

# Why Secrets? The Uses of Secrecy in Stalin's Command

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## Abstract

In Stalin's command system secrecy was used to conceal information and decisions. We look at the uses of secrecy in a hierarchical system of the Soviet type in the context of the fundamental problem of command. Secrecy was a conditional choice. Principals gained by making economic information secret when the agent's expected profit opportunities in private trade were tempting, horizontal trust was fragile, and secrecy itself was cheap. It paid them to make decisions in secret when unexploited opportunities, and the wage that the principal could afford to pay the agent, were both low. Under some circumstances secrecy benefited both principal and agent. Secrecy was one element in an equilibrium that enabled principals and agents to participate in the command system and enabled the system itself to persist.

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## Introduction

All governments have secrets but some are more secretive than others. In modern democracies public debate often takes the merits of transparent government and an open society for granted. But even in societies where transparency and freedom of information are officially the norm, there is always a secret core of government where information is considered and decisions are taken away from the public gaze. At the other extreme are states where most things are secret. The Soviet state was of the latter type, and was among the most secretive states that have ever existed.

Soviet leaders were willing to pay a substantial price to hold power in secret. Secrecy created enforcement costs and efficiency costs. *Enforcement* required procedural rules for the creation, numbering, distribution, tracking, conservation, and filing or destruction of secret documents. It also required an apparatus to monitor and investigate cases of disclosure. The punishment of disclosure resulted in the loss of human capital previously sunk in agents who turned out to be disloyal. *Efficiency* costs arose because secrecy created barriers to the sharing of information that was required to allocate resources efficiently; for example, principals decided the general allocation of resources in ignorance of specific facts, while agents made specific allocations although insufficiently informed of the general context.

The costs of Soviet secrecy raise the issue of its fundamental purposes. Why secrets? Who benefited from the regime of secrecy, and how? Connected with this is the further issue of "excessive" secretiveness. What is the optimal level of secrecy for a government? Did Stalin's regime take secrecy too far? Why was the Soviet system so *extremely* secretive, and did the costs of secrecy contribute to its eventual collapse?

The chance to study this subject empirically is presented by documentation held in the former Soviet archives in Moscow and at the Hoover Institution. The documents have enabled us not only to learn a lot of formerly secret facts, but also to study the rules and procedures that made them secret.

In the first section of this paper I will describe some aspects of the official practice of secrecy in the Soviet Union under Stalin. I will draw on recent documentary publications and documents in archives of the Soviet communist party and government in Moscow and at the Hoover Institution. The evidence relates to two institutions at the core of the Stalinist state: the defence industry, and the chief administration of labour camps (Gulag) of the interior ministry (OGPU, later NKVD, and MVD). I will show that secrecy covered a wide range of economic data and decision processes. The second section proposes the fundamental problem of command as a framework for analysing the uses of secrecy. In the third and fourth sections I will formalise the benefits and costs to a principal of imposing secrecy on data and decision processes:

making data secret inhibited theft, and making processes secret inhibited lobbying. The concluding fifth section suggests some implications.

## 1. The Practice of Secrecy

This paper is about secrets and secrecy. In Russian there is a distinction between the two. Official secrets are called, in Russian, *partiinaia i gosudarstvennaia taina*: the confidential affairs of party and state. Russians distinguish *taina*, the secret things that must be concealed, from *zasekrechivanie*, literally secret-ization, the process that conceals them.

One of the first acts of the Bolshevik Revolution created political censorship (Goriaeva 2002). There were many secrets already in the 1920s; much political and military information was classified. The transition to the command system in 1929/30 further reduced society's access to information. This came about because the state expanded at the expense of society and so naturally monopolized a bigger share of the available information as a result; in addition, the scope of secrecy was deliberately widened and its mechanisms were reinforced. On her first visit to the Sverdlovsk regional party archive in September 1990 Sheila Fitzpatrick (1990: 780) recorded a list of classified topics in the "early 1930s" including "GPU, military, dekulakization, deportation, gold, platinum, foreigners, strikes."

The degree of secretiveness in government rose continually through the Stalin period. Abram Bergson (1953) measured the trend by the published detail of successive five-year plans: the first (1928-32) occupied four volumes, the second (1933-37) two, and the third (1938-42) only one. The fourth (1946-50) was published in 6 pages and the fifth (1951-55) in 3 pages.

Although secretiveness increased it did not do so smoothly. There were two years of particularly discontinuous growth: 1937 and 1947. In 1937 there was an abrupt halt to publication of previously available economic statistics that lasted for two decades. Many features of Soviet life disappeared from the public record. Anne Applebaum (2003: 109-11) has described how, in the first years after 1930 when the Gulag was established, the reeducation of criminals through labour was seen as fit for public discussion. By 1937 most of those associated with the propaganda of "corrective labour" had been arrested and their works proscribed, and discussion was at an end. The organizational mechanics for full concealment of the Gulag were put in place. By 1940 the internal correspondence of the NKVD gave rise to 25 million secret courier items annually. Then the regime of secrecy was lifted to its apogee in 1947 (Gorlizki 2002). In response to the unauthorized disclosure of potentially valuable medical research Stalin introduced a new law on state secrets that further widened their scope and increased the administrative resources committed to enforcing them.

Throughout this period it was seldom acknowledged in public that secrets existed, and then only in the abstract. A limited-circulation newspaper of the early 1950s provides a rare rationalization of official secrecy and illustrates it at the same time. The Noril'sk combine was the major Soviet producer of nickel and a number of other nonferrous metals. A forced labour camp of the MVD Gulag (Ministry of Internal Affairs chief administration of labour camps), its existence was itself a state secret: Reflecting this, its daily newspaper *Stalinets* described itself as "Organ of the Political Department of

the Combine,” but its pages nowhere print any information that might reveal to the reader *which* combine, *where* it was located, or *what* assortment the combine produced. A leading article entitled “Strictly Observe Party and State Secrets” appeared in the issue for 18 August 1953 (Hoover/GARF, R414/4/193, 296): Stalin was dead nearly six months and his security chief Lavrentii Beriia was under arrest, but there was no thaw yet. The anonymous writer reminded readers that the party’s constitution obliged its members “to observe party and state secrets, to show political vigilance, remembering that the vigilance of communists is necessary in every organization and every circumstance. Revelation of party and state secrets is a crime before the party and incompatible with membership of its ranks.” The article continued:

The imperialists are assigning hundreds of millions of dollars to disruptive work against the camp of socialism and democracy. The capitalist encirclement is dispatching its agents to our country and looking for persons ready to betray the interests of the Motherland and fulfill the assignments of the intelligence agencies of the bourgeois states to undermine Soviet society. Lacking social support in the Soviet land, despairing at its unforeseen moral and political unity, they try to exploit the dregs of society in the persons of diverse renegades and degenerate elements.

[...] In the party midst there are still to be encountered individual chatterboxes and scatterbrains. They are not averse to bragging of their inside knowledge among friends and acquaintances, in the circle of their families, by telephone and in personal correspondence and so forth. [...] We must] explain to [young communists] that questions considered at closed party meetings cannot be the subject of public scrutiny, that the contents of secret party and ministerial documents are not a subject for conversation even with the most intimate persons.

This statement sets out clearly the official context of secrecy: hostile states threaten us from outside, for this reason we must conceal our arrangements and capabilities. In this context, secrecy is a collective, not private good.

The true practices of secrecy are shown by official documents that have only been available since the collapse of the Soviet state. These provide the empirical data for this paper. The data are anecdotal and qualitative. To organise them, for reasons that will follow, I distinguish between the secrecy that covered the data required to make decisions, and the secrecy that veiled the decision making process itself.

### 1.1. The Gulag

What sort of information was secret? In the appendix I quote from two documents that list secret matters pertaining to the Gulag from 1947 and 1951, when secrecy was at its most intense. The first lists items defined as *gosudarstvennaia taina*, secrets of the state; the second lists items classified as “absolutely secret (special file),” the highest level of secrecy. There are some notable features. Most obviously, they are comprehensive; it is hard to think of anything that was left out. All aspects of the resources and economic tasks of the Gulag system were specifically classified (document 1, especially para. 17 but also paras 1, 2, 6 to 10, 12 to 15, and 18 to 20; document 2, paras 1 to 3, 5, 12, and 13). On a humanitarian level it is remarkable that the physical

condition, health status, and health support of inmates were singled out as matters not for disclosure (appendix, document 1, paragraphs 4 and 20; document 2, para. 4). *The scope of secrecy was itself a state secret* (document 1, para. 21). This level of secretiveness persisted until 1989.

The enforcement of rules regarding secret information was frequently of concern to senior officials. For example on 17 October 1947 (Hoover/GARF, R9414/1/85, 170-1) Gulag chief Major General Dobrynin issued a decree “On Rectification of the Issuance and Storage of Decrees” within the Gulag system. Dobrynin criticized a number of camp administrations for issuing trivial decrees in excessive numbers, generating paperwork in such volume as to risk the accidental disclosure of secret information; he named specifically a camp in Mordovia that had issued 400 decrees in the first half of 1947 alone; and he reaffirmed existing rules on secret paperwork

Individual officials did not always care enough about national security to adhere enthusiastically to the complex rules that controlled secret papers in the office. In a memorandum issued on 19 August 1944 (Hoover/GARF, 9414/1/324, 84) Gulag chief Nasedkin reported the results of a recent audit: widespread careless violations including secret files, a register of secret correspondence, and an official stamp left lying on desks after the working day; secret documents kept in a cupboard accessible to detainees; and a detailed topographical chart of a camp building site left in an open cupboard. Nasedkin warned that in future not only those directly responsible but also their superiors would be held to account. In the same vein a decree issued on 13 January 1947 (Hoover/GARF, R9414/1-1/84, 6) by acting Gulag chief Dobrynin reports that MVD officials travelling on business sometimes carried secret documents on their persons or in cases or hand luggage, risking their accidental loss; instead, such documents were normally to be transmitted by the MVD’s own field communications apparatus, or the special departments of the communications ministry.

The accidental disclosure of secret information was a natural consequence of the fact that so much was secret in the first place; the scale of concealment was so vast that unintentional failures were inevitable. When this occurred, it attracted high-level attention. On 16 January 1939 (Hoover/GARF, R9414/1/21, 49) Gulag chief Filaretov noted that the periodical subscriptions that various Gulag departments placed with state publishing houses were being accompanied by address details that disclosed camp locations. He ordered all camps to be supplied with numbered post boxes (*iashchiki*); until this was done, all subscriptions should be routed through the “special departments” that dealt with security matters in every publishing house, as in every establishment in the whole Soviet Union. A similar matter reached the attention of deputy commissar for the interior Kruglov who wrote to his opposite number Sergeichuk in the communications commissariat on 3 June 1942 (Hoover/GARF, 9414/1/35, 454): the radio transmission of telegrams addressed to detainees of the camp at Noril’sk was in breach of the regulations designed to prevent disclosure of the location of labour camps. He requested that this practice cease forthwith.

Ministerial officials sometimes had to beat off attempts by other departments to lay their hands on secret information. Thus Mordovian ASSR minister of the interior Teniakshev wrote to USSR deputy interior minister Serov on 8 June 1950 (Hoover/GARF, R9414/1/148, 351-3). He cited an

instruction of the USSR MVD dated 27 May: “1. Categorically to prohibit the issue of information concerning the number of detainees, security, cadres of the camp sector, the conditions of the regime of maintenance and isolation of detainees, and the volume and character of productive activity, to any and all [*kakim by to ni stalo*] establishments and organizations of other ministries and departments, including to MVD agencies, to which submission of the specified data has not been stipulated by decrees and instructions of the USSR MVD.” Teniakshev explained that the local prosecutor responsible for oversight of MVD camps, colonies, and prisons was repeatedly requesting such information, and asked whether such requests were allowed under the May decree. On 14 June Bashkir ASSR deputy minister of the interior Mamaev, wrote an almost identical letter to Gulag deputy chief Bulanov (Hoover/GARF, R9414/1/148, 354): local prosecution officials, he explained, were demanding “information about the numbers and composition of detainees, the progress of fulfillment of production programme, the conditions of [their] regime and cultural and educational work and other information of a secret or absolutely secret character.” Dobrynin confirmed to Teniakshev that such requests were not allowed.

In a similar vein, on 16 August 1948 deputy interior minister Serov wrote to Beria (GARF, 5446/50a/4043, 1-2) that in the process of drafting the 1949 budget the ministry of finance was demanding to be informed of numbers in prisons, labour camps, and prisoner of war camps “and their physical condition,” numbers of internal security troops, and figures for gold output and the gold content of ores; these figures were required to budget for the required outlays by the MVD on wages and subsistence. Serov warned: “Provision of these figures will lead to familiarization with especially important information on the part of a wide circle of staff of the USSR Ministry of Finance, the State Bank and the Industrial Bank.” A memorandum advised Beria that in past years such figures were loaned temporarily to the finance ministry to be processed by no more than two or three highly trusted workers, then returned; it noted that the ministries of the armed forces and state security provided the finance ministry only with financial summaries, not head counts; and it proposed that from now on the MVD do the same. On Serov’s memorandum is noted by hand: “Comrades Popov and Serov: consider and resolve. L. Beria.”

## 1.2. The Defence Industry

Defence matters were characterized by intense secrecy that has been described elsewhere (Harrison 2001). In defence matters the historical secrecy persisted until the end of the 1980s; in Russia today current military affairs remain as secret as elsewhere.

The defence industry in the 1930s provides more evidence that individual officials did not always care enough about national security to stick to conscientiously to rules. In May 1934 the party central committee issued a decree on the system of security passes and guard duties at defence industry establishments. A further investigation by KPK, the central committee’s audit commission, revealed an apathetic response and widespread violations (Hoover/RGANI, 6/1/35, 10, 15, 51, 52). Reprimands and recommendations had little effect over the following weeks (Hoover/RGANI, 6/1/41, 71-2). As follow-up investigations and measures showed, only widespread punitive



measures elicited change in the desired direction, sometimes still not far enough, but sometimes too far (Hoover/RGANI, 6/1/91, 16, 19): for example, the director of the military chemical industry's factory no. 6 had his juniors kidnapped to test their courage and see how they would behave "in the event of arrest by adventurists."

In some circumstances, indifference gave way to zeal. The defence industry kept the planning commission and finance ministry permanently starved of information about its activities on the grounds that they constituted important military secrets. The central government took repeated steps to counter this tendency and enforce the supply of information. For example, a Politburo resolution of January 1932 required that defense industry production *should* be included in the calculated totals for industry as a whole. In January 1935 deputy commissar for heavy industry Piatakov proposed to prime minister Molotov that defense industry should no longer have to report its progress to the finance ministry or Gosplan's statistical administration on grounds of national security. In March, following a counter-claim from the statistical office, the government made limited concessions to Piatakov but still required defense industry to report both real outcomes and ruble aggregates to Gosplan in Moscow, real outcomes for civilian products only to local statistical agencies, and ruble aggregates to the ministry of finance (Simonov 1996: 1362, 1364n; Markevich 2000).

As a result of secrecy the Soviet defence complex may have become less accountable to the country's rulers through time. In the postwar years secrecy was used to exclude virtually all of the top leadership from information about the armed forces and defence industry. In his memoirs Mikhail Gorbachev (1996) has written that until he took office as general secretary in 1985 "All statistics concerning the military-industrial complex were top secret, inaccessible even to members of the Politburo"; "only two or three people had access to data on the military-industrial complex. He recalls that the long-serving defence minister Dmitrii Ustinov "essentially had monopoly control" over defence information; it was a serious breach of protocol for outsiders, even other Politburo members, to question him. According to military sources of the same period (cited by Firth and Noren 1998: 260n), the true scale of military funding was known to "only four men [...] the General Secretary, the Council of Ministers Chairman, the Minister of Defence, and its Chief of the General Staff." Iurii Masliukov, a leader of the Council of Ministers military-industrial commission under Gorbachev, has confirmed (Masliukov and Glubokov 1999: 105) that:

Until 1988 summary figures concerning the defence of the country were considered to be a secret of exceptional state importance; a limited circle of people (the leadership of USSR Gosplan and not even all Politburo members) were familiar with them. It was forbidden to reproduce such figures in typing pools, and in documents they were circulated by authorised individuals from hand to hand.

### 1.3. Secret Decisions

In the Stalin era tens of thousands of decisions were made secretly. R. W. Davies (2001: 63) has pointed out that between 1930 and 1941 the government and its main economic committee made more than 32,000 decrees but less

than 4,000 were published while more than 5,000 received the top security classification which meant that they remained known only to a few top officials. This does not mean that the decisions were not carried out. Rather, it means that such decisions were transmitted downward with hardly anyone knowing the legal basis of an instruction or the true source of its authority.

The party operated rules of “conspirativeness” (*konspiratsiia*) that limited knowledge of the business of the politburo and central committee to the narrowest possible set of participants and, in transmitting policy downwards, denied information to lower levels about the sources and context of higher-level decisions.<sup>1</sup> Thus on 5 March 1931 (Khlevniuk et al. 1995: 85 and 73-82) the Politburo resolved “categorically to forbid people with the right of acquaintance with the decisions of the c[entral] c[ommittee], when passing instructions onward in the apparatus, to refer to the fact that these instructions are decisions of the c[entral] c[ommittee].”

All party organizations were subject to the same principles. The Commission for Party Control (KPK) was an agency of the ruling party’s central committee. Its purpose was to audit the conduct of party members in fulfillment of their political obligations, but these coincided so completely with matters of state that there was little distinction in practice between the regulation of party affairs and those of government. The business of the KPK therefore included all kinds of failures to fulfill government directives and corrupt behaviour.

The work of KPK was completely secret. At an internal meeting in 1950 (Hoover/RGANI, 6/6/57, 13) the chief of KPK remarked: “A comrade here said something about secret work. But *all* the letters and correspondence that we engage in are secret work [emphasis added]. You can’t say that one comrade has secret work and another’s work is not secret. You can’t separate one from another.”

At the KPK it was forbidden “to remove minutes of KPK bureau meetings from the premises or organizations and institutions ... Comrades in receipt of minutes of KPK bureau meetings may not acquaint any other person with them unless with the express permission of the bureau ... Copying and quoting, and also oral or written reference to the minutes of KPK bureau meetings in the production of documents of state [*v sovetskom deloproizvodstva*] are categorically prohibited.” Additionally “the comrades in receipt of conspirative documents of the KPK bureau” were duty bound “in each individual case to take supplementary measures to ensure the greatest possible conspirativeness of work according to circumstances” (Hoover/RGANI, 6/1/76, 219).

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<sup>1</sup> Historians of Bolshevism in the west such as Daniel Tarschys (1985) knew about the *idea* of conspirativeness before the archives were opened, but to discover the true scope of its *practical application* was still a shock, even to an experienced scholar. Visiting a regional archive for the first time in 1990 Sheila Fitzpatrick (1990: 780) wrote in her diary: “A sentence jumps out about rules for handling ‘correspondence of Party organs and other conspiratorial documents.’ *Conspiratorial documents?* When this is a ruling party, in power already for fifteen years? ... I ask [the archive director] what he makes of ‘conspiratorial documents’ phrase ... New to him.”

“Conspirativeness” was practised not only by party organizations; the entire government ran itself on the same principles. As in party work the secrecy rules that prevailed within a government agency such as the NKVD-MVD were designed to provide “the conspirativeness necessary to exclude the disclosure of state secrets and methods of work of agencies of the NKVD” (Hoover/GARF, 9414/1/85, 170).

At its apogee conspirativeness was taken to a point that prejudiced the implementation of decisions. Yoram Gorlizki (2002: 721) describes how ministers complained that the June 1947 law on state secrets required tens of thousands of officials to take action to defend state secrets, but many of these same officials could not be informed of their new responsibility because they were not cleared to receive information at a level of classification corresponding with that of the decree.

#### 1.4. Disclosure and Punishment

The disclosure of official secrets was penalized by various means. In the extreme, Article 58(6) of the RSFSR Criminal Code punished “espionage, ie. the transmission, theft, or collection, with a view to transmission to foreign States, counter-revolutionary organizations, and private individuals, of information accounted by reason of its contents an especially guarded State secret” (Conquest 1971: 743-4). In principle the same law distinguished cases leading to “especially grievous consequences to the interests of the USSR,” punished by execution, from less serious cases for which a term in the Gulag was prescribed.

In practice the distinction between between large and small secrets was probably arbitrary and time-varying. The limited official propaganda suggested that petty revelations could be as damaging as more serious ones. As the anonymous author wrote in the Noril’sk *Stalinets* (Hoover/GARF, R414/4/193, 296): “In questions of the conservation of party and state secrets, in information that is not intended for disclosure there are no such things as trifles. Sometimes information that is insignificant at first glance can be of great value to a spy.” The evidence gathered by Alexander Solzhenitsyn (1974: 63-4) suggests that the violations that resulted in sentences to terms of forced labour were in most cases trivial or fabricated. The burden of proof in such cases was clearly low, probably because it was the kind of thing almost anyone could have done, and therefore in fact probably had done regardless of the evidence that was actually available.

Soviet penal practices do not seem to have made much distinction between premeditated and negligent disclosure of state secrets. The scope of secrecy made careless disclosure a serious problem. John Barber et al. (2000: 21) recount that in the spring of 1937 the heavy industry commissariat published figures for the gross output of its civilian products alone, while almost simultaneously Gosplan published the overall gross output of heavy industry, permitting anyone to compute the value of defense output as the residual. An alarmed reaction from within Gosplan demanded strict punishment of the responsible officials in industry. A clampdown on statistical publication began from about this time and continued until the post-Stalin thaw.

Extensive secretiveness and the ease of careless disclosure made for an environment in which it was virtually impossible for everyone to keep the right side of secrecy regulations at all times. Anyone could let slip a “trifle” at

any time and, even if they did not, could readily be accused of having done so. This forged the law into a powerful instrument of repression. Cases of espionage under Article 58(6) on its own or in conjunction with other articles made up 15 per cent of the roughly 8,000 executions carried out by the NKVD in the Leningrad district in August, September, and October 1937 (Ilić 2000: 1529). The same proportion applied to the national figure of 681,692 executions by the NKVD in the course of 1937/38 would suggest up to 100,000 cases of espionage that received capital sentences across the country in the years of the Great Terror; this should be considered an upper limit since the proportion of cases in Leningrad may have been raised by the high concentration of military and defence-related facilities in that locality. Since execution was reserved for more serious cases, and many cases were trivial, it is likely that this was the tip of a somewhat larger iceberg.

The fact that it was so difficult to adhere conscientiously to the laws on secrecy proved convenient to Stalin and Beria in the postwar “Gosplan affair.” Stalin had lost faith in his former favourite, Gosplan chief N.A. Voznesenskii. Investigation then revealed a history of poor handling of secret documents in Gosplan, with many papers that were missing or that were not missing but should have been destroyed. This established the charge on which Voznesenskii and many of his subordinates were executed (Khlevniuk et al. 2002: 274-307).

### 1.5. Summary

In the command system of the Stalin era, secrecy was pervasive. Both economic data and the political process became secret. Secrecy rules built elaborate firewalls that impeded information flows not only from state to society, or from the Soviet state to other states, but also within the state itself. Even within the privileged official sphere information was shared on the basis of need, not right to know, and the need to know was defined within limits that appear sometimes quite extraordinarily narrow.

## 2. Secrecy and Command

Western social and historical science has given rise to two views of secrecy. In the tradition of Max Weber (1922/1968) secrecy is seen as the natural condition of government. Bureaucrats incline to secrecy because it gives them freedom to act without having to account for their decisions. Secrecy also protects them from criticism since it allows them to conceal disreputable acts. Those who adhere to this tradition recognise that the effects of secrecy may be costly but the costs are borne by society, not the bureaucrat. Some costs are political: secrecy tends to undermine democratic values by stifling debate and weakening accountability (Colby 1976; Moynihan 1997). In the economy secrecy may reduce the efficiency of resource allocation; for example, technological secrecy gives rise to a high level of duplicated inventions (Zhores A. Medvedev 1977) and military secrecy contributes to the incidence of scientific fraud (Park 2000). A Weberian approach to Soviet secrecy (Tarschys 1985) emphasises the common historical features of European bureaucracies and continuity from Russian autocracy to Stalinist dictatorship.

An alternative approach to secrecy stems from the rational-actor tradition in the theory of international relations (e.g. Schelling 1963; Gibbs 1995 provides an empirical case study). The rational actor is the state as a whole,

not the individual official. Secrecy is seen to provide collective benefits to the state but it is also costly. The rational actor tradition is not concerned with the external cost to society, rather, the state itself bears internal opportunity costs of implementing secrecy. Therefore, in this approach secrecy is a choice, not a natural condition. Abram Bergson (1953: 14), for example, understood Soviet secrecy in terms of two motivations, national security and “effective propaganda to create favorable impressions,” but he also alluded to the costs of secrecy to the state measured by the conflicting “need to release data for the operation of a nationwide planning system, including the training of personnel.”

Economists might be expected to show a natural interest in secrecy as a rational choice. There are large literatures on privacy and private commercial, banking, and wage secrecy.<sup>2</sup> Jeremy R. Rudin (1988) has analysed the advantages of central bank secrecy for monetary stabilization. On fiscal secrecy Martin Daunton (2001) has provided historical insight; he describes how the British state deliberately cultivated secrecy around the annual budget to exclude outside interests from the Chancellor’s decision making. But there is no common framework for the political economy of official secrecy in general. This raises the difficulty that the historical economics of secrecy in the Soviet Union lack a ready-made theoretical framework.

In my view collective motivations alone cannot explain the development of secrecy within a state. History tells us that secrecy is effective only when it also corresponds with the private interests of individual decision makers; otherwise, they will have private incentives to ignore rules and reveal information or permit others to reveal it. Thus, any regime that persists must be understood as an equilibrium at the level of the individual (Greif 2000): each person participates in it because it is in their interest to do, conditional upon their expectation that others have made the same calculation.

Therefore I look at private motivations for a principal to restrict information that would otherwise be available to an agent and I show the

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<sup>2</sup> Individual persons often have secrets that are unprotected by law. The economic literature on information has tended to focus on the value of information about personal attributes such as productivity but are costly to observe or signal (e.g. Molho 1997). In contrast, official secrets require protection because they would otherwise be observed at little cost. The revelation principle suggests that when individuals would otherwise wish to conceal adverse personal data such as a poor sickness record there are often countervailing incentives that lead them to reveal it anyway because the value of their secret depends on non-disclosure by others who may lose as a result; the first agents to disclose place the rest at a disadvantage and so gain (Baird, Gertner, and Picker 1994: 89-90). Official secrecy, in contrast, forces cooperation by punishing disclosure.

With regard to other secrets that are unprotected by law see Danziger and Katz (1997) on wage secrecy and Friedman, Landes, and Posner (1991) on trade secrecy. The literature on patents touches on the uses of trade secrecy versus the legal protection of valuable information that is registered and therefore in the public domain (Arundel 2001); in contrast official secrecy protects the information itself. Banking secrets are sometimes protected by law; on Swiss banking Guex (2000).

conditions under which the result can be an equilibrium. I start from the fundamental problem of command (Harrison 2004). A principal gives an order to an agent and advances the means to implement it. The agent may obey unconditionally or conditionally, or shirk, or steal the advance and invest it in an exchange with an external private network.

*Figure 1. The Fundamental Problem of Command*

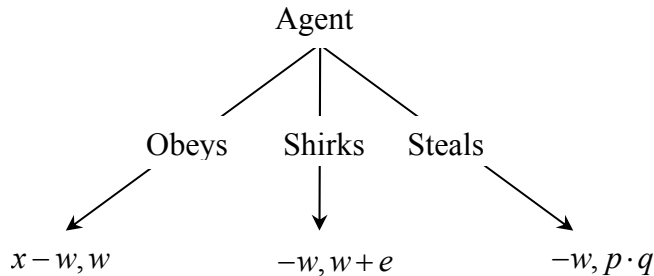


Figure 1 shows the problem of command: to comply willingly the agent must ignore available opportunities for private gain. The obedient agent receives the wage advanced  $w$  and returns the planned output  $x$  to the principal who receives a surplus  $x - w$ . The disobedient agent can shirk: she takes the wage and ignores the command. This pays her the wage plus the gain in reduced effort,  $w + e$ , which is always preferable to the wage alone, while the principal records a loss,  $-w$ . Alternatively, the agent can steal the wage and invest it in an unauthorized transaction with a private network of outsiders and so gain  $q$ . But this requires horizontal trust. Since trading privately on the principal's advance is illegal the outside network has to manage the fundamental problem of exchange (Greif 2000) without recourse to the law. The agent must be willing to take the risk that outsiders will steal from her what she stole from the principal in the first place; if thieves fall out she will end up with nothing. Thus she should discount her expected outside profit by  $p$ , the degree of horizontal trust or "honour among thieves," so  $p \cdot q$  is what she stands to gain. But the principal loses  $w$  in either case.

In the Soviet workplace shirking was endemic. Moreover, widespread shortages and incomplete centralization presented generous possibilities for profitable unauthorized exchange. Sideline trades were organized on a wide array of legal, semi-legal, and illegal markets (Katsenelinboigen 1977). Illegal deals that were successfully repeated gave rise to collusive horizontal relationships that were hard for the authorities to detect and break up (Belova 2001: 137). This kind of unofficial business not only reallocated resources away from planned uses but also undermined the supremacy of compulsory vertical relationships over voluntary horizontal ones.

Historically, the problem of command was managed by monitoring and a variety of enforcement mechanisms such as internalization and promotion, rewards for compliance, the penalization of shirking and disloyalty, the use of military power to drive down the rewards of potential liaison with foreign powers, and so forth (Harrison 2004). Among these means of enforcement was also the regime of secrecy. The next section deals with how secrecy may improve compliance.

### 3. Secret Information and Compliance

In this section we will get two results. First, the principal may use secrecy to deter the agent from diverting the principal's advance into unauthorized trade with an unofficial network. Second, secrecy creates a context in which both principal and agent can gain in authorized transactions with officially sanctioned third parties. By considering the principal's choices we find that the level of information in the command system becomes endogenous.

#### 3.1. Compliance Versus Theft

How can a principal exploit secrecy to reduce the incentive for his agent to trade privately? When will it be in the principal's interest to do so?

Secrecy helps the principal by a discounting effect and a threat effect. Although this simplifies somewhat, we will think of the threat effect as mainly affecting  $q$  and the discounting effect as mainly affecting  $p$ . The *discounting effect* arises because secrecy makes information unverifiable and so puts a discount on its value; this is bad for horizontal trust. Trade relies on the buyer and seller sharing information about *ex ante* supplies and demands (Hayek 1945). Sequential transactions can often take place only when horizontal trust has been previously established. Trust is established partly by the prior exchange of verifiable information: "How do I know you have the goods?" "Let me see the money." Official secrecy stops verification of the the agent's information, criminalizes its sending and receipt, and undermines the thieves' honour: "Why are you telling us this?" To continue as an unofficial trader the agent must work harder to offset the discounting effect and restore her credibility: "Look, I could get ten years for this too."

The *threat effect* arises because when secret information is shared both sender and receiver can be penalized. The threat is directly costly to the agent. Indirectly, it also damages the outside network in a way that will reduce profit opportunities. Outside opportunities are likely to vary directly with the scope of private networks in the same way as economic efficiency generally increases with market size. But as more people are involved the risk of detection increases. Thus criminalizing the sharing of information is likely to reduce the scope of criminal organization: "We don't need them; they don't need to know." In turn, narrower networks imply lower outside profits.

Figure 2. Compliance Versus Theft Under Restricted Information

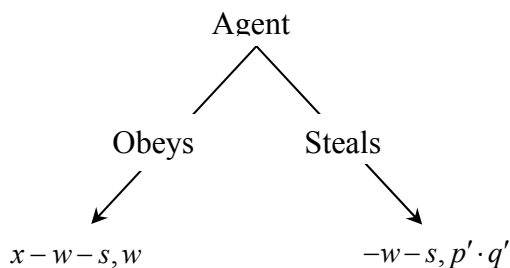


Figure 2 sets out the choice of steal-and-trade versus compliance under restricted information. Whatever the outcome the principal pays a given cost  $s$  to administer secrecy. It is simpler if we think of full and restricted information as binary states. This would not be so in those contexts where information is differentiable and there are degrees of transparency, but it was

approximately so where the Stalinist state recognized “no such things as trifles.” The agent, advanced  $w$  by the principal and commanded to supply  $x$ , chooses to comply or steal-and-trade. Under secrecy the agent’s payoff to compliance remains  $w$ , as in Figure 1, but the payoff to theft is reduced. The threat effect shrinks the scope for profit to  $q' < q$  and the discounting effect reduces the probability of the trade being honoured to  $p' < p$ . It follows that secrecy pays the principal when it lowers the agent’s outside return by more than it increases his own costs, i.e. when  $s < p \cdot q - p' \cdot q'$  so outside market opportunities would be tempting under full information but trust is fragile, and secrecy is cheap.

Secrecy is not the only mechanism that can weaken the basis for unofficial transactions. Direct monitoring of the uses of resources and punishments for violations can have the same effect. Therefore, a more complete historical analysis would require investigation of the comparative costs and benefits of these alternative mechanisms at the margin.

Evidently, secrecy was not a sufficient condition for eliminating illicit trade and corruption. In the defence industry in the late 1930s some suppliers of noncombat equipment sold it more profitably on the side than to the Red Army (Harrison and Simonov 2000: 236). A maker of gun accessories was caught selling off capital equipment and undeclared stocks of finished goods rather than continue to supply the military (Harrison and Markevich 2004). In the Gulag, some camp commanders lived far above their salaries (Applebaum 2003: 249-51). Controlling large numbers of slave labourers enabled them to extract significant rents from somewhere; clearly not from the labourers themselves, therefore from third parties in the economic environment. These cases were probably not typical. It is likely that secrecy limited the scope for corruption to networks based on family and longstanding acquaintance.

### 3.2. Trading Information

Above we considered information about resources that the agent must share in order to execute a private transaction. The information was valuable only because it concerned resources that were available for a transaction. In other cases information had intrinsic value, not just as an input into a transaction. Military secrets such as plans, deployments, or designs, were valuable because they could enable a foreign power to damage the principal’s external security. An adversary could use intelligence about domestic morale or political conflicts to undermine the government’s authority.

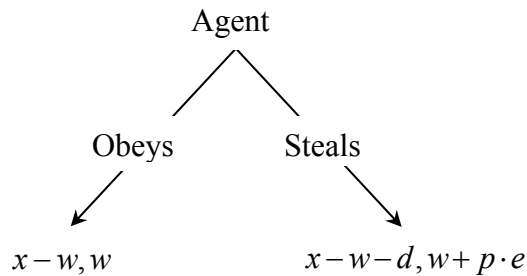
Another kind of secret was valuable because it was discreditable: by damaging the principal’s reputation it could reduce diplomatic influence and commercial opportunities. On the world stage the Soviet Union claimed to be the world’s first workers’ state. As a result its reputation was easily hurt by disclosures concerning slave labour, as Soviet leaders found in 1930 and 1931 (Applebaum 2003: 75-6). Western workers’ organizations were highly sensitive to the competitive threat to their members’ employment from cheap Soviet exports produced in labour camps. This was the most likely motivation for suppressing information about the health conditions and medical care of Gulag detainees as well as their numbers and employment.

The principal must find this problem more difficult to solve than the one considered previously. Suppose the principal must share some information with an agent in order for the agent to execute a command, but the information



itself is valuable to a third party. In Figure 3 the agent knows “too much.” Since the only asset she steals is information she can still appear obedient by executing the principal’s command and returning  $x$  while retaining  $w$ . But in addition principal suffers a damage  $d$  to reputation or security while the agent gains a revenue  $e$  from espionage. Thus the agent has no intrinsic motive to conserve the principal’s information.

Figure 3. *The Problem of Compliance With Information Theft*



Secrecy helps the principal through the threat and discounting effects. The discounting effect lowers the credibility of the information that the agent can supply. For example, by withholding official information about forced labour the Soviet Union was able to cast doubt on unofficial evaluations and divide its critics for decades after the Gulag had ceased to exist and most of its “subsections” had been disbanded. The same was true of the defence budget in the 1970s and 1980s (Firth and Noren 1998). Disinformation also played a part, since it cast doubt on the truth and could not be refuted. However the discounting effect cannot solve the problem on its own because a secret is likely to retain some value even when it cannot be verified.

Thus, a powerful threat effect is also necessary to induce the agent to prefer compliance. This may contribute to explaining the severely punitive treatment of cases involving the disclosure of state secrets, which did not come to an end when Stalin died.

### 3.3. The Quality of Shirking

When we bring shirking back into the agent’s options, it turns out that secrecy did not only inhibit private trade. It also changed the quality of shirking: it created a new kind of shirking that was no longer at the principal’s expense. Secrecy became a common cloak behind which principal and agent could collude to charge losses from shirking to authorized third parties in such a way that the agent gained and the principal shared the agent’s gain.

The defence industry provides a number of cases where managers and officials exploited secrecy in their own self-interest. Thus, industrial managers enthusiastically classified cost statistics as important military secrets so as to withhold them from the defence ministry’s purchasing agents. The buyer was deprived of verifiable information about costs while the seller was freed from adherence to cost-plus pricing rules for defence products, or won time to inflate costs so as to justify the price set (Harrison and Simonov 2000: 233-5; Barber et al. 2000: 19-23; Harrison and Markevich 2004).

The cloak of secrecy sometimes hid illicit cash transactions. In 1934 KPK investigations revealed that officials in several ministries and agencies designated funds at their disposal “secret” so as to remove them from audit

and use them for illegal side payments and bonuses to colleagues and subordinates (Hoover/RGANI, 6/1/55, 40). A central committee resolution of May 1936 had to remove the right of ministerial officials and managers to create these secret funds (Hoover/RGANI, 6/1/90, 48-9).

In military research and development, designers who did not want to share their ideas with others used secrecy to monopolize ideas or prevent peer review. For example in 1938 the staff of a naval research institute in Leningrad wanted to evaluate work on gas turbines going on in Moscow under the designer V.V. Uvarov in Moscow. On 3 May they wrote to the commissariat of the defence industry (RGAE, 8328/1/995, 5-6) complaining of obstruction motivated by personal animosity “and in addition ostensibly special instructions about the secrecy of the work.” The industrial officials supported their “own” designer, however, and refused curtly to intervene.

The exploitation of secrecy on such lines was not confined to the 1930s; it was still in evidence in the last years of the Soviet Union under Gorbachev according to Julian Cooper (1990: 188) who wrote, citing *Pravda* and *Moskovskaia pravda* in the spring of 1988:

Critics of poor-quality civilian goods manufactures at defense-industry enterprises now openly express their frustration at the way in which secrecy is used to obstruct the investigation and exposure of shortcomings. One author, discussing the fire hazard presented by low-quality televisions, notes that some of the producers “have hidden themselves in zones literally closed to criticism. State ‘secrets’ are invoked. Even people’s control [an inspection organization] has difficulty breaking through into the ‘boxes’ [*iashchiki*].” Another author, in a remarkably outspoken article entitled “On ‘boxes’, open secrets, and departmental interests,” berates the aviation industry for its use of secrecy to protect its own interests and shows the absurdity of some of the security measures adopted.

Consider an agent ordered to supply goods to a buyer in another ministry. The transaction is authorized and does not depend on trust. On the contrary it is in the plan: the buyer cannot withdraw even if mistrust is total, partly because “the plan is the law,” and partly because the plan does not specify an alternative; indeed, if the seller is a monopolist an alternative may not exist.

The selling agent uses secrecy to withhold information about costs or the quality of the product; her aim is to gain time to exploit the buyer’s commitment weakness. *Ex ante* the buyer signed up to the plan to purchase on terms of given price and quality. By supplying equipment that is of lower quality or higher cost, the agent saves effort; by shutting the buyer out of the production process and cost accounts she does this without the buyer’s knowledge until, *ex post*, the goods are delivered and invoiced. The buyer must now accept the new terms set by the agent or go away with nothing.

The seller’s action makes it easier for the seller’s principal to show compliance with ministerial plans and contracts; thus, the principal shares the gain. Effectively the buyer hands over a rent to the agent that both pays for the agent’s reduced effort and buys the principal’s collusion with his agent.

Figure 4. Shirking Under Restricted Information

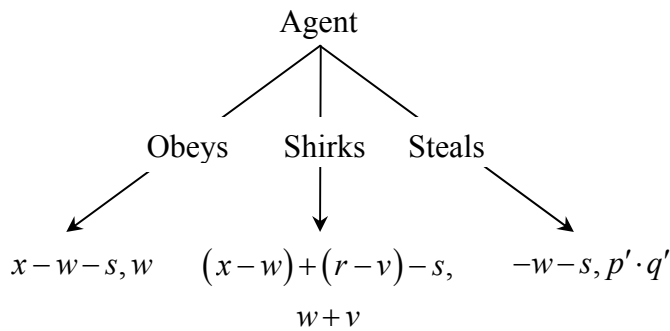


Figure 4 shows that, compared with simple compliance, secret shirking not only returns  $x$  to the principal but also extracts a rent  $r$  from the buyer; the agent takes a share  $v$  and passes the rest to the principal so the principal can always be induced to collude with the agent. Secret shirking will always dominate compliance, therefore. Moreover, the opportunity to shirk makes it easier for the principal to top the agent's expected profit in the outside market and so prevent theft.

This general idea is borne out by the fact that in all the cases that have come to light it was not the vertical principal that blew the whistle on the agent's opportunistic use of secrecy. Rather, an external agency, usually an auditor or purchaser such as Gosplan, the ministries of finance, defence, or state control, or in later years the press exposed the facts. As long as the agent exploited secrecy to the detriment of a third party her principal did not object. In this case, at least, vertical loyalty was a two-way street.

## 4. Secret Decisions and Conspirativeness

### 4.1. Benefits and Costs of Lobbying

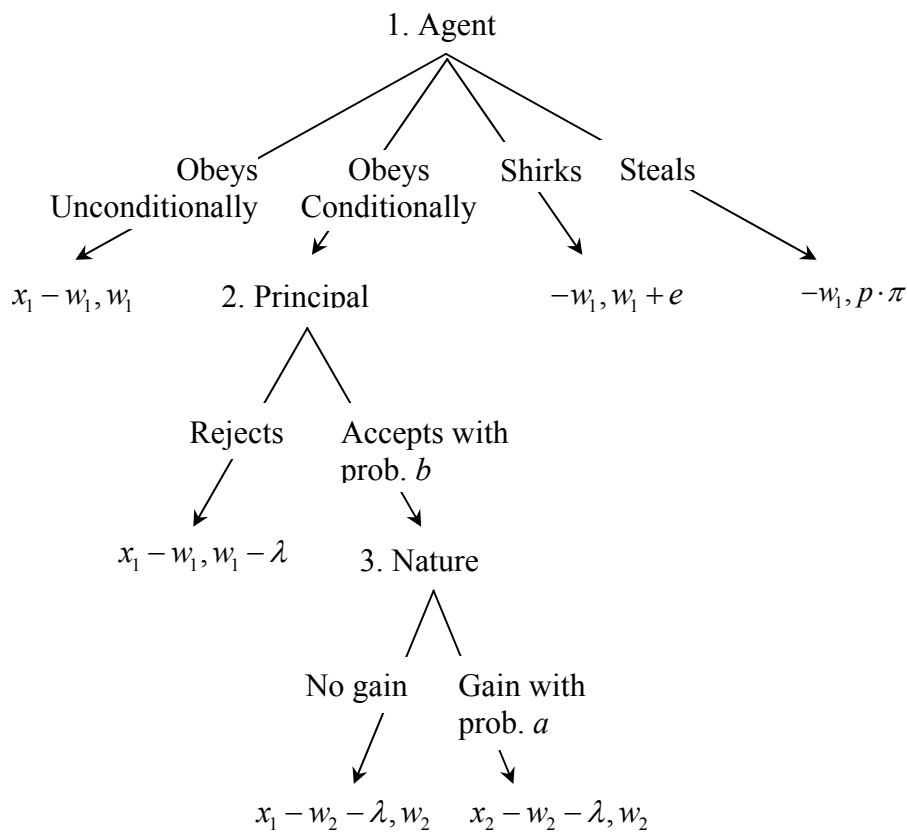
In this section I look at reasons for imposing secrecy on decision making processes. The fundamental problem of command can be extended to examine the quality of obedience (Harrison 2004). This reveals the key to another dilemma that pervades modern hierarchies: the degree to which commands should be open to renegotiation.

So far we have thought of the returns to different activities as common knowledge. But information in hierarchies is not distributed evenly: the principal usually has better general knowledge while in local knowledge the agent has the advantage. As a result, it was possible for a principal to make a mistake and an agent to know it. One way of raising returns in the command system was to let the agent bargain for an improved plan. The obedient agent could then choose to disobey, obey unconditionally, or lobby the principal.

The principal's problem lay in the fact that lobbying consumes resources. An open door allowed the agent to spend her own time and that of the principal arguing about decisions already taken instead of carrying them out. The gain from lobbying in more efficient decision making was uncertain, and the agent was likely to seek to consume the potential gain. On the other hand, a principal who closed his door to lobbies deprived himself of the agent's information about needs and resources and lost the chance to correct mistakes.

In Figure 5, the agent offers to share information about plan mistakes and unexploited opportunities with the principal in return for a share of the principal's rent. Initially the principal advanced  $w_1$  and expected to receive  $x_1$ . At stage 1 the agent chooses between disobedience and absolute and conditional obedience. Conditional obedience involves lobbying: the agent takes  $\lambda$  from her advance and invests it in making the case for a better project that can yield  $x_2$  for the principal and  $w_2$  for the agent. At stage 2 the principal decides whether or not to accept the agent's case. If yes, at stage 3 nature takes a hand: it deals  $x_2 > x_1$  with probability  $a$  and  $x_1$  otherwise so  $a$  is the probability that the original command was in error. The agent expects her lobby to succeed with probability  $b$ , which therefore measures the credibility of her case; if she succeeds, the principal will advance  $w_2 > w_1$  to her and also reimburse  $\lambda$ , the cost of lobbying. If lobbying fails the agent is worse off: she will get only the original advance and must pay the lobbying cost from it.

Figure 5. Unconditional and Conditional Obedience Under Full Information

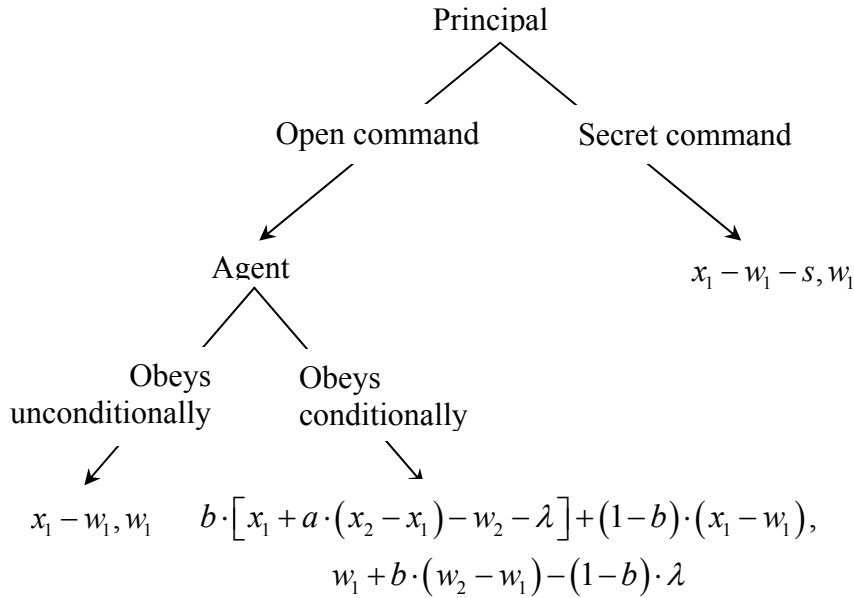


If the agent's payoff from lobbying turns out to exceed that from unconditional compliance then it will help to offset the relative attractions of shirking or stealing. But while this may help to secure the agent's participation the principal must still be able to offset the cost. Thus, to permit lobbying does not solve the principal's problem under all circumstances.

Secrecy is one way of limiting lobbying. If interested parties know whom to lobby they will do so regardless of rules and procedures; the only way to stop them is to stop them knowing that a decision is being taken and who is taking it (e.g. Daunton 2001). Under some circumstances, the principal may prefer to pay  $w_1$  to the agent and  $s$  for secrecy, accept  $x_1$  as his return, and put

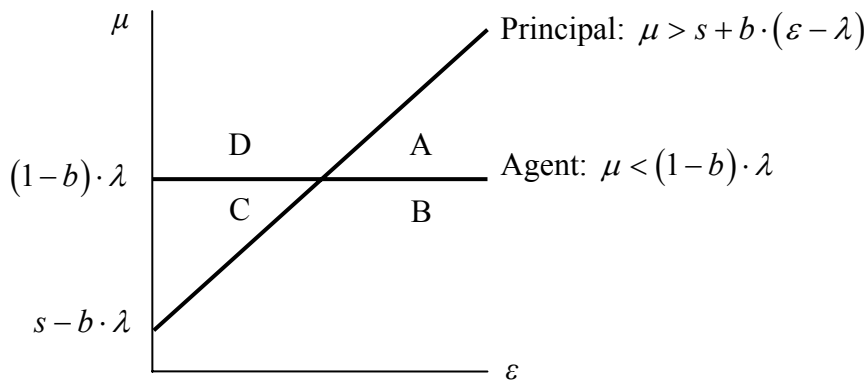
up with the enforcement and efficiency costs of secrecy if this will put a stop to lobbying. Figure 6 shows the possible outcomes.

Figure 6. Open Government Versus Secrecy



It is simpler to interpret Figure 6 if we define  $\varepsilon = a \cdot (x_2 - x_1)$  as the principal's expected efficiency gain from listening to the agent if he decides to do so, and  $\mu = b \cdot (w_2 - w_1)$  as the agent's expected wage gain from lobbying the principal if she is allowed to do so. Figure 7 illustrates the players' participation constraints with  $\mu$  on the vertical and  $\varepsilon$  on the horizontal axis.

Figure 7. Compliance Under Secrecy and Openness



Key:

- A. Openness + Lobbying
- B. Openness + Voluntary Compliance
- C. Secrecy if Required but Voluntary Compliance Anyway
- D. Secrecy + Forced Compliance

Faced with an open decision the agent will obey without conditions if  $\mu < (1-b) \cdot \lambda$ , i.e. her expected wage gain adjusted by the probability of success in lobbying falls short of the cost of lobbying taking into account the

probability that she will have to pay it. In Figure 7 this is a horizontal line that shows the limit below which the agent will comply without an argument. Above it, she will lobby and bargain. This limit is lower, the less is the agent's lobbying cost and the more credible is her information; it is indifferent to the principal's efficiency gain because the agent cares only about her wage, not the alternative yield to the principal.

The upward sloping line in Figure 7 shows the limit above which the principal would rather suppress the agent's information rather than have to pay for it. The principal will choose this where  $\mu > s + b \cdot (\varepsilon - \lambda)$ , i.e. the compensation he must expect to return to the agent for successful lobbying, if he were to allow it, exceeds the cost of secrecy plus his expected net revenue gain in the event that he should believe the agent. The limit is higher, the more secrecy costs to enforce and the more credible the agent's information, and it rises linearly with  $\varepsilon$  which is the potential efficiency loss from secrecy.

Finally, Figure 7 shows that the players' choices can give rise to four outcomes. In areas A and B the principal's expected gain is large enough that he will hear the agent's case despite what the agent will claim in return. In areas B and C the agent's gain is too low; she will withhold her information. In areas A and B, therefore, the decision process is open; in area A there is lobbying but in area B no lobbying results. In area C the principal is willing to fend off the agent by cloaking his plan with "conspirativeness" but the agent would willingly comply without an argument; if  $s > \lambda$  this area will disappear. In area D the agent would lobby the principal if permitted but the principal's best choice is to prevent this by secrecy. In short, secrecy pays for itself where the agent's information is costly relative to the potential efficiency gain. This was the logic of *konspiratsiia*.

## 4.2. Applications and Extensions

Plan bargaining was an entrenched feature of the command system. What has escaped analysis so far in the literature is why such bargaining might have been in the principal's interest. The answer suggested above is that bargaining allowed the principal to share rents with the agent in return for the agent's information, and this could be to mutual advantage. However, the underlying bargaining process was potentially costly and did not benefit the principal under all circumstances. By imposing secrecy on the decision making process, a principal could avoid having to buy information and continually review decisions for uncertain gain. It is true that by doing so he might worsen efficiency; a principal who thought efficiency more important than distribution or transaction costs might still prefer to receive lobbies. This may throw some light on the reasons why Soviet-type economies became less conspirative after Stalin's death and began to evolve more formal mechanisms for plan bargaining (Brus 1986: 97-111; Kornai 1986).

More generally, this framework suggests why internal consultative or bargaining procedures exist in virtually all civilian and military organizations, but the scope of these procedures varies widely according to the context. It seems that successful hierarchies have good reason to regulate carefully the degree of transparency in decision making and the costs of and returns to lobbying.

The model is developed in economic terms but can be extended to other areas. Consider criminal justice: an open judicial system cares about mistakes

and permits appeals on matters of fact and procedure. Those facing heavy sentences have little or nothing to lose from appealing. However, appeals are costly. A government that does not care about mistakes and wishes to save the time spent on appeals may transfer proceedings to a closed basis. This is approximately what happened in the Ezhov purges of 1937/8: the prosecution of “political” crimes was shifted from the open courts to secret sessions of the NKVD “special assemblies.” When it came to the extermination of enemies Stalin did not care about innocent victims, at least not until it was too late. In words attributed to NKVD chief Nikolai Ezhov (cited by Roy A. Medvedev 1971: 339): “Better that ten innocent people should suffer than one spy get away. When you chop wood, chips fly.”

This framework can be extended to cover the general relationship between a dictator and the citizens in society. Citizens who have no formal rights of access to the decision making process may still try to force their way in if they can see it in operation. Secrecy is the natural weapon of a dictator who would rather make a wrong decision than have his authority questioned.

## 5. Conclusions

We have been looking at explanations of secretiveness in the Soviet economy that are derived from its general features as a command system and the motivation of principals to weigh benefits against costs. The result is to show secrecy as one factor in an equilibrium that enabled principals and agents to participate in the command system and enabled the system itself to persist.

The level of explanation that has been attempted is parsimonious although crude. It turns out that secrecy may have assisted principals in combatting two kinds of opportunistic behaviour that are more or less present in all kinds of hierarchical organizations. One was the temptation for the agent to steal the principal’s resources so as to do a private deal with someone else, an agent in another ministry, a private criminal network, or even the agent of a foreign power. The other was the temptation for the agent to try to renegotiate the principal’s commands on more favourable terms, and potentially therefore to some extent at the principal’s expense.

The central feature of this framework is that secrecy emerges as a conditional choice. Principals preferred to make economic information secret when the agent’s expected profit opportunities in private trade were tempting, horizontal trust was already fragile, and secrecy itself was cheap. It paid them to make decisions in secret when unexploited opportunities were few and the agent’s charge for disclosing them was high. It seems likely that Soviet secretiveness became more and more difficult to sustain through time to the extent that planning mistakes became more costly and horizontal trust relations in society became more robust.

## Appendix. The Scope of Secret Information

### Document No. 1

In a memorandum of 17 June 1947 (Hoover/GARF, R9414/1/335, 11-12) Gulag acting chief Dobrynin listed those aspects of “the work of Gulag of the USSR MVD and its peripheral agencies that are *gosudarstvennaia taina*” as follows:

- 1) “The location of corrective-labour and verification-filtration camps, colonies, deportation prisons, and other Gulag subsections.
- 2) “Summary data concerning the stock, movement, and labour utilization of detainees.
- 3) “Demographic data concerning the detainees (information concerning sex, age, character, depiction of offenses committed, terms of sentences, nationality, and citizenship).
- 4) “Summary data concerning the physical condition, morbidity, and mortality of detainees, and outbreaks of disease in camps and colonies.
- 5) “Summary figures for escapes, arrests among detainees, and other crimes in camps and colonies.
- 6) “Summary data concerning transfers of camp contingents and railway movements involving them.
- 7) “Summary data concerning the dimensions of accommodation provision of camps, colonies, and deportation prisons.
- 8) “Information concerning the servicing of facilities of other ministries by detainees’ labour power.
- 9) “The establishment strength and demographic composition of the officer corps and freely hired employees [*ofiterskogo i vol’nonaemnogo sostava*] of Gulag and its peripher[al agencies], information about the degree of staffing [*ukomplektovanii*] and demographic data concerning personnel, and materials of special-purpose verification [*materialy spetsproverok*, i.e. documentation of the security vetting of personnel].
- 10) “The organization, numbers, degree of staffing, demographic data, location, fighting power, armament, equipment, combat training, political and moral condition, and material provision of units and sub-units of militarized security.



- 11) “All [documentary] materials and data concerning undercover operations [*po operativno-chekistskomu obsluzhivaniuu*] in ITL, UITLK, OITK, and their subsections.<sup>3</sup>
- 12) “The organization, material and financial provision, and mobilization and operational plans of Gulag and its peripheral agencies, [documentary] materials underlying their development, and the production of defence items.
- 13) “Data concerning the numbers, movement, and labour utilization of special-purpose contingents in camps and on MVD construction sites, and the regime for their maintenance.
- 14) “The numbers and movement of those sentenced to corrective labour (without deprivation of freedom), data concerning the character of crimes committed by them, and summary information concerning means deducted from these contingents for the revenue of the state.
- 15) “Documents containing detainees’ proposals for inventions and rationalizations of defensive or important national economic significance.
- 16) “Statistical data concerning the composition and movement of communists among the party organizations of camps and colonies, and [documentary] materials of party conferences and active groups [*aktivov*].
- 17) “Information concerning the production and economic activity of camps and colonies:
  - a) “production and financial plans of industry, agriculture, subcontract work, capital construction, and sideline auxiliary enterprises, calculations and groundwork of these plans, and also data of accounting or operational reporting concerning their fulfillment;
  - b) “the quantity, capacity, and characteristics of the condition of production equipment in industry, agriculture, capital construction, and sideline auxiliary enterprises;

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<sup>3</sup> This string of abbreviations, like the somewhat lengthier “all ITL, UITLK, and OITK of MVD-UMVD” that is found in document no. 2, translates roughly as “all labour camps and colonies at all levels of the forced labour system, Union, republican, and local.” Specifically ITL, *ispravitel’no-trudovoi lager’* = corrective labour camp; UITLK, *upravlenie ispravitel’no-trudovykh lagerei i kolonii* = republican MVD administration of corrective labour camps and colonies; OITK, *otdel ispravitel’no-trudovykh kolonii* = UITLK department of corrective labour colonies; MVD, *ministerstvo vnutrennykh del* = ministry of the interior of the USSR and Union republics; UMVD, *upravlenie ministerstva vnutrennykh del* = local MVD administration. Finally, Applebaum (2003: 110) notes that “subsection” was an internal NKVD codeword for a labour camp.

- c) “the stock and qualitative condition of all kinds of transport, energy bases, and their fuel provision;
  - d) “the quantity and condition of areas sown, gross yields, livestock herds, and information concerning the prevalence of animal diseases.
- 18) “Supply plans for all kinds of allowances [*dovol'stviia*, i.e. subsistence allowances] for camp contingents and data concerning stocks requested and received.
- 19) “The character and quantity of freights despatched to camps, colonies, and deportation prisons.
- 20) “The finance, planning, and supply of medications and the medical stocks of the network of hospitals, clinics, and other [*lechebnykh, lechebno-sanitarnykh, i prochikh*] establishments for the servicing of contingents located in camps and colonies.
- 21) “All correspondence concerning archived documents that touch on the issues listed above.”

## Document No. 2

In a further statement of December 1951 (Hoover/GARF, 9414/1/335, 71-2) minister of the interior Colonel General S. Kruglov confirmed the text of a memorandum issued the previous 4 October by Gulag chief Lieutenant General I. Dolgikh. This memorandum listed matters relating to the Gulag that were to be classified “absolutely secret (special file)”:

- 1) “Aggregate data concerning the overall numbers of the contingent of detainees held in all MVD camps (including special ones) and colonies, their physical condition and labour utilization”
- 2) “The location and information concerning the quantity of Gulag contingents engaged in construction of especially important closed special-purpose construction [sites] of Glavpromstroi.
- 3) “Aggregate data concerning the location of USSR MVD corrective-labour camps and colonies and deportation prisons.
- 4) “Summary information concerning mortality among detainees for Gulag as a whole.
- 5) “Information concerning the organization and reorganization of camps and colonies envisaged in mobilization plans.
- 6) “Aggregate data for all ITL, UITLK, and OITK for Gulag as a whole concerning organized violence [*banditskikh proiavlenii*], homicides and woundings, organized outbreaks, and insubordination by detainees in MVD camps and colonies.

- 7) “Aggregate data concerning the presence of the undercover and informer network [*agenturno-osvedomitel'noi seti*] in all ITL, UITLK, and OITK of MVD-UMVD.
- 8) “Aggregate data concerning the quantity, character, and depiction of undercover work in the Gulag as a whole.
- 9) “Aggregate data concerning escapes and detainee arrests in all ITL, UITLK, and OITK of MVD-UMVD.
- 10) “Aggregate data concerning the presence of the non-commissioned officer and rank-and-file personnel in all ITL, UITLK, and OITK of MVD-UMVD.
- 11) “Aggregate data concerning political and moral conditions among the personnel of militarized security in all ITL, UITLK, and OITK of MVD-UMVD.
- 12) “Military [equipment] orders, mobilization assignments, and mobilization work by cadres.
- 13) “Aggregate data concerning the establishment position of corrective-labour camps and construction [sites], UITLK, and OITK of MVD-UMVD.”

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