishing soviet industry for the purpose of bringing in the concession capital as a means of the restoration of capitalism.

Shukhov, an engineer who belonged to a counter-revolutionary organisation in the People's Commissariat of Communications, states :—

“ A favourable ground for counter-revolutionary tendencies was created by the news of dissensions within the Communist Party, which circulated at that time in the press and were discussed by the public at large.

“ Hopes began to be entertained of a break-up or a split in the Communist Party, which up to then had appeared solid and unshakable. For persons politically uneducated, who were unable to understand the essence of the discussion, it seemed that there was an end of Communist unity of ideas, and along with it the end of the cruel guidance of the life of the country which up to then had been effected by the Communist Party.”

The political aims and tactics of the counter-revolution-

* Movement of the Russian bourgeoisie, headed by Ustryalov, who after the introduction of the New Economic Policy, gave out the slogan of support for the Soviet régime with the aim of aiding in its gradual transformation, through its economic policy, into a capitalist régime.—ED.

ary organisation at that period, as will be seen from the depositions of the accused, entirely coincided with the plans of the foreign bourgeoisie.

Giving an account of the speech of *Palchinsky* at one of the meetings of the saboteurs the engineer *Podyakonov* stated :—

“ *Palchinsky* briefly described the preceding work of the council (the council was one of the associations of the counter-revolutionary organisation) in guiding the work of the various organisations. According to his statement, the council included in its programme the task of assisting the penetration of concession capital and private capital into the Soviet Union, in order to alter in that way first the economic and then the political line of the soviet government, with a view to enabling private and concession capital to operate without hindrance in all domains of the economic life of the country.”

Engineer *Rutkovsky* formulates in the same way the object of the counter-revolutionary groups :

“ This matter, of course, was not to be limited to granting former owners one or several concessions. The scope was to have been wider : a mass penetration of old proprietors into soviet economy, and hence a change in the character and system of soviet economy, consequently also a change in the political régime of the country.”

The aim to bring about, as a result of the penetration of private capital, a change in the economic foundations of the soviet power, and to restore private property, runs like a thread through all the statements of the members of the organisations which existed in the various branches of industry.

Engineer *Khrennikov*, the leader of the sabotaging organisation in metallurgy and machine construction, describes as follows one of the speeches of *Palchinsky* in which he laid down the programme :

“ Further on *Palchinsky* said that he, representing the combination of a number of sabotaging organisations within the Soviet Union, and being *well informed of the intentions of the former owners now abroad*, would like to talk about the subsequent course of the sabotaging activity. In particular, *Palchinsky* pointed out that the aim consisted in *attracting foreign capital into our industry by way of concessions ; that this would entail the weakening of the soviet régime, and the result of it would be that private property would prevail.* *Palchinsky* also intimated that the former owners abroad were

prepared for continuous carrying out of this programme, and that we must assist them in every way to obtain concessions."

Rutkovsky, whom we cited above, gives a concise but very expressive formulation of the class aims which inspired the saboteurs in their criminal activities:

"My whole practical work of sabotage was the endeavour to fulfil that basic task which was set for me by the Club of Mining Engineers and above all by Palchinsky. This basic task consisted in the following: 'The old owners must come back.'"

It goes without saying that the former masters abroad, for whom the saboteurs were yearning, did not watch all this with folded arms. They represented the general staff of a small but solidly welded army of saboteurs of high technical skill.

Thus, for instance, at one of the informal conferences of the Emigrant Commercial and Industrial Union in London, in 1922, a resolution was passed which laid down the general tactics of the anti-soviet struggle for the near future.

In this resolution we find the following point:

"The ties that are being established between foreign and Russian industrialists on the basis of mutual protection of rights, and of assistance in restoring normal economic and legal conditions in Russia, create favourable conditions for the solution of the question of attracting foreign capital to the economic system of Russia."

In every branch of soviet industry there was a corresponding special group of capitalists abroad which took care of "its" sabotaging organisation, gave it instructions, financed and, with its assistance, pursued concession plans.

The statements of the engineer Podyakonov show who were the aspirants for the capture of the gold and platinum industry.

"At the meeting Palchinsky gave general information. He informed the audience that there were two big financial organisations abroad, which, owing to their former associations, were greatly interested in the Russian gold industry: The Urquhart group, which includes the former Lena Goldfields Co., and the French group, which includes former owners of the Beriosovsky and Kocharsky goldfields and Russian industrialists in the gold industry. Both groups wish to take their goldfields by way of concessions. There is a special association for platinum, which wishes to undertake

the sale of Russian platinum abroad on condition of advancing capital for the development of the platinum industry and its capital re-equipment.

"Coloured"* metallurgy was specially attacked by foreign capital. Its enormous importance in the industry of the country, on the one hand, and the fact that Urquhart was interested in it, on the other, created prerequisites for extensive sabotage, with a view to enabling concessions to be obtained in these enterprises. In order to take a personal part in guiding the activities of the counter-revolutionary organisation, Urquhart even came to the R.S.F.S.R. Before leaving London, in July, 1921, Urquhart, appearing at the general meeting of shareholders of the Russo-Asiatic Corporation, definitely stated that he relied on the saboteurs. He declared:—

"Most of our technical and administrative staff are now at the enterprises and are waiting for our return."

The subsequent course of the concession negotiations fully justified the expectations of English capital. The counter-revolutionary organisation took all measures, starting with consultation and ending with economic espionage, to prepare the ground for the return of the former owners.

In the depositions of engineer *A. P. Ivanov* we read:—

"In Moscow Urquhart lived near the apartment of *Kisselnikov* and *Lessig*. He often visited them and had conversations with them on various topics connected with the concession for which he was petitioning. *Lessig* and *Kisselnikov* informed him of the views and intentions of the Government, and mapped out the tactics at the forthcoming conferences, for which Urquhart paid them, and also promised to take them into his service. The same rôle was assumed by *Sharov*, who by the time of my arrival had returned from *Kyshtym*, where he had gone as a member of the commission to determine the cost of restoring the *Karabash* copper works."

The sabotaging organisation in metallurgy and machine-construction was the most closely allied with foreign countries. From 1921 the leaders of the organisation received instructions from the former owners concerning assistance to be rendered by them in procuring concessions. In the work of penetration of private capital in this branch of industry an

* "Coloured" metals means all metals except iron and the precious metals.

active part was taken by the "Torgprom" [Commercial and Industrial Association] in Paris, and by the British industrialists.

Those immediately responsible for carrying out the concession tactics in metallurgy and machine-construction were the Englishman, Glass, the representative of the shareholders of the Novorossysk (Yuzovsky Company, and Meshchersky), the managing director of the "Sormovo and Kolomna, Ltd." The counter-revolutionary organisation kept up connections with foreign countries mainly through the engineer Khrennikov.

We read the following in his depositions :—

"Glass told me on his arrival that Meshchersky requested him to let me and others know that he proposes, with the assistance of foreign banks, to take up concessions, particularly of the works of the Gomza (State United Metal Works), and asked us to assist him in this.

"Glass told me that in foreign countries there is a group of former owners of nationalised enterprises, which is supported by the banks, and which proposes to make a concerted approach to the soviet government with an offer to make concession contracts. Glass told me that he himself, Meshchersky, and others form part of that group, and that I and other engineers should in every way assist this group to carry out their plans. . . .

"The group of industrialists relied on my assistance, as well as on that of other engineers, in holding back the extension of production and creating financial difficulties by means of exaggerating the expenses for the reconstruction of works."

We have described above by means of extracts from depositions only the basic part of the extensive programme of restoration of private property on the concession basis. Foreign capital was clearly aware that the capture of the key positions of soviet industry was impossible of realisation, if the reconstruction of the national economy proceeded normally. The socialist basis of the state régime was calling forth new creative possibilities, which were destined not only to overcome the post-war devastation, but also to carry forward the industrialisation of the country with a mighty sweep.

"Already after the second visit of Glass in 1923 it became clear to the whole of the organisation that under existing conditions there was no hope of the works being turned

over to concessionaires, and that the soviet government was not prepared to do so; therefore the only thing that was left was *to carry out the proposal of Glass about gradually bringing the works to such a state of deterioration that the government would be forced to turn them over to the concessionaires*. Each member of the counter-revolutionary organisation must work according to his special opportunities in that direction.”*

Thus the struggle for the penetration of private capital was indissolubly bound up with a whole system of sabotage, thoroughly planned out. It was precisely these sabotaging measures which were intended in the final analysis to force the Soviet Government to capitulate to concession capital.

In accordance with the plans of the former owners, counter-revolutionary organisations had a serious task to fulfil. Sabotage was a means of discrediting the very idea that industry can be restored by our own means without the assistance of foreign capital. The scope of this pamphlet does not allow us to describe fully all the various methods of sabotage directed to that goal. Therefore we shall confine ourselves to a few extracts from depositions, which give an idea of the scale on which these so-called concession tactics were applied. Engineer Rutkovsky deposes:—

“The first stage of practical work, conditioned by this method, may be called the concession stage. Our task consisted of preparing public opinion in the desired sense, of creating conditions favourable for attracting many concessionaires, to make it easier for the latter to obtain various concessions. Our work proceeded along two lines: first, through the Club of Mining Engineers, which laid down the general methods, and secondly, the corresponding economic and planning soviet institutions, in which we were doing practical work and in which many of us held highly responsible posts.”

In one of his depositions engineer Podyakonov renders in a concise form a speech which Palchinsky delivered at the conference of the leaders of the various counter-revolutionary organisations, and in which he dealt with the question of concession tactics. We quote here the following extract:

“With this object in view the respective organisations were directing their energies towards an artificial checking of the growth of state industry: by not meeting its require-

* Deposition of engineer Neumaier, member of the sabotaging organisation in the metal industry.

ments in due time; by not revealing potential underground wealth, possible sources of raw material, etc., but on the contrary concealing them; and moreover, by means of direct sabotage, by directing the work in such a way as not to produce the desired effect; by rousing the dissatisfaction of the workers with measures of the soviet government which were designed to raise the productivity of labour; by wilfully misinterpreting all the measures carried out to effect improvements in the national economy."

We will quote another deposition by engineer Rutkovsky, which is significant in that it shows that the members of the organisation in the course of their sabotage in industry were always pursuing definite and far-reaching political aims.

"Our immediate task was to assist in every way the extension of private leases and concessions in the gold and platinum industry. We continued our criminal activity in other forms: sabotage of the measures to reconstruct the state enterprises, handling of these measures in a way we ourselves described by our phrase: 'the worse—the better.' This meant that the more difficulties and failures were met by the soviet government on the path of economic reconstruction, the sooner it would be convinced of the unsuitability of socialist methods for this purpose, and the sooner it would begin to evolve economically and politically in the direction indicated above, which in our opinion was the only way that could save the country. From such a premise logically followed those criminal acts of sabotage of which we are guilty."

We have given a brief characterisation of the general methods directed towards discrediting the socialist foundations of industrial development. The every-day activity of the members of the organisations took the form of concrete acts of sabotage, of which we will give a few instances taken from among the main branches of industry.

The following are some extracts from the depositions of Khrennikov on the sabotage in the metal industry:

"In conformity with the instructions received from former owners abroad in 1924 and 1925, the following plan of sabotage was agreed upon by the members of the organisation: *To spend money for new equipment and extension of plants in such a way that these investments could not give quick returns, but would be of use later on to the concessionnaires.*"

Further on Khrennikov enumerates a series of such acts:

"The *simultaneous* building of four batteries of coke

ovens for Yugostal [Southern Metallurgical Trust], so that all batteries, owing to lack of assigned funds, advanced slowly; whereas they should have been built rapidly, one after another, and set into operation; the delay in building a blast oven in Makeyevka *owing to insufficiency of assigned funds, which were intentionally spent piecemeal on other work.* The estimate of Kerch construction was purposely put at a figure much below the proper one. The purchase of equipment unnecessary at the present moment, such, as, for instance, three blast engines, and a fourth battery for the Yugostal coke ovens. The intentional delay in rearrangement and refitting of the railway repair shops of Bryansk by means of a gradual extension of the programme of production, etc. The carrying out of all these acts of sabotage in Yugostal was entrusted to two members of the organisation—*Svitsyn and Zhdanov.* . . .

“Prior to 1925 *Zhdanov*, in common with *Svitsyn*, intentionally refrained from putting into operation shops which had been standing idle but in running order, including some of the best, such as *Makeyevsky*, *Dneprovsky*, *Yenakevsky*, etc. This was done in the interests of the former owners and to the detriment of the soviet government in 1925 and 1926 *Zhdanov* made an excessively small estimate for the Kerch works, in consequence of which about 20 million roubles were assigned, while, in fact, the cost was over 40 million. The list of equipment to be ordered from abroad by Yugostal was wrongly drafted. *Zhdanov* and I deliberately submitted shortened programmes of production to the Metal Planning Commission, and then to the State Planning Commission, and obtained their sanction for same.”

In the domain of “coloured” metallurgy, Engineer *Lessig* deposes that:—

“All the members of the commission except *Andronnikov* and *Vanderbellen* were in favour of concessions, and represented a group holding the same views. The commission was faced with the problem of determining the amount of capital investment for the restoration of the whole ‘coloured’ metal industry of the Soviet Union. The total sum required for capital investments was determined and agreed upon by the commission at 20 million roubles. How this sum was distributed among the various units I do not remember, with the exception of *Ridder*, to which 5.2 million roubles were assigned. The obvious under-estimation of capital expendi-

ture on the above-stated objects of construction, so as to reduce the figure to 20 million roubles, was done for the purpose of inducing the Government to assign insufficient funds, to start with these funds the pumping of water out of the mines, preparations for production, and other work of reconstruction. *Our group hoped that in the nearest future, as soon as it should transpire that the means assigned to the 'coloured' metal industry were extremely inadequate, the government, in view of the difficult economic position of the country, would be unable to proceed along the path of further capital investments, and would give concessions for enterprises in the 'coloured' metal industry.*

“The subsequent plan of sabotage as regards Ridder consisted in so delaying the electrolysis of zinc as to make Ridder a non-paying concern. The electrolysis of zinc requires a big amount of energy, namely, 4,000 kilowatt hours per ton of zinc. Consequently, *in order to delay the electrolysis of zinc it was necessary to delay the building of the big power stations, the Ulbinskaya and the Ubinskaya. Naturally the plan could only be carried out very cautiously, in order that it should not be found out at once.* Therefore, I not only went ahead with, and successfully terminated, the work of reconstruction of the mine, completed the equipping of a plant for dressing ores, constructed a lead works, increased the capacity of the Ridder railway, constituted the Khiiryusovskaya power station (capable of serving the needs of numerous departments, but inadequate for the electrolysis of zinc on an industrial scale), but I also raised the question of building a zinc distilling works. My grounds for stopping the construction of Ulbinskaya station were sufficiently plausible—the impossibility of undertaking this, owing to transport difficulties, shortage of building material, and the absence of a detailed plan, and the unreliability of the ground under the Tishin dam. In reality, even at that time, in the summer of 1926, it was possible to construct a two-verst tunnel, for this work did not require either the transportation of any large quantity of material or a detailed plan; and as regards the Tishin dam it was not indispensable. There was an alternative method which did not require the dam.”

The most notable features of sabotage in the Ural platinum mines were the conservation of underground wealth for future concessionnaires, and incurring of unnecessary and

unproductive expenses. The depositions of Engineer Domenov, member of the organisation, show this:—

“The first act of sabotage was the Tagil project, which we put forward prematurely, whereas it should have been put forward only after thorough exploration. It was ‘raw,’ yet we advanced it. The case of the Issovsk dredge was similar. It was then proposed to demand for these two projects 22 million roubles, our idea being that the *soviet government would be unable to give the 22 million and, hence, would conclude that the undertaking must be given over to a concessionaire. However, things happened otherwise.*

“*This was the first act, not entirely successful; but successful in that the Tagil district produced more dredges than were required.*

“*Now the second act. Simultaneously, the project of transporting stone dredges to another locality was sanctioned. This was also sabotage, for there was still work for them. It was said to be for the purpose of saving the Nyasma valley. But work with the dredges was afterwards abandoned, and the Nyasma valley remained as it was.*

“*The third act of sabotage after all the old dredges were reconstructed, they started to be discarded. The Tagil dredges were destined to be discarded when new dredges would arrive, but we did not wait for that, and stopped them. Next we stopped the Issovsk dredges. Then, in 1927, we again began the construction of five new dredges, completing, however, only four, on the pretext of the plans having been faulty.*”

Most significant is the sabotage in those industrial branches which held out a prospect of extensive exploitation by the means of the state itself. The tactics of the counter-revolutionary organisations as regards Aldan revealed themselves in the following way:—

“As regards Aldan, our group made a proposal, which met with success, of appointing there as a member of the board and technical manager, the *Engineer S. A. Podyakonov, who was to organise the work of exploration in such a way as to undermine the economic position of the ‘Aldanzoloto’ [Aldan Gold] Trust* and thus assist in its being turned over to foreigners.*”**

* A trust, organised in 1925, to supervise the exploitation of the gold beds located along the Aldan River and its tributaries in the Yakut Socialist Soviet Republic.

** From the depositions of engineer Krylov.

Engineer Podyakonov gives the following details concerning this method of sabotage on the part of the Moscow leaders :—

“ In accordance with the task set by the central body of the organisation I increased the amount on the programme to 450 poods, which it was obviously impossible to realise. There was no difficulty in doing this, for everybody was dazzled by the results of the first year. I also put forward a programme of exploration in accordance with the task set, namely, I concentrated all the exploration work in the same region as in the first year, I did not propose any additional exploration on the River Tommota, where the preliminary exploration was insufficient, and where there was gold to be found according to several indications. I did not include in the programme the exploration of ore gold, though there were indications as to its presence above the Lebedinsky mine.”

Sabotage in the field of transport had peculiar methods of its own. Of course, there could be no question of making the railways an object of concessions to foreign capital, however great the ruin caused to transport by the counter-revolutionary organisations. Therefore, the sabotage in the People's Commissariat of Communications reckoned upon the restoration of private property at the time, when the soviet government, under the pressure of firmly-rooted foreign capital, would end its existence.

Blinded by class hatred of the proletarian dictatorship the transport saboteurs were firmly convinced of this “ second advent” of private property. These hopes, coupled with instructions from abroad from former shareholders, directed sabotage along the line of enhancing in various ways the value of the former private railways.

Owing to the specially centralised nature of the administration of transport, the counter-revolutionary organisation, which captured leading posts in the apparatus of the People's Commissariat of Communications, was given an exceptionally wide scope, which, of course, was fully utilised.

Engineer Shukhov, member of the counter-revolutionary organisation, deposes :

“ In one of my former depositions I stated that our organisation fulfilled the functions of an illegal council, of a board of former private railways. One of our functions was the strengthening of the former private railways, supplying them with materials and funds to the detriment of other

railways. Private railways were best supplied with rolling stock: The Kazan railway received an allotment of freight locomotives of the series 'E' instead of the unserviceable 'F' which were sent to the Tashkent and Transcaucasian railways. The Kiev-Voronezh and the South-Eastern railways received an allotment of new locomotives, and their locomotives of the series 'B' were sent to the Tashkent, Central-Asiatic and Transcaucasian railways. The Kazan railway received several hundred new passenger cars; the North Caucasian railway, with the adjoining small private lines, received enormous sums for the restoration of rolling stock; the Ryazan-Ural railway was also not forgotten, it received many serviceable cars and new engines. The former Windau railway, which is now divided between the Moscow-White-Russian-Baltic and the North Western railways, was completely neglected; for, on the one hand, no one in our organisation had interests in it, and, on the other, it was one of the lines near the frontier, and our organisation was hampering the improvement of all such. . .

“ Private railways were improved by means of a more frequent change of rails (the Kazan, the Ryazan-Ural, the Kiev-Voronezh railways), by increasing their capacity (North Caucasian, Kazan, and other railways), by developing the junctions (Rostov, Sortirovochaya, Kazan Railway), etc. It should be pointed out that many of the measures indicated above, while serving the interests of private railways, were at the same time, under the existing soviet conditions, a sabotage, both by their extent and prematurity, and by the loss inflicted indirectly on the other railways of our Union. For instance, the Tashkent, Central-Asiatic, and Kursk railways were utterly neglected; the Omsk Railway was not sufficiently improved; the Transcaucasian Railway, used for exports, was weakened, etc. The plan of our council embraced two more measures, which were already partly worked out, but not carried out owing to the beginning of the breakdown of our organisation, *i.e.*, the arrests. These two measures consisted in reorganising the network of railways, and the forms of railway administration. In the first place the reorganisation was designed to increase the value of private railways by adding to them profitable sections of state railways; and, secondly, the new forms of management were to give the private owners, after they received back the railways, the

advantage of a system of administration corresponding to the proposed big networks, thus casting on the soviet government all the difficulties which usually attend processes of reorganisation. If I remember rightly, there was being prepared a project in accordance with which the lucrative state Nizhny Novgorod line was to have been joined to the Kazan railway, and a section of the former Ekaterininskaya Railway to the North Caucasian railways. The plan had in view the creation of big networks of railways with 5,000 to 10,000 kilometres of lines, and with a decentralised administration, considerable power being vested in the management boards of local lines, which, in the future, which the organisation thought not far distant, would have given to the private railways a supple and cheap apparatus, and meanwhile would cast on the soviet government all the burden of period of organisation. All this was intended to be effected under the flag of 'rationalisation' and the administrative and economic redistribution of the territory of the Soviet Union by the Gosplan (the State Planning Commission)."

Let us now sum up briefly the above stage in the life of the counter-revolutionary organisation.

The sabotage carried on by the counter-revolutionary organisation in connection with the concession tactics covered a long period, namely, from 1921 to 1926.

During that period the sabotage spread widely through the various branches of industry, affecting production most immediately. It is extremely difficult to express in figures the immense loss which the counter-revolutionary activity of the class enemies of socialist construction have inflicted on national economy. However, in spite of all the efforts of foreign capital, it was finally defeated in its attempt to restore private property in the country of the soviets.

The sabotage by underground organisations could not frustrate the building up of industries, nor force the soviet government to surrender the key positions into the hands of concession capital. Along with the collapse of the concession tactics there likewise disappeared those political prospects for the suicide of the dictatorship of the proletariat, hopes that were entertained by the so-called Great Powers during the period of Genoa and the Hague.

In conformity with these results of the concession period, at about 1926-27 there began a revision of tactical values among the members of the counter-revolutionary organisation. Its leading centre thought fit to take stock of the experience of

the work of sabotage during the past years and indicate further perspectives.

The results they had realised were by no means encouraging for the counter-revolutionary camp. Palchinsky delivered a speech in the name of the leaders of the organisation, at a conference of saboteurs in the beginning of 1927. We shall quote here part of it, as recounted by Podyakonov.

“ The attempt to retard the industry of the U.S.S.R. failed. Its growth progresses with elemental force, conquering all obstacles, and thus it is perfectly obvious for the council that at the present time its work is entirely futile. *At the same time, the policy of direct sabotage is dangerous owing to the ease with which it can be detected, and in view of the frequent necessity to utilise as participants in sabotage men on whose entire sympathy it is impossible to rely.* Moreover, sabotage cannot be concealed from the masses of workers, who, although subconsciously, feel that artificial obstacles are being placed in the way of improvements. Therefore the council, having considered the situation, *has decided to alter its policy and renounce direct sabotage for the future, preserving it only as an exception in those enterprises where it was planned to function for a long period, in order to liquidate it gradually and unobtrusively, for otherwise a cessation of the policy of sabotage might at once draw attention to itself by the mere suddenness of the improvement in the industries.*”

The confession of bankruptcy of the concession tactics did not at all entail the liquidation of sabotage as a method of anti-soviet struggle.

So long as the Soviet Union is encircled by imperialist powers and the remnants of capitalism have not been destroyed within the country, the class enemy will not for a moment cease his counter-revolutionary activity. The class struggle knows no respite. This is clearly evidenced by the further stages in the life of the sabotaging organisation. The above-mentioned conference of the chief leaders of the organisation was the starting point for working out new tactics of sabotage. In 1926-27 the concession tactics gave place to sabotage in the planning of national economy and to tactics of creating crises on an all-Union scale.

III

These tactics in their embryonic form were first employed, however, in 1924-25. They came as a result of the

gradual adaptation of the anti-soviet struggle, on the part of the counter-revolutionary section of the engineers, to the new stage in the development of soviet industry. The inauguration of big capital reconstruction, the definite centralisation of the management of industries on an all-Union scale, and, finally, the firm footing secured by the leaders of the sabotage in responsible posts in the highest economic organs—all this, taken together, created prerequisites for the first attempts of sabotage in the planning sphere. This method of undermining the industry of the country proceeded side by side with an extensive manifestation of the old tactics of outright sabotage applied directly to the enterprises.

In the materials of the preliminary investigation we find a whole series of dispositions which evidence the first steps of the counter-revolutionary organisation on the road towards these new tactics.

Thus, for instance, with regard to sabotage in "Aldanzoloto" *Podyakonov* deposes :

"I drew up a five-year plan in regard to capital expenditure for a sum of over 20 million roubles ; and included in the 1926-27 programme one million roubles for an order to the Putilov works for 18-foot dredges, without having the area explored in detail ; and an order for the equipment of a hydro-station, without possessing precise data as to the volume of water."

As we already know, the organisation for sabotage in the People's Commissariat of Communications was distinguished by an exceptional array of members holding most responsible posts. Naturally, therefore, the first attempts at sabotage were made in the sphere of transport a long time before the new tactics were formulated by the guiding centre. *Shukhov* deposes :

"To the same period, 1926-28, also belongs the sabotage in drawing up, or rather distorting the prospective five-year plans for development of transport. These plans were drawn up in accordance with the instructions of the members of the central body : *Fyodorov* and *Krasovsky*."

Sabotage in the realm of planning started at the same time in other branches of industry. This is witnessed by *Shishkin's* depositions concerning the first five-year plan in *Yugostal*, by the data gathered from the preliminary investigation concerning the drawing up of the plan of reconstruction of the Don Bas [Donetz Coal Basin], etc.

It is true that the instructions of the former owners in 1924-25 still mention the concession policy, but the very presentation of the question clearly indicates new political methods.

In this respect *Khrennikov's* depositions are very characteristic :

"All the talks about concessions which had taken place before 1925 had produced no results. At that period additional concessionnaires arrived, as far as I remember, *Zhivotovsky* and *Olonion*, representatives of former owners, who in interviews with various engineers (for instance, I remember that *Zhivotovsky* had an interview with *Zhdanov*) raised the question of the necessity of creating a situation such as would force the government to have recourse to concessions. The chief aim of the former owners during 1925 was to bring about a financial crisis of the government, by means of big expenditures on the restoration and extension of metallurgy. With this in view the counter-revolutionary group in the metal industry gradually passed on to active operations and became better organised."

This change of direction in the sabotaging activity, which directly assails the very existence of the soviet régime, was closely connected with the international position of the Union. In 1924-25 there began a general offensive on the part of West European imperialism against the workers' and peasants' republic. Let us recall such facts as the victory of the Conservatives in England, the threatening notes of Chamberlain concerning " bolshevik propaganda," and the conference of the powers in Locarno. During all the subsequent years there has proceeded a formation of a united anti-soviet front in Europe for the purpose of war against the dictatorship of the working class. The feverish rate of preparation for an intervention against the Soviet Union placed before the counter-revolutionary organisations the necessity of setting new tasks for the saboteurs in the anti-soviet struggle within the country.

The aim of the imperialists to overthrow the soviet régime by force of arms required a lengthy and far-reaching disorganisation of the whole national economy of the Union, in order to prepare for the success of the future intervention.

The new tactics finally took shape in 1926-27.

At one of the meetings of the leaders of the counter-revolutionary organisation in the beginning of 1927, new signposts for the work of sabotage were clearly indicated. We

quote here the following extract from *Palchinsky's* speech on the decision of the so-called council of sabotaging organisations :

“ For the future the council has traced a policy of influencing the normal course of the economic life of the country by producing repeated crises, as a result of discrepancies between the supply of production of some branches of industry and the demand made on them by other branches and by the population. In the opinion of the council the principal method to attain this is the work in connection with programmes—the usual yearly programmes, and especially the programmes for five or more years. The information supplied for such programmes, and the framing of them must be effected in such a way that they result in what we may describe as a continuous economic crisis, which the country would have to undergo at one time in this, at another in that, branch of industry. Owing to the complexity of the economic phenomena of such a vast country as Russia, where national economy is still in the stage of being organised, where many factors have not as yet been investigated, and in respect of which great differences of opinion exist even among Communist workers, the carrying out of such a policy in the domain of programmes has the best chance of being kept secret ; and even if a big discrepancy is revealed between the programme and the actual needs, such discrepancy can always be explained either by a mistake, by insufficiency of funds or by the impossibility of fully estimating the complexity of a situation.

“ At the same time this policy will affect the broadest strata of the population. Crises in the domain of industry, which supplies the needs of the population, will inevitably raise the prices of manufactured articles and create dissatisfaction among the peasants, the result of which would be a reduction of rural produce, and consequently a dearth of such commodities, which in turn would entail dissatisfaction among the broad masses of the workers. At the same time, the shortage of the principal kinds of raw material, as a result of the crises, would necessitate its purchase abroad, which would inevitably affect money, financial economy and the stability of currency.” (Deposition by Podyakonov.)

This new attempt to prepare a defeat of the Soviet Union in the future war was made by all the sabotaging organisations.

The following was, for instance, deposed by engineer

Dlukhovsky, member of the organisation in the People's Commissariat of Communications :

"Approximately in the spring or summer of 1927—I don't remember the date exactly there began the second stage of sabotage, which was political in its object and assumed the form of an organisation.

". . . In these conversations the basic line of Krasovsky became clear, namely, Krasovsky stated that if crises were created in transport similar to those which are now observed in the country in other branches of economy, this would contribute to a still greater weakening of the soviet government. This was the line of a clearly defined sabotage.

". . . Mitkevich and Nikita Lavrov declared that the tactics of the maximum weakening of the bolsheviks by creating crises in the transport were correct, and they definitely advocated such a method of action."

The members of the counter-revolutionary organisation treated in the same spirit the new tactics of sabotage in the gold and platinum industry. Engineer Stakhovich deposed :

"One of such possible methods, easily realised if there is sabotage in the central economic and planning organs (The Supreme Council of National Economy, the People's Commissariat of Communications, the State Planning Commission), is the creation of crises through disproportionate, inharmonious development of separate branches of industry. As a result there might be, for instance, coal and coke available, and yet no ore, and consequently no metal. Lack of metal would disorganise the work of restoring or building machines, cars and rail-rolling mills. Thus our peasants and soviet farms would remain without agricultural implements, and our railways without a sufficient quantity of rails, cars, etc., etc. Thus there would be an accumulation of ore and coal in the mines and of grain in the elevators and granaries, due to a disorganisation in railway transport. There would then arise the necessity of reducing production and dismissing the workers.

"In brief, a situation would be created favourable for the invasion of an army of intervention."

The sabotage carried out in pursuance of the new tactics threatened to inflict on the country enormous calamities.

The planning work in the principal branches of heavy industry and transportation was not only being carried on with the immediate participation of the saboteurs, but often under

their direct guidance. The counter-revolutionary organisation was able to work toward the disruption of basic industrial reconstruction, which was mapped out for a long period and entailed the investment of enormous state funds.

The sabotage on the part of the organisation along these principal lines was leading to the undermining of the whole economic life of the country, in as far as the laying down of plans on the basis of false data created a catastrophic discrepancy between the various branches of industry.

Sabotage in this branch was the more dangerous for the state, since a mistake made at the outset as to the conditions of national economy, might be discovered only after a lapse of several years. The most radical measures might often prove powerless to prevent such crises, predetermined by irrational capital investments and the distortion of the perspectives of economic development.

In order to illustrate the practical application of the new sabotaging tactics we shall quote some depositions referring to the most important branches of industry.

Engineer *Belonozhkin* states the following about the crises in the metal industry :

“ The whole of our activity in reconstructing the metal industry was determined by our anti-soviet attitude. I not only do not disassociate myself from the work of the above-mentioned persons in *Glavmetall* [Chief Administration of the Metal Industry] but acknowledge myself guilty of having taken part in the general work of *Glavmetall*, and by my anti-soviet attitude, together with the other persons mentioned above, having kept back the tempo of development of the ‘ black ’* metallurgy, in consequence of which there was a great shortage of metal in the country.

“ The main cause of such shortage was the discrepancy between the programme of the factories for machine construction and metal works, on the one hand, and the possible productivity of our metallurgical works, on the other

“ All this brought about a belated execution of the industrial programmes and resulted in our metal industry not obtaining the necessary amount of ‘ black ’ metal. This failure brought about the failure of the programme of machine-construction, the failure to satisfy agriculture with the necessary quantity of agricultural implements, endangered the development of transport and the satisfaction of the requirements

* “ Black ” metals—iron, steel, etc.

of the People's Commissariat of Communications ; it retarded the manufacture of the means of production ; and therefore the whole programme of industrialisation of the country might have been wrecked. . .

“ This resulted in chaos in the metal industry, with every trust going its own way, and with no general, correctly mapped-out policy. This brought about a discrepancy between the output of our metal works and metallurgical undertakings, resulting in an increase of production in the former and in insufficient production in the latter. In the final analysis, the result was a great shortage of metal, financial weakness and failure to carry out express instructions of the government concerning the development of the main branches of the metal industry, which is the foundation of an extensive industrialisation of the country.”

The activity of the counter-revolutionary organisation in the oil industry was also carried on along the lines of deliberately planned sabotage. The depositions of *Pokrovsky*, chief engineer on the construction work of the oil pipe line Grozny-Tuapse, contain the following lines :

“ The system of sabotage during the last period consisted in presentation by the saboteurs engaged in production trusts of plans worked out by them. These plans were finally given shape by the saboteurs in the Supreme Council of National Economy and then submitted to the State Planning Commission. Take, for instance, some facts from the Grozny industry. The programme of production for 1926-27 was presented with an obvious under-estimation of the yield and so manipulated as to result in an insufficient output of light oil and in superfluous capital expenditure. At the same time explorations were indicated at places far away from the Grozneft [Grozny Oil] fields. Owing to this the realisation of the above-mentioned policy of sabotaging in the plans of *Grozneft*, sanctioned by *Glavgorton* [Chief Mine-Fuel Administration] brought about a decrease in the effective work which should have resulted from the investments, and retarded the development of Grozneft. The water in the layers was explained by the theory of synclinal waters. This sabotage coordinated with that in coal industry, resulted in a shortage of fuel for the home market. I shall not dwell in detail here on what was effected in connection with the construction of plants for the cracking process, which sabotage

led to the breakdown of the export of gasoline, with which I deal in a separate deposition."

Let us quote also the depositions of engineer Krasovsky about the deliberately planned sabotage in the domain of transport. The activity of the counter-revolutionary organisation is notable in this case by the fact that it involved the top layer of the soviet apparatus: the People's Commissariats and the State Planning Commission.

"The prospective plans worked out and drafted by the members of our organisation, namely: *Vanifantiev, Shukhov, Fyodorov, Yanushevsky, and myself* were incorrect. Our organisation pursued the following objects in drawing up such incorrect plans: (1) to demand of the state exaggerated sums, thus disorganising the state budget; (2) to break down the régime of economy by refusing to seek for means of economising within transport itself (rationalisation, measures of a technical and organisational nature); (3) to conceal by setting deliberately low standards the work of disorganisation carried on by the members of the organisation who were engaged in these operations; (4) to bring about within the next few years disproportion in the various branches of transportation.

"The sabotage of *P. S. Yanushevsky* was of a fully deliberate and malicious character. It was expressed not only in passing false plans, which our organisation submitted to the transport section of the State Planning Commission, but also in very active participation in the drawing up of the rough drafts for these plans. *Yanushevsky* thereby intensified our sabotage in the field of prospective plans. Thus he insisted all the time on an increase in locomotive-and-car-building, going in this connection much further than our exaggerated estimates. For the purpose of a preliminary drafting of the whole series of questions in this connection (volume of traffic, index-figures, the amount of new rolling stock necessary, the improvement of rolling stock, etc.) the following members of our organisation used to go to *Yanushevsky*: myself, *Fyodorov, Shukhov* and *Vanifantiev*. After we had agreed with *Yanushevsky* on the substance of this or that sabotaging plan, he would take it for confirmation to the institutions concerned. In discussing questions as to building new locomotives, *Yanushevsky's* policy was to force construction of new locomotives by striking out the old ones from the inventory lists."

In the depositions quoted above we have characterised

with sufficient clearness the theoretical foundations of the new tactics and their practical execution by the sabotaging organisations. We see that the peculiarity of the new tactics consisted not only in the method of sabotage, but also in political aims different from those of the concession period. In 1926-27 sabotage was reorganised with a view to disorganise the national economy of the Union, in order to prepare for an overthrow of the soviet government and the restoration of the bourgeois régime by force of arms. Engineer Pokrovsky deposes :

“ It was considered that the conservative governments of England and France were strong enough to effect an intervention for the purpose of restoring the bourgeois régime. . . .

“ Without relying on the activity of the various classes within the Soviet Union we thought that intervention sooner or later would have to take place and that the soviet government would not be able to resist it successfully ; thus would come about the fall of the Bolsheviks. . . .

“ It was thought necessary, in accordance with the same instructions received from abroad, to assist by means of sabotage in creating conditions which would facilitate and further intervention.”

From the moment the sabotaging organisations adopted the new tactics, the war industries of the Union assumed special importance from the standpoint of their final aims. Since 1918 the sabotaging organisation under the guidance of former generals Mikhailov, Vysochansky, Dymman, and Kurguev conducted a systematic work of undermining the defensive strength of the country. Owing to the specific importance of this industry, the counter-revolutionary organisations of the military engineers were acting at all stages of their sabotaging activity with an eye to the future war and intervention.

However, from 1924-25, in connection with the international situation we have described above, the activity of the organisation began to increase to a considerable extent. It is precisely from that period that we notice the coming of foreign agents, who brought with them from abroad special instructions with regard to the intensification of sabotage in the war industry.

For obvious reasons we cannot explain to the reader the methods and objects of this work of sabotage.

We shall only refer to the general political and strategic

questions, which supplement the concept of the new tactics of the conspirators.

One of the leaders of the counter-revolutionary organisation, Mikhailov, former deputy chief administrator of the principal war industries, clearly formulates the connection between the political aims and methods of the anti-soviet struggle. We read the following in his depositions :—

“The final political aim pursued by the counter-revolutionary organisation was the overthrow of the soviet government and the setting up of a new régime.

“The counter-revolutionary organisation built its entire plan of work in accordance with that aim.

“War industries are one of the main supports of the defence of the country, and the state of them largely determines the state of the defence.

“The counter-revolutionary organisation, on the road to its final goal, set as its immediate practical task : To effect a continuous and methodical disorganisation of the war industries in all their branches, and thereby to hamper in every way the consolidation of the defence of the country.

“It had long since become obvious that the overthrow of the soviet régime in peace conditions was an impossible task. The soviet government, in spite of all difficulties, was constantly growing in strength. It could only be removed if there was foreign intervention. It was necessary to have a war and a defeat of the Soviet Union in this war.”

Orlov, a former general, who was chief engineer of the Rifle and Machine-gun Trust, also gives an appraisal of sabotage as a means of undermining the defensive strength of the country :—

“Despite the fact that my views somewhat differ in principle from those of the organisation as regards the final aims, nevertheless the main task of the organisation can be formulated as follows : the weakening of the defence of our country by retarding and destroying war industries. This destruction of war industries was directly connected with the intervention which foreign Powers were preparing against the Soviet Union. Consequently, the sabotage itself was directed towards assisting the side which would attack the soviet state.

“Sabotage was a means of placing the Soviet Union in a state of unpreparedness for war, or rather the sabotaging

organisation wanted to destroy the Union's state of preparedness.

"The organisation attached great importance to this readiness, for the war could only be short, and the less prepared the Soviet Union was the better it would be for the country which was about to wage war against the soviets.

"Talking about a short war, I mean that only the neighbouring countries with Poland at their head could fight against us, and that the nearest object of their operations would be the Ukraine."

Sabotage was carried on simultaneously in other domains which would be engaged in satisfying the requirements of the War Department, with a view to the disorganisation of the country in the rear.

Engineer *Krasovsky*, member of the guiding group of the counter-revolutionary transport organisations, deposed :—

"War sabotage carried out by our organisation on the frontier railways consisted in : (1) entire disorganisation of supplies (materials, spare parts for cars and locomotives); (2) in delaying the assignment of money for increasing the traffic facilities, for the development of junctions, and for repairs of the rolling stock; (3) in delaying projects for and retarding the tempo of, war work; (4) in putting locomotives of different series in the same allotment; (5) in creating greater disorganisation in the car and locomotive allotments."

We shall not sum up all the forms of the sabotage activity and its possible consequences as regards the defence of the country. We can only state that this policy of our most implacable enemies was carried on by the counter-revolutionary organisation with the conviction and persistency of a class enemy maddened by the prospect of inevitable ruin, not only straining every nerve but also with a kind of enthusiasm bordering on sadism.

The following was written by engineer *Makarovsky* concerning sabotage in the aviation industry :—

"Its rôle is especially serious and important. Aviation and its main support, the aviation industry, is an exceptionally important object for sabotage. If you want to deal a blow it must be struck at a weak point, where it can be really effective, and a blow struck at aviation is the most effective of all; for in the coming struggle for life, for independence, the decisive rôle will be played by aviation."

Finally, a light is shed on the strategic moments of the future war by the depositions of *Dekhanov*, a former general and member of the board of Vokhimprest [Air Chemical Trust] :—

“The plan of war was for a swift blow dealt by Poland cutting off the Ukraine and rapidly marching on Moscow.”

The same evaluation of war prospects is made by the former general *Dekhanov*, chief of a sub-section of the arsenal trust :—

“It is also necessary to note the following in connection with this question :—

“If the war should be protracted, then, after the expiration of about a year, the productivity of the factories would automatically develop itself to the full, *i.e.*, the output of the factories would then be equal to the real capacity hitherto concealed. This, of course, was not part of the plan of the counter-revolutionary organisation, since our hopes were pinned on a war of short duration. In this case we relied on Poland in our calculations.”

For the period of the declaration of war the counter-revolutionary organisation had in view a special system of measures for weakening the war equipment of the Red Army in the first period of the campaign. *Mikhailov* deposes :—

“It goes without saying that our organisation could not limit itself, in the achievement of its aims, to measures realisable only in peace times. Measures of that kind, owing to their very nature, give results which to a great extent possess a fleeting, temporary character. Time in its course gradually heals the wounds inflicted by sabotage. A construction delayed for a long period is in the end completed. Handicapped experiments and explorations also come to a termination, though with a certain delay. Difficulties in production sooner or later will be overcome. Financial loss caused intentionally during construction is to a considerable extent of an isolated nature. Even secret military information communicated to the enemies, to a certain extent, sometimes largely, becomes out of date and loses its importance.

“Therefore the organisation, in addition to current sabotage, was thinking over and working out measures which were to be applied during a war so as to damage the work of industry in a war situation. The final goal of all these measures was by all available ways and means to weaken the technical

power of the army and consequently its fighting capacity."

Special preparations for a war emergency extended also to other branches of industry closely connected with the military operations. Dekhanov deposes as follows with regard to the chemical industry:—

"In war times it was proposed to deal blows paralysing the factories for a comparatively short time by means of wrongly directed work, for instance, in the chemical industry. Incendiarism and explosions, such as the blowing up of bridges, were extreme measures; but likewise we had in view measures for the purpose merely of creating difficulties or causing the failure of a separate operation—not of destroying the factory entirely, but leaving it so that it might be reconstructed. . ."

The counter-revolutionary organisation in the war industries provided also for the creation of favourable conditions for the mobilisation of militant anti-soviet elements and the organisation of armed rebellions in the rear. Dekhanov stated:

"I propose that at the approach of the enemy we should create a panic at the chemical plants by releasing, for instance, nitric acid gas, sulphuric acid gas, by shooting on the part of the members of the organisation, etc., and said that, in my opinion, in the atmosphere of such a panic more agile elements than the members of our organisation could unite for active operations."

The description of the methods of the anti-soviet struggle will not be complete unless we refer, even though in brief, to the espionage carried on by the saboteurs and to the sources which financed the counter-revolutionary organisations.

We need not refer to the technique and subject matter of the espionage which the sabotaging organisation carried out in the war industries. This is naturally not possible to be dealt with explicitly, since the espionage referred to questions of the defence of our country.

The sabotaging organisations carried on spying on an equally extensive scale in the civil branches of our industry, by systematically supplying the former owners and agents of foreign governments with most diverse information concerning the economic position of the Union.

It follows from the material of the preliminary investigation that absolutely all the foreign connections helping the sabotage were simultaneously made use of for communications

to capitalists of secret information on the state of our industries.

Thus, for instance, the principal leaders of the sabotaging organisations : Palchinsky, Fyodorovich, Rabinovich were supplying specially important information to the agents of foreign governments and to the Paris emigrant commercial-industrial and financial association (*Torgprom*) ; the saboteurs of the "*Donsoda*" [Don Sodium] Trust were engaged in spying for the world concern *Salve* as represented by *Teplitz* ; the members of the counter-revolutionary organisation in "coloured" metallurgy, Sharov and Lessig, similarly served the British capitalist Urquhart ; the saboteurs in the oil industry, Pokrovsky, Golyak and others, fulfilled the high mission of spying for Deterding himself, and also for Nobel and the Paris *Torgprom* ; finally, the leader of the counter-revolutionary organisation in the metal industry, Khrennikov, systematically supplied secret information to the former owners and to the representatives of the shareholders, Meshchersky and the Englishman Glass. Let us add to this for the sake of greater clearness that Glass was backed by the big English concerns, Vickers and Armstrong. These highly esteemed industrial concerns supplying armaments to the British army and fleet and financed by the biggest banks, which follow a most aggressive policy in regard to the Soviet Union.

Limited as we are by the scope of this pamphlet, we shall only quote short extracts from the depositions of Khrennikov in reference to espionage.

" I acknowledge myself guilty of having been systematically engaged in sabotage and espionage, supplying information to the Englishman *Glass* about the state of our industry and those undertakings which were known to me. . .

" I informed *Glass* systematically, though intermittently, from 1921 to 1928. . . . Before the revolution I was director of the Yuzovo plant of the Novorossyisk Company and a trustee of that company. . . .

" In 1926 I had an interview with *Glass* in Berlin. He told me that he was conducting negotiations with various firms. He mentioned among others the *Armstrong-Whitworth* and the *Metro-Vickers*.

Von Meck in his depositions finally removes the veil from the spying activity of Khrennikov. *Von Meck* was a member of the sabotaging organisation in the People's Commissariat

of Communications. He refers to an institution which is a most important organ of British capitalist espionage. *Von Meck* writes :

“ Our third interview with *Khrennikov* took place on the premises of the N.K.T. [People’s Commissariat of Trade]. At this interview *Khrennikov* told me that the *Bank of England* asked him to talk over with me the question of whether or not I would take on myself the duty of supplying through *Khrennikov* information concerning the state of the railways and of carrying out the instructions to be given me.”

The same agencies which were the channels of espionage were simultaneously the feeding arteries of the counter-revolutionary sabotage.

The agents of the bourgeois governments, the foreign capitalists, the former owners, generally speaking, the whole camp of dark forces yearning for the restoration of capitalism in the Union, were lavishly financing the dastardly work of the corrupt, anti-soviet specialists.

To quote figures of the subsidies which counter-revolutionary organisations received from abroad would mean to fill many pages with the banking accounts figures of the saboteurs. As a matter of fact, there was not a single counter-revolutionary organisation which was untainted by foreign gold. All members of the organisation from top to bottom, irrespective of rank and title, were in receipt of subsidies from foreign capital : professors, leading technicians, and obscure engineers, who were ensnared in the sabotage by the leaders of the anti-soviet conspiracy.

Rutkovsky’s depositions describe the sabotage leaders as distributors of the funds of the counter-revolutionary organisation :

“ In 1925 I was informed by *Palchinsky* and *Rabinovich* themselves that the funds of *Palchinsky* and in particular the money I myself received, were supplied by the former Russian owners now resident abroad. . .

“ During that period, namely, from 1924 to the autumn of 1926, I became, so to say, the distributor of the funds of *Palchinsky*. I would come to the latter, state who of our Moscow group was in need of money, and in what amount, and receive the money from *Palchinsky*.

“ Money which I received from *Palchinsky* I distributed among the above-mentioned persons during my frequent visits to the Supreme Council of National Economy and at the conferences of the Moscow group.”

And here are a few variants as regards the distribution of foreign subsidies among the supporters of the whites."

Engineer *A. P. Ivanov*, a saboteur in the "coloured" metallurgy, deposed:

"Lessig informed me that he received on account of remuneration due to him for work of information £500 from Urquhart. Other members of the group, including myself, were supplied with cash for their work by Sharov. I am sure that the connecting link with foreign countries was Sharov, who often travelled abroad."

Engineer Mukhin, a member of the organisation in the Yuzhnorudny [Southern Ore] Trust deposed how foreign gold reached the outskirts of the sabotaging network:

"I received from the Moscow centre, namely, from Rabinovich, money to be distributed as remuneration among the members of the Yurtovskaya organisation for their work of sabotage. . . .

"This money was received by Rabinovich from the central association of former owners of industrial enterprises in Russia, which association has its headquarters in Paris."

As an illustration of the scale on which subsidies were distributed, we shall now quote from the deposition of engineer Pokrovsky, a saboteur in the oil industry:

"From *Nobel-Torgprom*, through Strizhov and *A. P. Ivanov*, I received 1924 to 1928, 165,000 roubles; and from *Nobel-Torgprom*, through Fyodorovich, 42,000 roubles."

The managing director, Rodnensky, a saboteur in *Grozneft*, declares:

"In all about 30-35,000 roubles passed through my hands. This money was paid out to me by *A. P. Ivanov*, chief book-keeper. This money he received from Strizhov."

Finally, let us show the reader to what extent the less important members of the organisation were supplied with funds.

One of them, engineer *Tumansky* (of the *Vokhingtrest*), states:

"The first sum for sabotage at the Samara works No. 2 I received from Dekhanov, to the amount of 300 roubles. This money was delivered to me at my home through Dekhanov's servant, *Marya Ivanova*. This money was spent by me on various current requirements.

"The second sum, 500 roubles, I received in the same way. It was spent in the same way as the first payment.

"The third sum, 900 roubles, I received from Dekhanov personally at his office in the plant in the middle of December 1927."

From such an uninspiring theme as the financing of "my sharks" (as Dekhanov termed them), let us pass on to the prospects which the saboteurs had in view for the "day after" the destruction of the hated dictatorship of the working class.

The counter-revolutionary organisation displayed such foresight as to designate in advance the Ministers in the future government. According to Palchinsky's idea, the embryo of that government should be the guiding group of the sabotaging organisation. Khrennikov entirely disassociates himself from the plans of Palchinsky and betrays them in his following deposition:

"Moreover, I had no intention of bringing about such a state of affairs that the politically organised engineers should virtually be a secret government for the purpose of ruining the whole of the national economy and causing the bankruptcy of the state as was proposed by Palchinsky."

This potential underground government was eventually, after gaining strength from foreign intervention, to place itself at the head of the enslaved country.

Engineer *Pokrovsky*, who was in close relations with the sabotaging centre, which was camouflaged as a legal organisation of the engineers, deposed as follows:

"The Mining Engineers' Club, developing its secret work of sabotage and influencing the various branches of the leading industries, started to pursue more or less methodically its political line, which consisted in preparing the ground for the replacing of the soviet régime by a bourgeois régime with a so-called government of engineers, which was to include Palchinsky, Fyodorovich and Rabinovich. I learned this at the beginning of 1926 from Fyodorovich during the consultations we had in the State Planning Commission and on one occasion at his home."

Pokrovsky's depositions give also an idea of the programme of the sabotaging leaders for the organisation of industries and of the national economy after the advent of private capital.

"The political aspirations of the guiding centre of the saboteurs in the most important branches of industry, including the oil industry, were reduced to the restoration of the bourgeois régime in the Soviet Union.

"In the oil industry it was recognised that the state had the right to own the fields and lease them to big international concerns or banking combines. Sharov and, as far as I am aware, Ivanov also considered it necessary to transfer "coloured" metallurgy to foreign capital, as represented by the British group of Leslie Urquhart, and Rabinovich and Fyodorovich upheld the necessity of transferring the coal industry to its former owners, the French and the Americans."

Such was the price which Palchinsky's "Government of Engineers" was prepared to pay to the imperialists for their neighbourly assistance in overthrowing the soviet government.

It goes without saying that the forecasts of the saboteurs are absolutely silent on the fate of the working class under the enlightened régime of Palchinsky's "Government of Engineers." However, this matter is clear even without full confessions on the part of the members of the counter-revolutionary organisation. The period of the first intervention has not yet been forgotten. The proletariat and the toiling peasantry remember well the innumerable sacrifices they had to make at the civil war fronts for the sake of consolidating the October Revolution.

The soviet government is ever watchful in preserving the conquests of the proletarian revolution and will not allow a handful of plotters, identified in ideas and aims with the bourgeoisie, and in the pay of foreign capital, to undermine the economic power of the country in anticipation of future intervention.

This time such a crushing blow has been dealt to the counter-revolutionary organisations that socialist construction for the near future is guaranteed against any sabotaging attempts on a big scale.

However, the intensification of the class struggle within the country and the increased aggressiveness of the imperialist powers towards the Soviet Union compel us to show special vigilance when dealing with conspiracies of the enemies of the proletarian dictatorship. In the struggle against any possible recurrence of sabotage in the national economy of the Union, side by side with the working class must be found all those Soviet specialists who have unreservedly bound up their creative work with the steadfast advance of our country—onward to socialism.

10/5/31
WJH



