

Smuggler States: Poland, Latvia, Estonia, and Contraband Trade Across the Soviet Frontier, 1919–1924

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What happens to an imperial economy after empire? How do economics, security, and ideology interact at the new frontiers? Who governs the border?

The eastern borders of Poland, Latvia, and Estonia comprised much of the interwar Soviet state's western frontier—the focus of Moscow's revolutionary aspirations and security concerns. These young nations paid for their independence with the loss of the Imperial Russian market. Lodz, the “Polish Manchester,” had fashioned its textiles for Russian and Ukrainian consumers; Riga had been the empire's busiest commercial port; Tallinn had been one of the busiest—and Russians drank nine-tenths of the potato vodka distilled on Estonian estates. Eager to reclaim their traditional market, but stymied by the Soviet state monopoly on foreign trade and impatient with the slow grind of trade talks, these countries' businessmen turned to the porous Soviet frontier. The dissertation reveals how, despite considerable misgivings, their governments actively abetted this traffic. The Polish and Baltic struggles to balance the heady profits of the “border trade” against a host of security concerns, the dissertation argues, profoundly shaped state policies and everyday lives on both sides of the Soviet frontier.

My dissertation forms a first book, the initial part of a larger study of contraband trade across the early Soviet borders. A planned second book will focus on how smuggling and the struggle against it both reflected and shaped the Soviet experience, from the frontier to Moscow. However, the dissertation looks at the Soviet frontier from the other side. It uncovers how contraband trade was seen and managed from Warsaw, Riga, and Tallinn; supplied from Lodz and the American South; financed from London and Antwerp; and administered and practiced from the towns and shtetls lining the western side of the Soviet frontier. The payoffs for taking this distant detour from Moscow are both methodological and substantive.

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Sources and Methods

Despite the oft-repeated (and often promotional) invocation of “the difficulty of researching an illegal activity such as smuggling,”¹ the proliferation of recent historical studies shows that archives around the world are bursting with records of frontier apprehensions, tallies of confiscated contraband, and court files of convicted smugglers.² With sprawling bureaucracies dedicated to fighting smuggling (e.g., the border guard and customs apparatuses), the challenge is typically one of too many records, rather than too few.

At the same time, historians’ heavy reliance on “policing” documents—the core source base of most histories of smuggling—is inherently problematic. This is not merely because James Scott’s adage that “the job of peasants. . . is to stay out of the archives” applies even more forcefully to smugglers, since “most state records of smuggling are chronicles of failure.”³ Most smugglers succeed before they fail; indeed, continued success is often what renders them careless, or attracts the attention of the authorities. The archival files are not filled with the stories of unrepresentative incompetents. Nor are histories of smuggling that are based largely on police records unable to hear the subaltern speak.⁴ To avoid “seeing like a state” and to lift its bureaucratic blinders, historians have successfully mined intercepted letters, eyewitness accounts, songs, and even the occasional smuggler’s memoir.⁵ Getting to know smugglers—particularly long-dead ones—is not the problem.

Instead, the chief challenge is to write a history of smuggling that does justice to the cornerstone concern of the discipline: change over time. The primary roadblock to this effort lies at the intersection of criminology and politics, both popular and (especially) bureaucratic. The criminological conundrum is one that is common to the study of most activities whose participants hope to stay out of the archives. Do more frequent seizures of contraband indicate more smuggling or more policing—or both? Do fewer seizures suggest that smugglers have become less numerous, or more professional? Does growing concern about smuggling reflect an underlying reality, or the groundless swell of moral panic? Not surprisingly, with vast (but always scarce) state resources at stake, the interpretation of smuggling statistics often reflects primarily the institutional interests of the bureaucrats doing the interpreting.⁶

The Soviet state suffered no shortage of statistics or bureaucrats. If contraband trade was the anarchic antithesis to the Bolshevik ideal of economic planning, then statistics were the apt antidote. Soviet bureaucrats inherited a robust statistical tradition that emerged out of the modernizing reforms of the latter part of the nineteenth century. A faith in the power of numerical oversight undergirded the Bolsheviks’ transformational aspirations.

1. Oscar J. Martinez, “Praise for *Border Contraband*,” front inside flap of dust jacket for Diaz, *Border Contraband*.

2. See, inter alia, Tagliacozzo, *Secret Trades*; Karras, *Smuggling*; Andreas, *Smuggler Nation*; Kwass, *Contraband*; Cohen, *Contraband*; Diaz, *Border Contraband*; Leary, *Unapproved Routes*; Thai, *China’s War on Smuggling*.

3. Tagliacozzo, *Secret Trades*, 6.

4. Spivak, “Can the Subaltern Speak?”

5. Scott, *Seeing Like a State*. For the use of memoir, see Dullin, *La frontière épaisse*, 118–122; Shlyakhter, “Smuggler States,” Chapters 1 and 4; for the use of songs, see Diaz, *Border Contraband*.

6. On this pervasive problem, see Andreas and Greenhill, *Sex, Drugs, and Body Counts*.

“Socialism—above all, it is accounting,” Lenin had proclaimed upon taking power in November 1917.⁷ Soviet customs officials embraced this view with abandon. If they could not prevent smuggling, they could at least claim to count it by tallying the contraband goods that customs agents, border guards, and other policing organs were able to catch.

The copious contraband confiscation statistics served as fodder for intense interagency disputes in the Soviet Union throughout the 1920s, as officials tussling for turf and criticizing competitors offered diametrically opposed interpretations of the same trend. Thus, at a February 1927 meeting of the Ukrainian Commission for the Struggle with Contraband, the republic’s deputy border guard chief insisted that the commission should report to Moscow that the rise in captured contraband was “a consequence of the improved functioning of the border guard.” However, the customs chief countered that although the “measures taken by the [border guard] were of course also reflected in the increase of captured contraband,” the primary driver behind the rise in seizures was “the significant growth of smuggling in general.”⁸

What is a historian to do? To be sure, the same bureaucratic rivalries that frustrate our task also facilitate it. The paper trails stretching from the frontiers to Moscow were paved thick with such claims and counterclaims. The recipients of these missives struggled to adjudicate the institutional infighting while staying ideologically safe; the historian is mercifully free of such headaches. Examining contraband confiscation figures through the prisms of the evolving economic, security, legal, diplomatic, and environmental contexts—supplemented with the reports of secret informants embedded in smugglers’ organizations—can make it possible to draw nuanced conclusions about the actual trends in smuggling across the Soviet borders.⁹

In the case of the early Soviet western frontier, however, we can do even better. “By definition, illicit transnational flows . . . take place in the shadows and are thus inherently difficult to measure,” Peter Andreas cautions. “For the most part, this is the domain of the invisible and the clandestine. There are no quarterly business reports, monthly job growth figures, [or] annual trade balance statistics.”¹⁰ For the most part—but not always. As this dissertation demonstrates, business reports, trade balance statistics, and even job growth figures produced in Poland, Latvia, and Estonia during the first half of the 1920s testify both directly and indirectly to these countries’ active and officially sanctioned involvement in contraband trade across the Soviet frontier. So do the minutes of parliamentary debates, cabinet meetings, and conferences of government officials and business leaders in Warsaw, Riga, and Tallinn—some published, others preserved in these countries’ state archives. Preserved and ready to talk, too, are the letters and reports marked “secret” or “absolutely secret” that were dispatched to these capitals by local government officials and border guard officers stationed at the frontier.

Paradoxically, however, although much of the frontier trade that Moscow considered contraband was legal on the western side of the Soviet border, this legality sometimes makes

7. Lenin, *Polnoe sobranie sochinenii*, 57.

8. “Protokol № 13 zasedaniia Ukrainskoi Komissii po bor’be s kontribandoi,” February 11, 1927, Rossiiskii Gosudarstvennyi Arkhiv Ekonomiki, 5240/18/3200: 90-92.

9. See Shlyakhter, “Smuggling Across the Soviet Borders.”

10. Andreas, “Politics of Measuring Illicit Flows and Policy Effectiveness,” 23.

it more challenging to uncover the Polish, Latvian, and Estonian sides of this story. Those the Soviets persecuted as smugglers were welcomed across the border as merchants. Unlike on the Soviet side, with the trade practiced in the open on the western side of the border, there were no bureaucratic institutions dedicated to eradicating this problem. As a result, there is no centralized source base to consult, no mountains of confiscation statistics to mine. The smugglers are invisible because they had no need to hide.

However, the Soviet frontier traffic made not just good coin but good copy. The “Wild East” atmosphere—with its gold-rush paydays, rowdy taverns, lawless lawmen, and Comanche-style raids from beyond the Bolshevik border—garnered popular press coverage in all three neighboring nations and beyond. The trade was also a frequent subject of discussion and advertising on the business pages. To compensate for the archival lacunae, the dissertation makes extensive use of Polish, Estonian, and Latvian periodicals, including German- and Russian-language papers published in the two Baltic countries.

The source base that makes it possible to tell this history narratively also supplies the chief argument for adopting a narrative approach. Even as Soviet authorities considered contraband the anarchic antithesis of planned foreign trade, they portrayed smuggling as a foreign capitalist conspiracy. As the dissertation demonstrates, there were some grounds for this view. My research reveals how the Soviets’ neighbors operated the spigots, alternately loosening and tightening controls over the frontier flows. To be sure, each country’s policy toward the contraband trade developed as a series of ad hoc responses to frontier realities and business lobbies, rather than as a concerted effort; and the states themselves competed rather than conspired. Moreover, limited policing resources and corrupt officials ensured that the faucet would remain leaky even when the neighbors wished to close it. However, their support of the traffic made the dramatic difference between having to smuggle past one side rather than both. By tracing the twists of the spigots in Warsaw, Riga, and Tallinn, the dissertation uncovers and explains key turning points in the contraband traffic across the Soviets’ western frontier.

Contexts and Contributions

While my dissertation research was motivated by methodological concerns—the desire to overcome the limitations that a Soviet source base imposed on determining the actual trends in smuggling across the Soviet frontier—the payoff has been more substantial. The dissertation sheds new light on the economic afterlife of the Russian Empire; the Soviet state’s relations with its western neighbors and the making of the cordon sanitaire; and state sponsorship of illicit international economic flows.

Scholarship on the collapse of the Russian Empire has understandably produced a record of rupture. Historians have traced the pulling apart of populations, territories, economies, and ideologies.¹¹ For contemporaries, nothing embodied that rupture more vividly than the Soviet border itself. Whether enthusiastic fellow travelers or wary watchmen, those who

11. See Shlyakhter, “Smuggler States,” 10, for a list of works. For a balanced recent treatment, see Richter, *Fragmentation in East Central Europe*.

approached this frontier from the west saw it as a divide not just between countries, but between worlds.¹²

The view from Tallinn, Riga, and Warsaw was certainly wary. All three nations had brief but bracing experiences with Bolshevik rule. Short-lived Soviet republics rose and fell on the territories of Estonia and Latvia (including Riga itself) in 1919, and the Red Army swept through Poland before breaking down at the outskirts of Warsaw in August 1920. The peace treaties that all three nations signed with Moscow (Estonia and Latvia in February and August 1920, respectively; Poland in March 1921) were universally regarded as tenuous, if not altogether temporary. The eastern regions of all three nations were inhabited by ethnic minorities with strong cross-border ties, which the Bolshevik leadership hoped to exploit for the export of revolution. To make matters worse, all three borderlands were backward by every measure of a modernity increasingly preoccupied with measuring itself. Scholars have documented how entwined anxieties about Bolsheviks, backwardness, and borders shaped Polish, Latvian, and Estonian policies toward the territories along these countries' Soviet frontiers.¹³

Less attention has been paid to how the Baltic and Polish governments and citizens looked to the Soviet frontier with longing rather than fear. Even as they worried about Red Russia's revanchist imperialism, the Poles, Latvians, and Estonians nurtured an imperial nostalgia of their own. There was an economic ennui. The dissertation retraces some of the myriad commercial ties that had bound these nations to the rest of the Romanov Empire, and which appeared severed by its collapse and the Bolshevik takeover. It reveals how the pull of past profits combined with new, lucrative opportunities thrown up by the border itself—and scarcities on the Soviet side—to encourage Baltic and Polish citizens to barter directly with their Soviet counterparts along the frontline-cum-frontier. Even as the border reduced the volume of trade, it rendered every contraband transaction more profitable.

The dissertation follows the contentious deliberations of Estonian, Latvian, and Polish officials as they weighed the benefits and risks of this traffic. To be sure, consonant debates raged in other—far more powerful—countries that had long depended on the Russian market and raw materials but now feared communist contagion.¹⁴ As the dissertation demonstrates, however, the stakes were highest for the Soviet state's vulnerable neighbors. Nonetheless, risking both Soviet subversion and Moscow's diplomatic demarches, they opened their borders to trade that the Soviets considered contraband.

While we know that Poland, Latvia, and Estonia cooperated to form a united anti-Bolshevik security front, my research reveals how their policy toward their eastern neighbor was shaped by an economic competition that rendered all three nations less secure. They opened their eastern borders to contraband trade because officials and businessmen in each of the three smuggler states were concerned that the "precious wave" rolling west from Russia would otherwise flow into the neighbors' coffers, and because they worried that it would soon dry up. They were also eager to gain a foothold on the Russian market by whatever means before

12. See, e.g., David-Fox, *Showcasing the Great Experiment*, 99–141.

13. On Poland, see most recently Ciancia, *On Civilization's Edge*. On Latvia, see Purs, "Price of Free Lunches." On Estonia, see Alenius, "Russian Population in Estonia."

14. See Van Ham, *Western Doctrines*; White, *British and American Commercial Relations*; Siegel, *Loans and Legitimacy*.

the others, and before economic behemoths like Germany, France, and the United Kingdom. Ironically, the dissertation reveals that these and other Western powers supplied the capital that rendered the eastern edge of their *cordon sanitaire* a porous sieve.

At the same time, the dissertation advances our understanding of the gradual hardening of the *cordon sanitaire*'s eastern edge. My research highlights the nonideological dimensions and uncovers the uneven rhythm of this process. The dissertation argues that food insecurity and attendant moral panic were central to all three border states' initial efforts to secure their eastern frontiers. It was also nonideological factors—improved provisioning at home and the pull of profit in the east—that led all three countries to relax their border controls in order to facilitate the frontier traffic against Moscow's wishes. Ironically, however, the abolition of the traffic in Estonia and its drastic reduction in Latvia by the end of 1924 meant that the Comintern inadvertently succeeded where Soviet diplomats and border guards had failed: although intended to break down barriers between states, the "illicit export" of revolution helped seal the Soviet border from the outside.

The dissertation demonstrates that the hardening of the *cordon sanitaire* was uneven not just in time but also in space. While all three states eventually sought to seal their Soviet borders to contain Bolshevik revolutionary violence and propaganda, Poland did not go nearly as far as the Baltics in curbing the frontier traffic. To be sure, with an eastern frontier more than twice that of the two Baltic states combined, it would have taken Poland far more resources to stamp out the contraband trade even *if* Warsaw had wished to do so. It did not. The length of this border also made it more difficult for Soviet authorities to patrol their side, rendering Poland's traffic more sustainable. The ratio of economic profit to security liability—the calculation, voiced or implicit, that hung over every policy discussion in Tallinn, Riga, and Warsaw—remained high enough for Poland to continue sponsoring the traffic on a vast scale.

That calculation also sets the Polish, Latvian, and Estonian experiences apart from other historical and contemporary cases of state-sponsored smuggling.¹⁵ The conflation—both real and discursive—of Soviet smugglers with spies and other subversives shaped the trajectory of Polish, Latvian, and Estonian state sponsorship of the contraband trade. On the one hand, state support enabled the suppliers and operators of these countries' border "barter stations" to reap dizzying profits while passing on the chief cost—weakened border security—to the state. At the same time, the changing ratio of economic profit to security liability constrained the scope and duration of state-sponsored smuggling. To sponsor smuggling into the Soviet state, it was not enough for the traffic to be profitable; it also had to be voluminous enough to outweigh its security liability to the smuggler state.

That the Bolsheviks pursued a schizoid foreign policy is well known—on the one hand, the Comintern; on the other, bald-faced denials of subversive activities and an effort to normalize relations via the Commissariats of Foreign Affairs and Foreign Trade. What my research reveals is that the neighboring states also pursued a schizoid foreign policy of their own—on the one hand, sponsoring smuggling on a vast scale; on the other, bald-faced denials and the normalization of relations. Without positing a moral equivalence between the Soviets' guerilla violence and the neighbors' contraband commerce, it is safe to assume that this cycle of

15. For an insightful survey, see Kelman, "States Can Play Too."

“mutual gaslighting” encouraged intransigence on both sides of the emergent interwar Iron Curtain.

By highlighting the scope of smuggling and the active role of neighboring governments in abetting this traffic, the dissertation joins a growing body of work that illuminates how foreign threat shaped the interwar Soviet experience.¹⁶ Based primarily on Soviet sources, however, this scholarship focuses more on tracing Soviet perceptions and policies than on establishing the veracity of the threats themselves. When historians have sought to evaluate the accuracy of Soviet foreign threat assessment, they have generally found exaggeration and paranoia.¹⁷ By uncovering the reality of smuggling, the dissertation demonstrates that *this* external menace, at least, was real enough.

To be sure, what one thought of the danger that smuggling posed depended on your position in the Soviet system, your role in upholding its security, and your commitment to the state monopoly on foreign trade. Soviet functionaries (customs officials, border guard officers, and others) still did the interpreting of contraband confiscation statistics to divine smuggling trends, and their—hardly disinterested—interpretations shaped the Kremlin’s outlook and policies. To understand the actual reality in which Soviet bureaucrats and leaders operated, however, the dissertation takes us from their Moscow offices and across the frontier.

Dissertation Overview

Russia’s revolutionary rulers were smugglers par excellence themselves. Since the mid-nineteenth century, the centers of radical opposition that coalesced outside the Romanovs’ realm had cultivated clandestine communications with confederates inside the empire. The same borders that kept the revolutionaries safe from the tsar’s grasp had to be overcome to grasp at the tsar himself, his hierarchy of henchmen, and the oppressive system they served. Letters, funds, weapons, ammunition, and the revolutionaries themselves crisscrossed the Russian frontier furtively for decades. They often did so with the aid of smugglers, some sympathetic, others much less interested in the politics than in the profits.¹⁸

After coming to power, the Bolsheviks would have to rely on smuggling to keep it. The dissertation starts with *Part I, The Soviet Smuggler State, 1919–20*. Chapter One, “Solomon’s Smugglers, Hermes’s Spies: ‘State Contraband,’ Intelligence, and Power on the Soviet Frontier,” draws on the records of the early Soviet customs administration held at the Russian State Archive of the Economy to uncover the system of contraband commerce cultivated by the Soviet Commissariat of Trade and Industry across the frontlines of the Civil War.

16. On the impact of Soviet xenophobia on policies toward the ethnic borderlands, see Polian, *Against Their Will*; Martin, *Affirmative Action Empire*; Brown, *Biography of No Place*; Baron, *Soviet Karelia*; Dönninhaus, *V teni “bol’shogo brata.”* On foreign threat and military-economic planning, see Stone, *Hammer and Rifle*; Ken, *Mobilizatsionnoe planirovanie i politicheskie resheniia*. On foreign threat and popular opinion, see Golubev, “*Esli mir obrushitsia na nashu Respubliku*”; Velikanova, *Popular Perceptions*. On the Terror, see below.

17. See Khlevniuk, “Reasons for the ‘Great Terror’”; Kuromiya, “Accounting for the Great Terror”; Harris, “Intelligence and Threat Perception”; Harris, *Great Fear*.

18. See, most recently, Hillis, *Utopia’s Discontents*.

This commerce was contraband in several senses. It depended on the connivance of corrupt enemy officials; it was entrusted to agents who engaged in smuggling for private profit; and multiple Soviet institutions competed with the Commissariat by dispatching their own smugglers across the frontline, a practice that would continue to shape the frontier trade in peacetime. Meanwhile, the traffic cemented the link between smugglers and spies in practice and discourse on both sides of the front—another phenomenon with lasting postwar implications.

Crossing the new Soviet frontier, *Part II, A Schizoid Frontier: New Nations, Smuggler States, 1920–21*, examines the birth of a border where those persecuted as smugglers by the Soviet side were welcomed as legitimate traders in Poland, Latvia, and Estonia. Chapter Two, “Fear and Longing in the Baltics,” looks east from Riga and Tallinn (as well as from an Estonian border town) to analyze how a mix of fear, longing, and bureaucratic politics shaped the Baltic states’ approach to the Soviet frontier traffic. Chapter Three, “Poland: Longing, Deluge, and Doubts,” considers how Warsaw struggled to balance state security concerns against the determination of Lodz manufacturers and Lwów and Wilno merchants to reconnect with the lucrative eastern market. It also uncovers the role that international (especially American) cotton suppliers played in powering this traffic, as well as the considerable contribution of conniving Soviet officials.

Part III, Border Boom: Banner Year on the Soviet Frontier, 1922, considers the maturing of the traffic. Chapter Three showed that in late 1921, an economic downturn in Poland amplified an unusually concordant chorus of manufacturers, merchants, and labor unions calling for the lifting of the Interior Ministry’s security-driven restrictions on the Soviet frontier traffic. Chapter Four, “Poland: Back to Business Unusual” reveals that diplomatic tensions with Moscow and the Kremlin’s financial difficulties diminished the prospects of official trade, rendering Warsaw more receptive to calls to open the frontier to Soviet smugglers. As the Soviet trade representative to Poland worried, the flourishing traffic probably rendered the Polish government “less accommodating and less pliable” in trade talks. In a mutually reinforcing loop (likely replicated elsewhere along the Soviet frontier) the absence of a trade treaty thus encouraged smuggling, while the success of smuggling discouraged pursuit of a trade treaty.

Going further than its northern neighbors to facilitate the frontier traffic, in early 1922 Polish authorities sanctioned the operation of “mobile crossing points,” whereby Polish customs agents and gendarmes traveled to rendezvous with Polish merchants and Soviet smugglers on nighttime forest paths. But even as Polish authorities accommodated Soviet smugglers, this liberalization was circumscribed by the diktat of local officials, who issued paid permits intended to restrict the trade to “respectable” merchants. In practice, the restrictions (as well as official and popular discourse) targeted Jewish traders, while also highlighting the central role that cross-border Jewish networks played in making this vibrant trade possible. The traffic thus rendered the Soviet frontier one of the key sites at which the young Polish state negotiated its uneasy relationship with its Jewish citizens and drew the *internal* boundary of the Polish nation.

The chapter traces the explosive growth of the Polish-Soviet contraband trade over the course of 1922, and identifies the multiple layers of illegality that facilitated this boom. In addition to smuggling via the mobile crossing points authorized by the Polish side and smuggling in violation of both Polish and Soviet laws, it uncovers the persistence of smuggling

by Soviet contractors who helped Soviet institutions bypass Moscow's cumbersome foreign trade apparatus. Moreover, the chapter finds that local Soviet officials continued to violate the state monopoly on foreign trade by abusing a temporary authorization of small-scale frontier commerce. The result was substantial semi-contraband traffic that proceeded in broad daylight. A comparison of the two countries' official foreign trade statistics for 1922 reveals that nearly five thousand tons of eastbound exports recorded by Polish customs agents—including millions of meters of cloth and a quarter-million liters of alcohol—were never received by their Soviet counterparts. This suggests that these goods flowed across the border in one of the Polish-authorized contraband streams described above.

Chapter Five, "The Baltics: Stills, Smugglers, and Shareholders," returns to Latvia and Estonia to uncover the local developments that made 1922 a banner year on the Soviets' Baltic borders. It finds that, as in Poland, the profitability of the frontier traffic contrasted favorably with the frustrations of official trade, encouraging the authorities to facilitate the former. Tracing the evolving contents of the traffic, the chapter highlights the centrality of alcohol to the eastbound flow, and of flax and valuables going west—and then further on to *the* West, thus revealing the global financial underpinnings of the trade. However, even as the traffic reached an unprecedented level of corporate organization—as evidenced by the establishment of the *Robežtirdzniecība* ("Border Trade") Joint Stock Company in Riga—cross-border raids on Latvian barter stations and the possible arson of Estonian ones highlighted the security risks that would increasingly come into the Baltic authorities' focus.

Part IV, Rebalancing the Scales, 1923–24, explores why the Baltic and Polish experiences with the Soviet frontier trade diverged. In early 1923, the Soviet government issued diplomatic demarches demanding that both Latvia and Estonia shutter their barter stations. Chapter Six, "Gaslighting Moscow: Soviet Protests and Baltic Evasions," reveals how Latvian and Estonian diplomats engaged in a delicate dance of denial vis-à-vis their Soviet counterparts. In response to Moscow's demands, Riga and Tallinn variously acquiesced, dragged their feet, and deployed linguistic legerdemain to deny the reality on the ground: that both countries' authorities actively continued to facilitate the frontier traffic. The chapter thus demonstrates how the Soviet Union's neighbors successfully deployed "diplomatic weapons of the weak"—weaker states wielding an arsenal of evasive techniques to lead a stronger counterpart around by the nose—to prolong the profitable traffic.¹⁹ Illuminating the agency of small states, the chapter shows that the answer to the question, "who governs the frontier?" is not simply, "the stronger side."

Chapter Seven, "Rebalancing the Scales in the Baltics," explains why contraband trade across the Soviet Union's Baltic frontiers nonetheless entered a downward spiral. A combination of policing and economic measures on the Soviet side prompted the traffic to contract. While lower turnover reduced the economic benefit, intensified cross-border militancy magnified the security cost to the state. For Estonia, the attempted Communist putsch in Tallinn in December 1924 proved the final straw. Feeling less vulnerable, the Latvians severely curtailed their traffic but left some barter stations open to facilitate cross-border intelligence operations.

19. In his study of the populist Mexican government's expropriation of American landholders, John Dwyer thus applies James C. Scott's influential concept of resistance to the realm of international relations. Dwyer, "Diplomatic Weapons of the Weak."

Latvia's limited state-sponsored smuggling thus proceeded not despite security considerations, but because of them. As both the Soviet and Baltic states secured their common frontier, however, the contraband trade shifted even more decisively south.

Chapter Eight, "Poland: Persisting in the Balancing Act," explains why the Polish-Soviet traffic continued to flourish even as Poland contended with an increasingly precarious security situation on its own Soviet frontier. The Scissors Crisis—so named for a popular graph showing a dramatic divergence between the prices of agricultural and manufactured goods—which bedeviled Soviet economic planners in 1923 proved a boon for Lodz by rendering Polish textiles even more attractive to Soviet consumers. Meanwhile, Poland's descent into hyperinflation rendered the valuables and hard currency offered by Soviet smugglers even more attractive to Polish merchants. At the same time, the Latvian and Estonian success at resisting Soviet diplomatic pressure to shut down the frontier trade likely discouraged Moscow from attempting to pressure Warsaw. Throughout 1924, however, a series of increasingly brazen cross-border Soviet guerilla incursions led Polish authorities to adopt far-reaching measures to secure the frontier. Nonetheless, the significance of the contraband trade to the Polish economy, its utility for Polish intelligence, and the greater confidence (relative to Tallinn and Riga) that Warsaw derived from Poland's size and military all combined to ensure that Poland continued to support the traffic.

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