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The Indictment in the Trial of the Counter-Revolutionary “Industrial-Party”.

(Full Text).

Sabotage Work — Preparation for Intervention.

The organs of the G.P.U. have lately unearthed a number of counter-revolutionary sabotage organisations which carried on their activity in various spheres of the national economy of the Soviet Union. The evidence reveals a considerable revival of the activity of all the forces of the counter-revolutionary saboteurs. The reason therefor is clear. For Soviet Russia there has now commenced the most difficult and decisive period of its development. With gigantic steps, overcoming the resistance of the class enemies, and annihilating all the remnants of capitalism, it is hastening towards Socialism and carrying through the transformation of the petty bourgeois elements. The working class has achieved particularly big victories in regard to developing big industry, the strengthening of which has rendered it possible in the rural districts to go over to the creation of a socialist foundation, to the carrying out of the general collectivisation of the individual peasant farms, as well as to the liquidation of the kulaks as a class.

Socialist construction has shattered the last hopes the class enemy had of a degeneration of the Leninist Party and of the Soviet State. Socialist construction has brought the working class the victory over the new bourgeoisie in the town and created the pre-condition for victory over the village bourgeoisie, the kulaks. It is hardly necessary to point

out that all this strongly consolidates the dictatorship of the proletariat and results in the annihilation of those class forces (new bourgeoisie, the kulaks) who might have had some hope of success in their attacks on the proletariat, which is the ruling power in the country.

The proletarian socialist revolution in the U.S.S.R. is approaching its complete victory and is therefore exposed to the fiercest attacks on the part of the whole capitalist world. This world understands quite well, that the victory of Socialism in the U.S.S.R. means the beginning of the end of capitalism. For it will finally convince the whole international proletariat of the correctness of the Bolshevik way of emancipation of the toiling masses from the yoke of capitalist slavery. This is the reason of the fierce hatred of the capitalist world against the Soviet Union, all its provocations and also the feverish preparations for intervention which are being made by some of the capitalist States. This is also the reason of the revival of counter-revolutionary sabotage, which aims at bourgeois-feudal restoration, and at the same time supports world capitalism.

The programme of counter-revolutionary sabotage set forth by the leaders of the so-called Industrial Party in their statements is perfectly clear as regards its class content. It aims at the restoration of the industrial and other works and

factories to their former owners; at compensating the former landowners for the expropriated nationalised land; and at the creation of strong kulak undertakings, which would be bound to lead to the rise of big landed estates—with all its consequences. Such a programme could only be realised in the event of the overthrow of the Soviet Power and the setting up of the bourgeois order, which in fact is the actual aim of the saboteurs.

It is clear that the Industrial Party cannot rally round such a programme either workers, peasants or toilers in general. It can only be supported by the capitalist elements in the country. To the extent, however, that these elements are being abolished as a result of socialist construction and are already to a considerable extent weakened and do not constitute any serious force which would be capable of bringing about such a counter-revolution, the saboteurs are naturally turning their eyes to the capitalist world in order there to find forces which could destroy the revolution and give back to the bourgeoisie and the big landowners their former power. The capitalist world for its part, insofar as it is interested in the overthrow of the Soviet Power, willingly responds to the saboteurs. The destruction of the revolution would give capitalism the possibility of crushing the movement of the working class in the capitalist countries and throttling the movement in the colonial and dependent countries; it would secure it a sixth part of our planet as a market and make it master of the vast natural wealth of the Union of Socialist Republics. That is the real reason of the touching affection existing between the sabotage organisations and the emigres on the one hand, and the foreign bourgeois organisations and influential government circles of some of the European States on the other.

The indictment in the trial of the counter-revolutionary sabotage organisation, the Industrial Party, contains a wealth of material clearly proving the participation of government circles and military staffs of European States in the undermining work of the saboteurs. The capitalist press is continually raising an outcry over "Bolshevist propaganda", without however citing concrete facts to prove this — for there are none. They do not say a word about that the work of government circles, of the military staffs and capitalist organisations of France, Poland, Rumania, aiming at organising an armed attack on the U.S.S.R. They keep quite silent regarding the fact that former leading French politicians, as for instance M. Poincaré, Briand, and others receive representatives of white-guardist organisations and discuss with them the creation of pre-conditions for an armed attack on the U.S.S.R. and decide on the time and forms of this attack. They do not say anything regarding the fact that the sabotage organisations receive subventions from the State treasury and through the mediation of officials of France and other States. The capitalist press helps the world bourgeoisie, the government groups, which are bent on an adventure, the military staffs and other organisations of the capitalist countries in their preparations for intervention against the U.S.S.R. It takes over the task of working up public opinion and rendering it ripe for an armed attack on the Soviet Union.

The bourgeois press of the capitalist countries undoubtedly occupies the foremost place among the warmongers. It is not due to chance that this press has conducted with such bitterness the various anti-Soviet campaigns, that it is today conducting the campaign against Soviet exports and endeavouring, by the talk about "dumping", to incite the broad working masses against the Soviet Union. The aim of this campaign is perfectly clear. It is nothing else but preparation for intervention.

The capitalist press likes to talk about the suspicious nature of the Bolsheviks, who everywhere scent intrigues of the world bourgeoisie where none exist. The statements of the members of the sabotage organisation completely expose the false character of these declarations of the bourgeois press.

They place all the provocations which we have witnessed of late in quite another light.

The breaking off of diplomatic relations between England and the Soviet Union, which was brought about by the English Conservatives, the foul murder of diplomatic representatives of the U.S.S.R. abroad, the attacks by the Chinese white bandits on the Chinese Eastern Railway, the organisation of a financial blockade and the Warsaw bomb—all these are provocations with the help of which it was intended, on the one hand, to bring about a worsening of the relations between the U.S.S.R. and various capitalist countries and on the other hand, to ascertain the fighting capacity of the Red Army and the reliability of the hinterland, as was the case during the conflict between the Soviet Union and China. By means of all these attacks the capitalist bourgeoisie seeks to provoke the U.S.S.R. to armed collisions; it wishes to create favourable conditions for an attack upon Soviet Russia. But all these provocations have proved in vain in face of the consistent peace policy of the Soviet Union, the unshakable calm of the U.S.S.R., which is dictated by its constant efforts to maintain peace.

The imperialist bourgeoisie, however, does not confine itself to provocations but comes forward openly. It supports and subsidises the sabotage organisations guides their work, which aims at undermining the economic power of the Soviet State, bringing about a crisis in the national economy and disorganising the whole economic life of the country, i. e. creating such conditions under which intervention would be possible. The leaders of the counter-revolutionary Industrial Party openly declared in their statements that the foreign bourgeoisie, together with the Russian white guardist organisations and their agents, the saboteurs, had fixed on 1930 for the practical carrying out of the intervention.

As we know, intervention was thwarted owing to the sharpening of the social contradictions in the capitalist countries, the worsening of relations between the various capitalist countries, in particular between Italy and France, the discovery and liquidation of the sabotage organisations etc. Is there any reason to suppose, however, that the imperialist bourgeoisie, who in the year 1930 witnessed the collapse of its plans, has entirely abandoned them? No, a thousand times no! As the saboteurs themselves say, it has postponed the attack on the Soviet Union until the year 1931 in the hope that by that time it will have placed its inner affairs in order and freed its hands for a robber attack on the Soviet Union. It is necessary to point out this fact with all emphasis, particularly at the present time when the capitalist world is conducting a furious incitement against the Soviet Union and organising a financial blockade.

It must be proclaimed with a loud voice to the working masses of all countries that the bourgeoisie is arming for an attack on the country of socialist construction. This plan must be frustrated. We do not doubt that the working masses of the capitalist countries will rise unanimously in defence of the Soviet Union and bring to naught the plans of the world bourgeoisie.

The working masses of the Soviet Union will work with redoubled energy at consolidating and strengthening the economic power of Soviet Russia and will fight for the development of socialist economy, especially of heavy industry, this foundation of the defensive power of the Soviet Union. They will devote increased attention to and cherish greater love for the glorious Red Army, which defends the country of the Soviet Union against the enemies and protects the peaceful work of the proletariat and of the peasants. In spite of sabotage work, in spite of the howl of rage of the capitalist world, in spite of the financial blockade organised by it, the Soviet Union is maintaining the highest tempo in its economic development. It is building up Socialism and will continue to build it up. The cause of the Bolsheviks, the cause of the working class, the cause of the October Revolution lives and will live in spite of all provocations and all undermining work on the part of our class enemies.

Text of Indictment:

Indictment in the Matter of the Counter-revolutionary Organisation, the Union of Engineers' Organisations ("Industrial Party").

Accused: Ramzin, Kal'nikov, Laritchev, Charnovs y, Fyedorov, Kuorjanov, Oichkin and Sitnin.

Article 58, items 3, 4, and 6 of the Code of Penal Law of the RSFSR.

In the course of the last two years the efforts of the State Political Administration (GPU.) have enabled one sabotage organisation after another to be discovered in a large number of branches of industry. The exposure of the „Shakhty“ group of saboteurs was followed by the discovery of a sabotage organisation in the People's Commissariat for Ways and Communication. This again was followed by the exposure of sabotage organisations in the war industry, in the textile industry, in the shipyards, in the machine-building trade, in the chemical, gold, oil, and other industries. The Soviet Government has deemed it necessary to issue official statements informing the broad masses of the workers with regard to a number of sabotage organisations and the means taken to combat them.

The authorities instituting the inquiry, after encountering sabotage again and again in the most important and leading apparatus of the national economy of the Soviet Union, in the Supreme Economic Council, and in the most important planning organ, the State Planning Commission, came systematically to the conclusion that the evidence furnished by almost the whole of the material of these cases pointed to the existence of a uniform organised, and leading centre for the whole of the sabotage work. (The results of the inquiry in the Shakhty case also pointed to this conclusion.) The large number of these organisations, the lengthy duration of their existence, their degree of inner organisation and cohesion, and especially that close contact with the counter-revolutionary organisations of the former owners of the nationalised undertakings, now refugees abroad, a contact which has been ascertained by the inquiry in almost every one of these affairs, the relations to international capital, and finally, the particulary close connections with the espionage activities of the military staffs of foreign states, — all this has long since caused the Soviet power to regard the saboteurs not as an accidental group of counter-revolutionary engineers, but to see in this sabotage above all a definite method of class war on the part of the bourgeoisie, acting as one united class and penetrating in an organised form into every sphere of our economic life; and the Soviet power has long since ceased to seek the leading centre and the levers of the whole work of sabotage merely in this or that organisation of international capital, but in the immediate governmental spheres of the greatest bourgeois States of Europe, which have actually led the actions of the sabotage organisations, and have utilised these as their military and political agencies.

This is the result arrived at systematically by the inquiries, the conclusion derived from the immediate data on sabotage organisations, as brought to light by these inquiries. The

mighty forward strides of the Soviet Union on the economic front and the successes of socialist construction have rendered it impossible for all these sabotage organisations to realise their plans without outside support, without the intervention of the mightier powers of organised world capital in the form of its bourgeois governments, which depend on the resort to arms in the class struggle against the Soviet Union. The hostile activities of the bourgeois states against the Soviet Union, growing with every Soviet success, the unceasing provocative attempts to involve the Soviet Union in war, and finally the deafening clamour raised by the bourgeois press every time the Soviet power adopts repressive measures against open saboteurs, — all this has led with inexorable logic to the same conclusions, and indicates the existence of certain organic connections between the machinations of the saboteurs and the anti-Soviet policy of the bourgeois states. Hence the tracks left by the sabotage organisations were inevitably bound to lead in this direction.

These, then, were the conclusions drawn by the authorities instituting the inquiry, after consideration of the material yielded by each individual case, with respect to the organisational bases and tactical perspectives of the sabotage organisations.

But it was not until the facts brought to light by the OGPU, in the course of the inquiry exposing the counter-revolutionary organisation calling itself the „Industrial Party“ or „Council of the Federation of Engineers' Organisations“ showed that this organisation united all the separate sabotage organisations of the various branches of industry in one organisation, acting not only on the instructions of the international organisations of the former Russian and foreign capitalists, but at the same time in combination with and according to the direct instructions of the governmental circles and general staff of France with respect to the preparations for armed intervention and for the overthrow by arms of the Soviet power, that these conclusions were fully confirmed. The statements made by those called to account in this affair have brought adequate proof of the existence of precisely this description of connection.

The public prosecution of the Republic considers it extremely important to bring to trial, without delay, those persons who by their anti-state criminal activities have exposed the broadest masses of the workers of the Soviet Union and Western Europe to the immediate danger of a fresh future war against the peoples of the Soviet Union, and submits to the Supreme Court, in the following, and recommends for special consideration, precisely this aspect of these criminal activities, setting aside for the moment those other aspects of the case requiring further examination by the authorities pursuing the inquiry. The public prosecution of the Republic accuses the persons called to account in this affair in accordance with article 58, items 3, 4, and 6 of the Code of Penal Law of the RSFSR.

I. The History of the Origin of the Counter-revolutionary Sabotage Organisations.

The Origin and Personal Composition of the United Sabotage Centres.

The chief person in the centre of the counter-revolutionary organisations, Leonid Konstantinovich Ramzin, Professor at the Moscow Technical College, in a statement written with his own hand on 21st September 1930, states:

„I admit being guilty of taking part in the counter-revolutionary organisation „Engineering Centre“ (or „Council of the United Engineering Organisations“), and now cease,

finally and irrevocably, all struggle against the Soviet power; I lay down my arms once and for all, and repent sincerely and openly of the crimes which I have committed.

So far as I am able to judge from disconnected information, the origin of the „Engineering Centre“ may be taken to have been in 1926. I do not possess any more exact or detailed knowledge on this question, as I did not begin to participate in the „Engineering Centre“ until the beginning of 1927 . . .

The originator, inspirer, and most important organiser in the creation of the „Engineering Centre“ is P. A. Paltchinsky,

and his most active collaborators have been L. G. Rabinovitch and I. I. Federovitsch¹⁾.

The defendant Ramzin describes the most important prerequisites for the origin of the "Engineering Centre" in its original form as follows:

a) One of the initial causes of the creation of the counter-revolutionary organisation was, above all, the political trends existing among the old engineers, varying as a rule from the convictions of the "constitutional democrat" to the convictions of the extreme monarchist Right. Hence, the older engineers did not, as a rule, turn politically to the Soviet regime and adopt the principles of the Communist Party.

b) These political trends were further strengthened by the difference in the working and living conditions of the engineers before and after the October revolution; the natural mistrust felt by the Soviet power towards the engineers, the political and social control exercised over their work deprived the engineers of that commanding position held by many of them before the revolution, and besides this the manner and standard of living of the leading engineers were greatly worsened, after the revolution.

c) The influence of the former factory owners upon the old engineers, who possessed and at times maintained contact with these former owners was again a constant stimulus for the struggle against the Soviet regime, a struggle aiming at the restoration of the undertakings to their former owners or the payment of compensation for their expropriation.

d) The commencement of the transition from the New Economic Policy to the socialist offensive was again an additional cause stimulating active measures against the Soviet power, as the hopes of a gradual merging and increased extension of the NEP were destroyed little by little.

e) The conflict arising in the CPSU, aroused hopes that counter-revolutionary efforts might be successful, in view of the prospect of a Communist Party weakened by internal struggles.

We read further:

f) "The enmity and hatred of the capitalist countries against the Soviet power furnished the actual basis permitting active support from outside to be calculated upon — to the extent of military intervention — and thus gave reason for hoping in the complete possibility of realising a counter-revolutionary upheaval in the immediate future."

g) The deterioration of the standards of living already observable in 1927, the dissatisfaction among the masses of the peasantry, the ever clearer signs of crisis and economic difficulties, and the prospect of continued developments in this direction, created a soil favourable for the counter-revolutionary upheaval within the country itself."

Ramzin fails to state the main cause — the fact that almost all the important personages in the "Centre" had either been big industrialists and capitalists (Rabinovitch) before the revolution, or had occupied the highest paid commanding positions under the leading captains of industry whose right hands they had been. With respect to the "crises", the following data gathered by the inquiry show the rôle played by the immediate work of precisely the defendants, and of the counter-revolutionary organisation formed by them, in bringing about these "crises".

The personal composition of the central sabotage organisation is stated by Ramzin to have been as follows:

"The members of the "Engineering Centre" were:

1. P. A. Paltchinsky: the chief leader of the whole "Centre", in whose hands lay the general guidance of the activities of the whole of the organisations, including military and financial questions, and the most important foreign connections.
2. L. G. Rabinovitsch: coal industry, small branches of industry and general plan of industry.

¹⁾ Paltchinsky was sentenced by the committee of the OGPU, for participation in the sabotage in the gold and platinum industry, and shot. Federovitsch was sentenced for sabotage activities in the coal industry. Rabinovitsch was sentenced to 6 years imprisonment at the Shakhty trial, and to a further ten years in connection with the gold and platinum sabotage affair. These two last have not been called to account in the present affair, since they have not taken part in the work of the counter-revolutionary organisation during the last two years, and the worst crimes have been committed during this period.

3. Engineer Chrennikow²⁾; smelting and metal industry.
4. Professor Charnovsky; metal industry and smelting industry.
5. Engineer Fyedotov: textile industry.
6. Engineer Kuprianov; textile industry.
7. Engineer Laritchev; oil industry and fuel supplies.
8. Professor L. K. Ramzin; fuel supplies and power service."

Besides these, Ramzin includes in this Centre P. I. Krasovskiy³⁾, who conducted the sabotage in the traffic service, although he cannot decide, as he expresses it: "to draw a final line of demarcation between the members of the "Centre" itself and the members of its groups in the separate branches of industry". The more so as neither the "Centre" itself nor its presidency were formally elected. But the "Centre" had an actual presidium, consisting of the following persons: Engineer P. A. Paltchinsky, engineer L. P. Rabinovitsch, and engineer Chrennikov, Rabinovitsch being replaced after his arrest — as stated by Ramzin — in actual practice, by Fyedotov (statement made 21st October)." The accused Laritchev has made a somewhat different statement on this last point with regard to the leadership of the sabotage organisation. On the whole he confirms Ramzin's statement on the composition of the leading centre, but adds:

"The leading group actually played the rôle of a central committee, and consisted of: Chrennikov, Kalinnikov, Ramzin, me, Charnovsky, Fyedotov. Although we did not select a president in any manner, Chrennikov's comprehensive knowledge of the general situation, aided by tradition, gave him the leading rôle. After he was arrested the activity of the organisation fell off greatly, and during this latter period the leadership passed into Ramzin's hands." (Statement made 21st September.)

The Organisational Structure of the United Organisations.

According to Ramzin, the organisational structure of the "Centre" of the whole sabotage organisation was as follows:

"In order to ensure the utmost conspirative secrecy, the whole organisation was built up on the principle of isolated chain connections, in such manner that individual head sub-organisations existed in the separate branches of industry, and played the part of corresponding centres for these branches, establishing contact with below, that is, with the lower and peripheral nuclei.

Thanks to this system of organisation, the members of the various chain sub-organisations did not know each other, and even the heads and the lower members of one and the same chain sub-organisation were not in immediate contact with one another.

This system of chain connections guaranteed a minimum of exposure for the organisation in the case of individual organisations being discovered . . .

. . . Judging from my impressions, the general extent of the Moscow organisation, directly connected with the Centre, can be estimated at forty to fifty men, and the total number of the members of the organisations directly connected with the Centre at for to five hundred men. The total number of participants in this organisation, including the lower functionaries, was about 2000." (Statement made 21st September.)

According to Ramzin's statement, besides the accused already mentioned, the following persons held the leading positions in the above-mentioned head sub-organisations of this chain in the various branches of industry.

"Coal mining — I. I. Federovitsch, engineer Skorutto, Nasimov, and A. D. Volkovitsch.

Oil industry — Professor I. N. Strishov, engineer Pokrovsky (State Planning Commission of the Soviet Union), and engineer N. N. Smirnov (People's Supreme Economic Council of the SU).

Metal industry — Grzimailo, Byelonoshkin, Yulamov, Kaufmann, Neumeier, Engineer P. M. Kutsky, Engineer R. J. Gartvan, List, Liphardt, and Podlakonov.

²⁾ Chrennikow died whilst on remand during the inquiry.

³⁾ Krasovskiy was sentenced to ten years imprisonment for sabotaging the traffic service, and has not been called to account in the present case for the same reasons as those applied to Rabinovitsch.

Textile industry — Kuprianov, Lebedyev, Lopatin, Nolde.
 Chemical industry — Engineer W. P. Kravetz (Supreme Economic Coun. of S.U.), and Engineer W. N. Kamsolkín, Professor I. S. Schwedov, Professor Shpitalsky, Lotavsky, Lebedkin, Bulgakov.

Peat-cutting — W. N. Valyashnikov, Kirritchnikov.

Wood industry — W. P. Maier and Kviatkovsky.

Cement industry — M. M. Porossov and A. I. Stavrosky.

Electric industry — W. I. Ugrimov.

Economic group — Guryevitch, Byeloserkovsky, Sokolovsky (Supreme Econ. Coun. of S.U.).

Fuel supplies — Proschvitsch and Pokrovsky (Supreme Econ. Coun. of S.U.), Zwanziger, S. N. Ukrainzev-Zeliblyel.

General survey of the industrial plan as a whole and of the smaller branches of industry — Professor I. A. Kalinnikov.

Power service — M. L. Kamenetzky, N. N. Vachkov, Professor A. A. Gorev, Engineer Kukel-Krayevsky, N. I. Osadschin, Suschkin.

Leningrad group — Professor M. W. Kirpitshev, A. A. Fomin, W. N. Schregel.

Moscow power works — Kirpitschnikov, Yapovitzky, Krylov, Savalyev, myself.

Power service for the war industry — E. E. Yevreinov and Engineer W. N. Domontovitsch (heat technics institute).

Power service for transport — A. K. Besyadovsky and N. F. Lavrov.

Commission for traffic service — Meck, I. N. Borisov, P. P. Krassovsky, P. S. Yanushevsky, M. E. Pravosudovitch, A. F. Velitschko, Chushov.

Trade union of engineers and technical workers — S. D. Schein.

Association of the Engineers of the S.U. and the Polytechnical Society — N. N. Lvov, A. A. Schadrin⁴).

"We may draw the general conclusion" — concludes Ramzin "that with the exception of agriculture, almost every section of the State Planning Commission of the S.U., and all the directive bodies of the People's Supreme Economic Council of the S.U., have been influenced by the Centre".

Agriculture was included in the counter-revolutionary conspiracy by the Kondratyev group.

Ramzin does not state the composition of the centres of the outlying organisations, as this is known only to "the members of the branch centre to the extent to which they were immediately connected with the periphery".

The general idea gained from the above statements shows to a sufficient extent the power of the sabotage organisation, as attained by it in about 1928, — at the beginning of the Shakhty trial, at the time when the first blow was dealt the organisation by the discovery of the Shakhty branch of saboteurs in the coal mines.

The Political and Tactical Programme of the Sabotage Centre.

At this time the political and economic programme of the saboteurs was as follows: the accused Ramzin states:

"The form of leadership was conceived as a **bourgeois-democratic republic**. In this question various proposals were submitted, going as far as the restoration of the monarchy. But in the course of the discussions this standpoint was abandoned, as the old dynasty is completely discredited; the setting up of a fresh dynasty would have involved entering on a dangerous adventure, and above all a monarchist restoration would have encountered energetic protest on the part of the broad masses, and would have repelled these masses from the Centre."

"The **legislative organ** was planned in the form of a parliament with universal suffrage, but with the aid of an electoral system complicated in such a manner that the desirable composition of the parliament would have been secured.

Both of the above proposals were, however only conceived for the period following the final consolidation of the new regime; a **military dictatorship was held to be necessary** for the preliminary period after the counter-revolutionary upheaval.

⁴) All the persons mentioned in this list have either already been sentenced by the G.P.U. or have been called to account by it, each in his own branch of industry, and are therefore not included in the present trial.

In the sphere of industry the main principle consisted of the return to their former owners of the works and factories. Great difficulties were, however, to be reckoned with in the accomplishment of this intention, since the majority of the former undertakings had undergone fundamental changes, a number of them had been completely liquidated or reduced to a condition in which work was impossible, whilst on the other hand other undertakings had become so greatly enlarged, or had been subjected to such a radical reconstruction, that their value was frequently greatly increased. And finally, after the October revolution a large number of entirely new undertakings sprang into being, and the total value and productive capacity of these greatly exceeded the total value of the former pre-revolutionary undertakings. Therefore it was agreed with the leading circles of the industrial emigrés that a peculiar method should be adopted — the **reorganisation and concentration of the new and extensively reconstructed undertakings in joint stock companies**. By this method these undertakings would be depersonified, and the former owners of the liquidated or radically altered undertakings were to be compensated by the issue of a corresponding number of shares. In consequence of the considerable increase of the total capital value of the undertakings at the moment of the counter-revolutionary upheaval, as compared with the pre-revolutionary value, even the application of artificial methods of assessment would still have left the possibility that after the former owners had been compensated a considerable number of free shares and means would remain in the hands of the State. These free means were to be employed in part for the partial compensation of the former owners, and in part for the general requirements of the state.

In the sphere of agriculture the main line of orientation was the strong individual farm and the partial purchase of the land from the former owners. Therefore the idea of restoring the land to the former owners was rejected, and the possession of the land by the peasants, in the form of individual farms with definite boundaries, was confirmed. The compensation of the former landowners was planned in the form above described. This orientation on the part of the Centre in the sphere of agriculture was expected to ensure the energetic aid of the peasant masses, especially during the carrying out of collectivisation by the Soviet power, which the Centre considered was bound to arouse great resistance on the part of the peasants, and even open action.

So far as I know, the question of local self-administration was not dealt with exhaustively, since, as already stated, it was intended that the counter-revolutionary upheaval should be followed by a **period of military dictatorship, with the setting up of gubernial and district commanders, etc. by administrative measures**.

A combined system of direct and indirect taxation was planned, but so far as I know, this system was not adequately worked out.

In the sphere of foreign trade — the abolition of foreign monopoly and the introduction of a system of protective tariffs.

Hence the programme given above defended the interests of the industrial bourgeoisie and of the strong individual peasant farms.

The fulfilment of this programme was to be attained by the accomplishment of the political chief task consisting in the main of the **overthrow of the Soviet power with the aid of armed counter-revolutionary forces, intervention from outside being calculated upon**.

This programme deserves being dealt with in detail. The phrase about the democratic republic cannot conceal the fundamental aim of which the saboteurs dreamed. — The setting up of a **military dictatorship** in the period immediately following the seizure of power in order that the **working class, and of course the communists, might be ruthlessly dealt with**. Nor can the phrases about universal suffrage and parliament conceal the fact that the chief task is to obtain a parliament appearing "desirable" to the industrialists. The essence of this programme is the restoration of not only capitalism itself, but of the former owners, or at least the giving of compensation in some form or other to these former owners, and in Ramzin's own words it defends "the industrial bourgeoisie and the strong individual peasant (read: kulak) farm". The content of this programme is such that it led objectively to the inevitability of "calculating upon intervention from outside", as Ramzin writes. Within their own country the saboteurs could find no allies among

the broad masses of the working population willing to aid them in the fulfilment of this programme.

The saboteurs state fairly candidly how it came about that precisely the members of the counter-revolutionary organisations regarded it as indispensably necessary to resort to an armed intervention from outside, why they deemed it needful to adapt their activities accordingly, to adjust themselves to these circumstances, and to enter into relations with the representatives of foreign states.

Professor Ramzin states:

"During the first period of the existence of the Engineers Centre, which coincided with the conclusion of the restoration period of Soviet national economy, the line of technical orientation adopted by the Centre, in so far as I am informed by the statements of others, lay in preserving as far as possible those great industrial undertakings maintaining contact with the Centre. Besides preserving these undertakings from destruction, the Centre at this time aimed at having these undertakings improved at the expense of the state, so that the former industrialists would not only receive their former capital value back again after the counter-revolution, but at the same time the greatest possible addition to this value.

The successful period of the reconstruction of the country, following the restoration period, as also the rapid consolidation of the economic situation of the country and of the Soviet power, upset all of the calculations on a counter-revolutionary upheaval by means of inner forces, of peasant or military risings, and at the same time diminished to a great extent the chances of a favourable result of an intervention, since parallel with the growth of the economy of the Soviet Union there had proceeded the growth of its military power, and therewith of its powers of resistance to an intervention. Therefore, the Centre altered its tactics and came to the conclusion that it was necessary to accelerate actively the accomplishment of counter-revolution by means of artificial damage to the economic life of the Soviet Union. That is to say, it adopted the tactics of sabotage. The nature and methods of this sabotage varied with the general situation." (Statement made 21st September.)

In another place (statement made 16th October) he expresses himself even more plainly:

"The chief aim of the activities of the Industrial Party growing out of the united sabotage organisation of the engineers was the overthrow of the Soviet power by means of counter-revolutionary upheaval. From the very beginning of its activities, the Industrial Party calculated on an intervention against the Soviet Union as a factor of paramount importance, for only an intervention was regarded as a reliable and rapid means for the consummation of the counter-revolution."

"Therefore" — he continues — "the Centre speedily went over from immediate technical sabotage to "planned sabotage", consisting of methods of working out plans for the various branches of national economy which would have artificially retarded the tempo of the economic development of the country, would have inevitably created disproportions between the separate branches of national economy, and would have brought about economic crises affecting the whole national economy of the country. . . .

The above-described influence possessed by the Centre in the organs of planned economics placed in its hands an almost unlimited freedom of action in the sphere of planning."

In this connection, in about 1928 the growing hope of a speedy realisation of a counter-revolutionary upheaval led to the employment of still another special method of sabotage:

"The laying idle of capital for long periods by means of investing money in buildings whose erection took considerable periods, or in undertakings which could only be utilised in the distant future, when other necessary factors had become obtainable. . . . Such a method as this for the laying idle of capital and for its investment at slight profit would have: 1. cut off this capital, and limited the extent of profitable buildings and the tempo of the economic development of the country; 2. increased the legacy to be inherited by the new government, for these new buildings, though bringing little profit at the moment, were to be built at the expense of restrictions placed on current needs,

thereby accomplishing the additional task of causing discontent among the broad masses of the population." (Statement made 21st September.)

How firmly the saboteurs were convinced that their final aims would be realised may be seen from the following two characteristic facts relating to the counter-revolutionary organisation now under examination: Its political development into a party, taking place in 1928, and the selection of the members of the future government. Profoundly convinced that the leading rôles would fall to them after the counter-revolution, the saboteurs devoted no little time and squabbling to the timely apportioning of seats in the cabinet, and resolved to come forward openly as the political party representing industrial capital.

Ramzin states:

"The steady growth of the influence gained by the Centre over the different branches of industry, and the simultaneous increase in the number of members, forced the raising of the question of the form of party to be taken by the whole organisation.

This question cropped up at the end of 1927, and was brought forward by P. A. Paltschinsky, I. G. Rabinovitsch, and others.

The occasion for the discussion was given by the consultation with Professor Chayanov, who informed the Centre of the existence and programmatic orientation of his organisation. The further work of the Centre was in the direction of the formation of a new party, for which a various number of names were at first proposed.

The commonest designation of the newly organised party was the "Industrial Party". (Statement made 21st September.)

The defendant Laritschev speaks of this in greater detail in his statement of 12th October 1930, in which we read:

" . . . As the Engineering Technical Centre is carrying on a definitely outlined fight for the overthrow of the Soviet power, it is natural that the engineering circles representing the interests of industrial capital at the given time must in the event of a counter-revolution come forward as a united political power, and must take a clearly defined and even leading rôle in the formation of the future government . . . This conclusion was further dictated by the consideration that in the political struggle against the Soviet power other sections of the population too were taking part in the form of the peasants' party, and the question of the influences exercised on the formation of the future government, and with this on its tactics and policy, would be bound up with the inner struggles of the anti-Soviet forces."

" . . . These general considerations were so important that the question of the formation of a party became urgent, this party to represent the definite class group of engineering and technical circles (these circles retaining their class character). Since at the given moment this group was a political force defending the interests of industrial capital, Rabinovitsch and others proposed that it should be named the "Industrial Party".

Charnovsky, referring to the formation of the Industrial Party, its programme, and its tactical perspectives, made a similar statement on 9th October 1930:

"From 1928 onwards, when the organisation of the sabotage centre had been completed in the different branches of industry and the membership of these groups was growing, contact with the sabotage groups of the economists had already been established by the intermediation of Chayanov, Groman, Kondratyev, and others. The sabotage centre of the engineers strove to convert itself into a party. Whilst this conversion had not yet been carried out formally, the actual transformation into a political party was essentially effected at the beginning of 1929. This party, embracing broad technical and economic circles belonging to many official centres, was given the name of the "Engineers Industrial Party" in accordance with the character of the force binding it together. This name was abbreviated to the "Industrial Party". The Engineers Centre, uniting a number of centres in various branches of industry, became the united centre for the whole party.

" . . . The leading central committee heading the organisation and possessing the leading functions, comprised

the members of the Engineering Centre in the following branches of economics: fuel industry, smelting industry, machine building — to which I. Charnovsky, belonged . . .

The leading rôle, in the central committee was played by Chrennikov, after his arrest by Ramzin, who had connections with the greatest number of official centres and branches of industry."

Charnovsky describes the party programme in approximately the same terms as Ramzin.

This same Ramzin presents most clearly the agreement arrived at by the saboteurs in the question of the composition of the future government:

"The question of the composition of the future government" — he states — "was dealt with at different conferences in the period 1927/28. A final selection of the members of the government was not made. At various consultations the following candidates for the ministerial posts were proposed:

Prime minister: P. A. Paltchinsky.

Ministers for war: P. A. Paltchinsky and General Lukomsky.

Industry and trade: P. P. Ryabuschinsky and L. G. Rabinovitch, engineer Chrennikov and Professor Kalinnikov.

Home affairs: P. P. Ryabuchinsky, Professor Worms: the candidature of Professor N. F. Charnovsky was cursorily considered.

Finance: Vichnegradsky, Professor I. Ch. Osyedov, Professor Davidov, L. G. Rabinovitch.

Transport: I. N. Borissov, P. I. Krassovsky, Meck.

Agriculture: Candidates proposed by the TKP. — A. W. Chayanov, Vilimovitch.

Foreign affairs: University professor Tarle.

P. A. Paltchinsky was proposed as dictator for the period of military dictatorship.

This selection of candidates is extremely characteristic, like the programme of the industrial party of the saboteurs. The names of Ryabuchinsky, of the tsarist General Lukomsky, and finally of Paltchinsky, the former dictator of the bourgeoisie in Leningrad before the October revolution, speak for themselves. For the restoration of the power of capital there were gathered together its crassest representatives on the one hand, and on the other the most revolting specimens of tsarist generals and leaders of the "Black Hundreds", the leaders of the civil war.

The second list of candidates for the proposed government is no less characteristic. This list dates from the beginning of 1929. It shows, first of all, that at this time the saboteurs had not lost hope of a speedy downfall of the Soviet power, and secondly, that their class hankerings had only become stronger in the intervening period. The new list, according to the statement made by Ramzin on 3rd November 1930, proposed the following candidates:

Prime minister: Ossadchi, Milyukov, or Ramzin.

Minister for war: Lukomsky or Denikin.

Trade and Industry: Kalinnikov, Chrennikov, Laritchev, Kononov, Dennisov, Tretyakov.

Finance: Osyerov, Bogonyepov, Kogan-Berstein.

Foreign Affairs: Tarle, Milyukov.

Agriculture: A. B. Chayanov.

In this manner the "Industrial Party" was formed.

At the same time it already differed from the former Engineering Technical Centre in its sharper trend in the question of foreign military intervention.

The Attitude of the "Industrial Party" towards the Question of Intervention.

The growing success of economic reconstruction in the Soviet Union, striding forward in spite of the wide extent of the sabotage, caused the "Industrial Party" not only to place the question of the armed intervention of the imperialists in the foreground, and to stress it much more decisively than the former Centre of counter-revolutionary engineers, but to subordinate the whole of their sabotage activities to this question.

Ramzin's statements contain the following reference to this question:

"The general adjustment to the intervention, which was expected about 1930, naturally made our chief aim the

causing of a general crisis and a paralysing of the economic life of the country in preparation for the moment of the intervention, by which this could be considerably facilitated and its success ensured with slight effort." (16th October.) Laritchev's statement on this subject agrees with Ramzin's, but is more detailed.

"In spite of the sabotage carried on in various places and in various branches of national economy, the process of restoration proceeded with considerable success and we did not succeed in putting a stop to this success, although the sabotage, in the form of the Engineering Technical Centre, had already been given a certain leadership and direction. In proportion as the restoration of the separate branches of national economy was attained, the inner situation of the country and the Soviet power became more firmly consolidated. And in proportion the hope dwindled more and more that there was a possibility of the inner collapse of the Soviet power and of its abandoning its positions. At the same time the speculation on an extensive participation of concession capital, in which the counter-revolutionary engineers saw the possibility of a so-called "peaceful intervention", proved unjustified." In this connection:

"the Industrial Party, which united the whole of the counter-revolutionary sabotage organisations of the Centre of the engineers and technicians, regarded — from the commencement of its activities — the intervention as the greatest force which could lead to the overthrow of the Soviet power. This view was shared by both the ideological leaders of the "Industrial Party" and by the trade and industrial committee in Paris (the so-called "Torgprom", the association of the former capitalists of tsarist Russia.)" (Statement made 16th October 1930.)

The same statements are contained in the deposition made by the defendant Kalinnikov on 16th October 1930:

"When it became apparent, in 1926, that the programme drawn up by the Soviet Union for an extensive participation of foreign concessions could not be carried out, the demands of the former foreign factory owners being impossible of acceptance, whilst at the same time the national economy of the Soviet Union was proceeding with the restoration of economics, especially in industry and transport, at an unprecedented tempo, the idea of intervention began to take firm hold both abroad and in the Centre of the counter-revolutionary engineers, and then in the Industrial Party, for the rapid growth of the economic power of the Soviet Union and the growth of the authority of the Communist Party and of the Soviet power among the population of the Soviet Union, sprang up as threatening opponents barring the way to the realisation of the future intervention. . . .

In this manner the idea of the intervention originated and took shape, and from this moment onwards the governmental circles and the circles of the Russian emigrés in France began to prepare for it. It was at about this time that the political conception began to take form in the ranks of the counter-revolutionary sabotage organisations united in the Centre of the counter-revolutionary engineers and they transformed themselves into the Industrial Party with its central committee. From this moment onwards the Central Committee of the Industrial Party was more and more taken up with the idea of foreign intervention."

Finally, we find the same repeated in the statements made by Charnovsky (16th October 1930):

"The sabotage centre of the counter-revolutionary engineers, or the Industrial Party, as it later became from 1927 onwards speculated chiefly on a military intervention as a means towards the overthrow of the Soviet power: it strove with every means to establish clearness in regard to the perspectives in this direction and the time of preparation and realisation, for this purpose making use of its most capable members.

. . . Paltchinsky and Rabinovitch, through the agency of the members of the Engineering Centre and its actual leader, Chrennikov, and through the agency of other members of the Centre, reported on the hopes entertained by the former industrialists of a military intervention, to be carried out by the military forces of Poland, Rumania, and other border states, with the aid of France and Great

Britain; in this plan France, which would have had to lend extensive military-technical assistance, was to play a leading rôle."

This was the manner in which the former separate branch organisations of the saboteurs developed into one uniform leading Centre and into a political party representing big capital. Outpaced by the successes of socialist construction, it set all its hopes on the military intervention of foreign powers, and

combined the whole of its practical sabotage work with the instigation and stirring up of this intervention. A closer examination of the organisational possibilities possessed by this political party of industrial capital, of its connections with the initiators of the intended intervention, both on Soviet territory and abroad, and finally of what has actually been done towards the preparation of this intervention both at home and in foreign countries, form the subject of what follows.

II. The Connections Maintained by the Sabotage Centre in the Soviet Union with the Foreign Anti-Soviet Organisations of the Former Russian and Foreign Industrialists and with the Advocates of Intervention Abroad.

The Industrial and Trade Committee and its Relations with the Sabotage Organisations

In the Soviet Union the October Revolution swept away the power of capital, and overthrew the political and economic rule of the bourgeoisie as a class. The notorious enemies of the people and haters of the working class, the former industrialists who fled abroad, did not however lose hope of a restoration of their former power, and set up in a foreign country the Trade and Industrial Committee, the foreign centre of pre-revolution industrial magnates, an association setting itself the task of political work by fighting against the Soviet power and for the restitution of their former undertakings. The sabotage organisations in the Soviet Union established relations with this association:

"The Industrial Party" — states Ramzin — "was allied closely in its activities with the association of the former industrialists, the Russian Trade and Industrial Committee in Paris, among whose members were: Denisov, Nobel, Gukasov, Mantachev, Metchersky, Ryabuchinsky, Kachtanov, Tretyakov, Starinkevitch, and others. The Trade and Industrial Committee set itself the main task, besides the protection of the interests of the White Guard industrialists now refugees abroad, the restoration to these of their former undertakings or payment to them of compensation. In order to attain this object, the Trade and Industrial Committee strove for an intervention against the Soviet Union." (Statement made 3rd November.)

All these persons, Mantachevs and Denisovs, Metcherskys and Ryabuchinskys, deprived essentially of their economic power, formed however a political and economic force of considerable power, inasmuch as, the extensive means which they had deposited in foreign banks before the revolution gave them the possibility of playing a certain political rôle. The close connections which they had at the same time with the organisations of international capital, in whose various branches of industry they had already participated as shareholders to a great extent before the revolution, further contributed to render them of considerable importance politically.

This group of the industrialist bourgeoisie differed from the White Guard groups belonging to other strata of the population in that it represented a power which, as the results of the inquiry show, was taken into account by even the governmental circles of the bourgeois states. The names of the heads of the Trade and Industrial Committee, named by the accused men, illustrate this point amply. Ramzin further states:

"The following connections with former Russian industrialists are known to me:

In the **metal industry**: with Metchersky (former owner of the Sormovo Works) through Paltchinsky, and I believe, Charnovsky, and with Demikow through Charnovsky and Chrennikov.

In the **textile industry**: with P. P. Ryabuchinsky through P. A. Paltchinsky and A. A. Fyedotov, with Konovalov and Morosov, with Bardygin through Laritchev and Fyedotov.

In the **oil industry**: with Nobel, Mantachev, and Gukasov, through I. N. Strichov.

In **coal mining**: with Dvorshantchik through L. G. Rabinovitch. Besides this, Paltchinsky mentioned, at a consultation of the Centre, the name Krestovnikov, who

industry; I do not however know whether this connection was followed up, and if so by whom. . . .

Communication with the former industrialists was maintained by various persons taking journeys abroad; in particular, in 1927 I was commissioned by Paltchinsky, and, as I remember, Fyedotov, to confer with P. P. Ryabuchinsky in Paris with respect to an understanding on the main principles of the programme of the Centre, and especially with respect to the above-described system of shareholding participation in the undertakings." (Statement made 21st September.)

With respect to the contact between the separate groups of the saboteurs in the various branches of industry and the representatives of **foreign capital, Kalinnikov** (10th October) states:

"So far as I am informed, Paltchinsky was in communication with French and English capitalists. Rabinovitch maintained connections with Poland through Dvorshantchik, Chrennikov with Glyas, shareholder of the Stalin Factory, formerly Yusso Works, and with Vickers in England: Fedorotitch with Urquhart."

The authorities entrusted with the inquiry had already discovered the connections between the saboteurs and Urquhart, in connection with occurrences in the non-ferrous metal industry.

According to the statements of the accused, Urquhart himself expressed himself as follows with regard to our technical staff: "The majority of our technical and managing staff" — stated Urquhart — "are in the works and factories, and are waiting for our return". The connections maintained by the saboteurs with the oil king Deterding, and the rôle he played, will be dealt with further on.

At first, however, these contacts between the saboteurs and the former owners possessed no fixed organisational or clearly expressed political character.

Those elements among the emigrant industrialists who were extremely anxious to influence work in their former undertakings to their advantage, utilised their former connections to the utmost for this purpose. The Shakhty trial showed characteristically enough the manner, in which our undertakings were controlled from abroad, by means of directions stating definitely whether this or that technical rationalisation measure should be introduced into this or that undertaking or not, laying down the manner in which this or that factory or mine was to be managed, etc. It was not until the beginning of the reconstruction period, when the whole aspect of industry underwent a striking change, and the former industrialists, as Ramzin expresses it: "frequently found their former undertakings to be no longer among the living", that the instructions issued began to lose their definite character, and became for the most part a mere confirmation and approval of proposals on the part of the Industrial Party. The more clear however became the tendencies and directives of a political character. The general adjustment to the idea of an intervention now permeating the sabotage organisations took definite form in a certain **division of labour** between the Industrial Party and the Trade and Industrial Committee in **preparation of the intervention**: both of these bodies (the sabotage organisation and the Trade and Industrial Committee) now began to see in intervention the sole means of bringing about the overthrow of the Soviet power, and the sole method of realising the plan of restoring capitalism

in the Soviet Union. The defendant Ramzin makes the following statement on this point:

"The Industrial Party, whose activities brought it into close contact with the association of the former industrialists, the Russian Trade and Industrial Committee, which too was striving to bring about an intervention against the Soviet Union, came to an understanding with the Trade and Industrial Committee on a division of work between itself and this Committee in preparation for an intervention, as follows: **The Trade and Industrial Committee undertook the whole of the external preparations for the intervention, that is, all negotiations with foreign governments, especially with France and England; it conducted the agitation and propaganda carried on abroad for an intervention; it had to find the means for financing these activities, and undertook at the same time the organisation of the military part of the work, this with the aid of the foreign powers. The Industrial Party, on the other hand, undertook the inner preparations in the Soviet Union for the intervention, this to be accomplished by artificially causing and aggravating economic crises, and by giving every possible aid from within to the intervention. For this purpose the Central Committee of the Industrial Party, on the suggestion of the Trade and Industrial Committee and on its own initiative, entered into communication with the foreign General Staffs.**" (Statement made 16th October.)

The new standpoint took a definite shape by the end of 1927, and a year later, at the end of 1928, it not only predominated, but the old standpoint was subordinated to it, inasmuch as **now the whole of the activities of the saboteurs took the form of auxiliary and subordinate work for the preparation of the intervention. The defendant Laritchev states:**

... "We received more or less definite news on the attitude of foreign circles towards the question of an intervention after Ramzin's return from abroad at the end of 1927. He had negotiated with the Trade and Industrial Committee on this matter. I know, from his reports, that the Trade and Industrial Committee had succeeded in obtaining definite aid from the French government with respect to the intervention, and that an agreement exists on this question between France and England. The breaking off of diplomatic relations by England was regarded by the Trade and Industrial Committee as a definite step towards the preparation of the anti-Soviet bloc, to be followed by intervention. The anti-Soviet bloc was to serve first of all the purpose of combining and coordinating the actions taken by Poland, Rumania, and the Baltic States. It was to be that actual armed power which, supported by an expeditionary corps and by the forces of the emigrés organised and aided by France, was to realise the intervention" ... (Statement made 12. 10.)

Charnovsky states (16th October 1930):

... "Having established the connection with the former owners, and with the circles able to give active support to the intervention, the Industrial Party (the sabotage Centre of the engineers), as early as 1927, saw in the intervention the decisive and final medium for the overthrow of the Soviet power. The acts of sabotage carried out by the sabotage Centre of the engineers in the various branches of national economy and industry were to serve this final aim: by means of the creation of disproportions in the carrying out of the reconstruction plan in the branches of economy dependent on one another, by the aggravation of the crises arising out of these disproportions, aggravation of the crises arising out of these disproportions, including crises in food supplies, in the transport service, in fuel supplies, and in all the other departments of Soviet economy. According to information received from Chrennikov, the instructions of the foreign association of the industrialists, the Trade and Industrial Committee, received by the sabotage Centre of the engineers (Industrial Party) through the intermediation of its head, Chrennikov, as a general line to be observed in work from 1927 onwards, were to the same effect. These instructions received through Chrennikov were later extensively supplemented by professor Ramzin, who subsequently took over Chrennikov's office as leader of the sabotage Centre (Industrial Party)." And finally, a definite statement from **Fyedotov**:

... "I had an exhaustive conversation with Krestovnik-

kov in London. He had been commissioned by Konovalov to visit me at my hotel ... With respect to the intervention, he informed me on this occasion that in Paris the Trade and Industrial Committee was working energetically in this matter, both in preparing public opinion and in establishing contact with the public governmental circles in France. In order to influence public opinion, a campaign of agitation against the Soviet government was being carried on: every opportunity and every affair was being exploited, and not only in the Russian emigré press, but in the French press as well, which was swallowing up a great deal of money. He told me, among other things, that the Trade and Industrial Committee subsidised the newspaper "Posledniye Novosti".

With regard to relations between the Trade and Industrial Committee and the interested circles in England, he told me that connections were maintained with the Russian Creditors' Committee in London, headed by Urquhart, as also with Deterding, and, by means of the intermediation of these, with the English Conservative Party. He stated that there was reason to hope for aid from England in the intervention, if not in the form of active participation, then at least financial and diplomatic help. Krestovnikov⁹⁾ further said that Konovalov had requested that special attention should be devoted to the **necessity of preparing the soil in Russia**, in order to ensure the success and the possibility of an intervention, by means of arousing the discontent of the working masses and of the peasantry **by all available means**; by the disorganisation of industry, by interruptions in the food supplies for the population, etc."

... "At the end of 1927" — states Fyedotov — "I had a conversation with engineer Chrennikov on the same subject, and he pointed out that the work of preparation was not being carried on rapidly enough, that none of the expected symptoms of discontent were observable, and that the Trade and Industrial Committee requested more energetic work, since the intervention was possible in 1931/32, or even earlier, in 1930/31. The orders of the Trade and Industrial Committee were passed on to Ramzin, who at that time had just returned from abroad.

I informed the leading group of the textile industry: Kupriyanov, Kirpotenko, Dershavin, and Norle⁹⁾ of this communication.

In this manner the reactionary forces of the engineers, intent on sabotage, assumed a more and more concrete form, and consolidated their contact with the organisation of the Russian bourgeois industrialists abroad, in proportion as the work of socialist construction became increasingly successful in the Soviet Union. The scattered and isolated connections among the different branches of industry were replaced by the organised united front of the former capitalists and technical experts of the industries of the Union. The final consolidation, shaping, and detailed organisation of this front was the object of the joint work in 1928 for the preparation of the intervention.

The Final Consolidation of the Organisational Connections between the Saboteurs and the Trade and Industrial Committee, and the Regulation of the Joint Work.

In October 1928 two of the members of the Central Committee of the Industrial Party, Ramzin and Laritchev, entered into communication with P. P. Ryabuchinsky, and organised a joint conference with the leading Centre of the Trade and Industrial Committee. Those taking part in this conference, which took place in Paris, were:

"The president of the Trade and Industrial Committee, Denisov, P. P. Ryabuchinsky, Nobel, Gukasov, Starinkevitch, Metchersky, Laritchev, and **I. Ramzin.**" (Statement made by Ramzin on 21st September 1930.)

Without disclosing in his statements the whole contents of this important conference, **Ramzin** declared:

... "After Laritchev and I had given our reports on the general situation, we discussed in detail the growing activities of the Industrial Party, and its increased influence over the masses of the engineers; but emphasised at the same time the dangers of the work, now so greatly

⁹⁾ Krestovnikov and Konovalov are former industrialists, who fled abroad.

⁹⁾ Kirpotenko, Dershavin, and Nolde are accused of sabotage in the textile industry. They are to be tried separately.

enhanced, as evidenced by the arrest of a number of members of the Industrial Party. Laritchev described the situation in the oil industry in somewhat greater detail. The representative of the Trade and Industrial Committee approved in general the direction and tempo of the work of the Industrial Party and pointed out that now our main efforts should be directed towards maintaining the leading nucleus, the work being continued the while as far as possible in accordance with the earlier directives, the tactics to be altered as required by the conditions of the moment. At the same time the members of the Trade and Industrial Committee informed us that they had already achieved considerable success with the French and English governments, that France would probably take over the general leadership of the intervention, that Poland and Rumania, with the aid of the Baltic States, would take over the military operations, and that we must adjust ourselves to expecting the intervention in 1930, or at latest in 1931.

Further, the financial questions were regulated: The sum of one million, in round figures, yearly was agreed upon. This was to be brought by . . . to Laritchev at his house, or in his absence to me.

In the evening there was a meeting of an unofficial character attended by Laritchev, myself, and the members of the Trade and Industrial Committee, in the private room of a restaurant on one of the large boulevards."

In this manner the final contact was established between these two organisations, and the financing placed on a firm basis. At the same time the channels of communication were finally settled, and were then made use of by the saboteurs. These channels served later for other work in connection with the tasks of preparation for the intervention.

Ramzin, in his statement of 21st September, clearly states the rôle allotted to each of the defendants when taking over the money:

"Estimated distribution of the moneys in the period from the end of 1928 till the spring of 1930: Oil industry, through Laritchev, approximately 100,000 roubles; coal mining through Laritchev, about 150,000 roubles; peat cutting, through Laritchev, about 50,000 roubles; forestry, through Laritchev, about 50,000 roubles; metal industry, through Hartmann and Charnovsky, about 300,000 roubles; textile industry, through Fyedorov and Kupriyanov, about 200,000 roubles; miscellaneous, through Kalinnikov, about 300,000 roubles; transport, through Laritchev, about 300,000 roubles; power supply, through Vaschkov and Kamenetzky, about 100,000 roubles; economic group, through Laritchev and Kalinnikov, about 50,000 roubles; total: 1,600,000 roubles.

Ramzin and Laritchev at once informed their accomplices in Moscow as to the general political adjustment, and also with regard to the methods of future work and the remittance of money.

Ramzin, in his statement of 16th October 1930, gives a detailed description of this meeting in Paris, the date of which he gives as between 5th and 10th October 1928. He gives the same names — Denisov, Nobel, Gukasov, Mechersky, Starinkevitch, and Ryabuchinsky, adding that of Konovalov, and his statement shows that the conference was more definite in character than indicated in his first statements.

With respect to the intervention question, Ramzin declares:

... "At this session Denisov informed us that the whole of the work for the intervention must be divided into two parts: **preparations abroad** and **preparations in the Soviet Union**. The first part of the work, that is, the diplomatic negotiations with the governments, the financing of the intervention and the organisation of its military forces, was taken over by the Trade and Industrial Committee, whilst it was the duty of the Industrial Party to devote itself to the inner preparation for the intervention in the country itself, by means of bringing about and aggravating economic crises, and aiding the intervention from within. The Trade and Industrial Committee had already secured the support of France and England in this question. France was taking over the chief leadership of the intervention, and calculated on the military forces of Poland, Rumania and the Baltic states, whilst England would aid the intervention with its fleet. The most favourable moment for the intervention was still considered to

be the summer of 1930 (Laritchev and I were agreed on this), and 1931 as the very latest term. Therefore, the whole of the work of the Engineering Centre was to be concentrated on the full development of the crisis in 1930."

Strictly speaking, this was therefore a conference on the time and means to be chosen for the military intervention in the Soviet Union. The conference was continued in the evening, at the unofficial meeting already mentioned as having taken place in a restaurant in one of the boulevards.

Ramzin's statement continues:

"... At the subsequent meeting (attended by Laritchev and myself) in the evening of the same day, in the private room of a restaurant in the district, of the great boulevards, there were present Denisov, Nobel, Gukasov, Metchersky, Tretyakov, and Kaschtanov. I conversed chiefly with Denisov. Denisov said that they were quite convinced of the success of the intervention for this time it was an intervention with a solid foundation, both from the military side and from the side of supplies, and former errors would not be repeated. I remember that Tretyakov observed that if use were made of the troops of Poland, Rumania, the Baltic states, and the Wrangel army — numbering about 100,000 men — the intervention would have a magnificently equipped army at its disposal: that in the opinion of many former industrialists, **given support from the sea side in the North and the South, success could be ensured with even a small army of 600,000 to 800,000 men**, and that here a combined and simultaneous attack on Moscow was regarded as offering best prospect of success. Denisov gave no clear reply to my question on the financing of the intervention; he said that this question was of course not yet completely settled. I gathered from what Denisov and Nobel said that the means for the intervention were to be raised in oil industrial circles, especially from Deterding, from the French and English governments, and in part from the former Russian industrialists" . . .

Laritchev's statement differs somewhat, and deals more with the sabotage than the intervention, but confirms in all essentials the information given by Ramzin. Laritchev said:

"... In September-October 1928 Ramzin and I were sent to the World Power Conference in London. We took opportunity to visit Paris on the return journey and to consult with our head organisation, the Trade and Industrial Committee. After arriving in Paris on 8th October 1928, and after Ramzin had negotiated over the telephone with the president of the former owners in the Trade and Industrial Committee, Denisov invited us to his place for a consultation. When we arrived, a conference was held in his study, participated in, besides Denisov, by Rabuchinsky, Nobel, Gukasov, and Starinkevitch. Ramzin gave a report on the work in our organisation and on the general measures of the sabotage being carried on in the Soviet Union, showing to what extent these measures were in accordance with the directions given by the Trade and Industrial Committee and fulfilled the tasks of the preparation for the intervention. Special attention was devoted to the events disturbing the activities of the Industrial Party: the discovery of the sabotage in the Donetz district, the Shakhty affair, and the discovery of the sabotage organisation in the transport service. These questions greatly interested the representatives of the Trade and Industrial Committee (Denisov, Rabuschinsky, and others), since they threw difficulties in the way of our future work and hampered the consistent carrying out of the measures for the preparation of a general crisis in the country. Denisov particularly emphasised that we must now devote special attention to the metal industry, that great disproportions must be brought about in this industry, and the effect of capital investment reduced. Nobel and Gukasov put a number of questions to me on the situation in the oil industry, on the strength of the sabotage organisation in this industry, and on the carrying out of acts of sabotage for retarding the erection of new plant and the development of export. They pointed out that during his stay in Paris they had given Strishev general instructions with regard to the work to be done in the oil industry. With regard to the general situation of the Trade and Industrial Committee and our organisation, Denisov pointed out to us that in spite of the discovery of some individual sabotage organisations, we must continue our work at all costs, and maintain the organisation of the Industrial Party.

Denisov laid special stress on the statement that the Trade and Industrial Committee possessed the certain and firm support of the French and English governments, and that the question of the intervention, though postponed owing to a number of considerations from 1928 to 1930, had by no means been dropped, that on the contrary the intervention was being prepared for most energetically abroad, and that therefore the work of the Industrial Party within the Union was of special importance. . . . (Statement made 16th October.)

This conference in October 1928 must be regarded as one of decisive importance, from the standpoint:

1. Of the final laying down and coordination of the main line of uniform work of the sabotage organisation and of the Trade and Industrial Committee in every branch of industry, whilst hitherto the connections between the Trade and Industrial Committee and the industries had been parallel, and isolated according to each branch of industry.

2. Of the laying down of the exact future forms of this connection, and of the allocation of the inner rôles for the preparation of the intervention. At the same time the hitherto equally scattered ways and means of financing were finally settled.

3. Of the final and fundamental adjustment to the idea of the intervention, and the coordination of the whole work of sabotage, with stress placed upon the latter.

Although the Trade and Industrial Committee had kept the Centre of the Engineers informed, by means of the separate connections maintained by Chrennikov, Fyedotov, Paltchinsky, Ramzin, and Konovalov, before October 1928, of their intentions and plans with regard to the intervention, and vice versa, the Engineering Centre, by means of these same media of communication, had sent reports to the Trade and Industrial Committee on the sabotage work which it carried out, and although — as will be seen below — contact was established at the same time between the members of the Engineers Centre and the representatives of the general staffs in France and England, for the purpose of preparation for the intervention, through the agency of this same Trade and Industrial Committee, this work did not assume a centralised character, uniform for every branch of industry, until October 1928.

Laritchev, for instance, makes the following statement with regard to the preliminary individual connections (16th October 1930):

... "At the end of 1927, during the stay in Paris of one of the active members of the Centre of the Engineers and Technicians, Professor Ramzin, later president of the Central Committee of the Industrial Party, received definite instructions from the Trade and Industrial Committee, and from the French general staff, on the necessity of forcing the measures being carried on by the sabotage organisations in preparation of the intervention, as also a general plan for carrying out the intervention, with statement of the possible time for its realisation, the first term being set originally for 1928. At the same time Professor Ramzin got into touch with . . . in Moscow, for the negotiations and the maintenance of the connections with foreign circles."

Among the connections of this nature we must include the meeting between Ramzin and Laritchev in London, a few days before the session in Paris, at the house of the engineer A. A. Simon (Director of Vickers works), at which a certain Mr. Philip (manager at Vickers works) was present, and the meeting Laritchev and Ramzin had with the English colonel Lawrence:

... "Engineer A. A. Simon and Sir Philip informed us that at the moment France represented the centre of the intervention preparations, and had the intention of operating with the military forces of Poland, Rumania, and the Baltic states; that England was joining with France in these preparations by helping with money, equipment, etc.; that England had also the intention of lending military assistance of the intervention with its fleet; that Churchill was the chief promoter of the intervention; that England was particularly interested in the Russian oil affairs, and would like to intervene with its fleet in the Black Sea." (Statement made 16th October.)

Laritchev's corresponding statement of 16th October is as follows:

... "During our stay in London, that is, in September 1928, Ramzin organised a meeting with the well known Colonel Lawrence at the Savoy Hotel. I was present at

this meeting. The general attitude of English military circles toward the intervention was discussed. Colonel Lawrence supported the idea in every way, and assured us that English military circles too maintained a positive attitude towards a general participation in an intervention against the Soviet Union, and that they were working out definite measures; besides this, serious steps were being taken to paralyse the propaganda and influence of the Soviet Union in the East and in China. He did not give us any details regarding this work."

At the above-mentioned conference in Paris in October 1928 a balance was drawn of the work of the individual connections as maintained up to that time by the members of the central committee of the Industrial Party in its own sphere with the leaders of the Trade and Industrial Committee and with the army staffs of France and England, and a united Central was created for the future.

At the same time, October 1928 was the time when the Trade and Industrial Committee came finally to the conviction that the intervention must be forced within the **shortest possible time**. The following statements, made by Kalinnikov, are extremely important in this regard:

According to Kalinnikov's statements

... "Chrennikov and Fyedotov, returning from their journey abroad in 1927, brought the Engineering Centre the news that the government crisis in France and England had caused the acceleration of the intervention to be considered necessary: as to the Russian White-Guard circles in France, these were apparently **not yet convinced of the necessity of hastening the intervention**, since the Russian emigrés in the Trade and Industrial Committee were not yet willing to take over the industrial undertakings which had formerly belonged to them — they considered that after the intervention these undertakings would not yet be sufficiently restored. Urged by the government circles in France, the Trade and Industrial Committee agreed about the end of 1927, to the necessity of starting work in preparation of the intervention. The Engineering Centre was informed of this by Chrennikov and Ramzin. . . . The information brought by Chrennikov, Fyedotov, and Ramzin was conveyed in the autumn of 1927 to the group meeting of the Engineering Centre, consisting of: Paltchinsky, Rabinovitch, Yanushevsky, Krassovsky, Chrennikov, Fyedotov, Ramzin, Laritchev, Charnovsky, and me, Kalinnikov." (Statement made 16th September.)

This statement is of special importance in that it reveals the extremely active rôle played, and actual impetus given, by the governing circles of France and England in forcing the intervention and in making use of both the Trade and Industrial Committee and of the Russian sabotage organisations in the Soviet Union for this purpose. As may be seen from the statements of Ramzin, Laritchev and others, the leading rôle in the preparations for the intervention was played by the governing circles of France. This last factor must be emphasised and the driving force of France's rôle are further confirmed by a number of other facts.

The French Government and its Rôle in the Preparations for Intervention.

Whilst the Trade and Industrial Committee, as an association of the former Russian industrialists, set itself the main task of regaining possession of its former property, the government circles of France set themselves a more general task: the consolidation of the position of world imperialism, after the overthrow of the Soviet power with the aid of military intervention. The Soviet Union is a thorn in the flesh of the bourgeoisie of France. The French bourgeoisie, personifying the general political reaction in Western Europe, set itself the task of destroying the Soviet Union by means of a military intervention, actuated thereto by its general political interests, entirely independent of the like initiative in the Trade and Industrial Committee and in the Russian sabotage organisations. And whilst the Trade and Industrial Committee was anxious to obtain the aid of the armed forces of the international bourgeoisie, and especially of the French, for its ends, on the other hand the French bourgeoisie was equally anxious to exploit for its aims both the Trade and Industrial Committee and the sabotage organisations in the Soviet Union.

Here the French governmental circles, whilst pursuing their own independent policy, fell in unconditionally with the aims of the Trade and Industrial Committee, and the visits paid to France by the two leaders of the Central Committee of the Industrial Party, Ramzin and Laritchev, were made full use of by precisely these circles, with the intermediation of the Trade and Industrial Committee, for the furtherance of their aims. Here the October conference played a definite part.

For the rest, the extent to which the government circles of France were directly interested in the idea of a speedy realisation of the intervention — directly interested in the sense of imperialist conquest enabling the wealth of the Soviet Union to be exploited by foreign capitalists — may be seen fairly plainly in the statement made by **Fyedotov** on 21st October 1930:

"Charnovsky informed me that a confidential message had been received from Ramzin, to the effect that during his stay in Paris he had been obliged to agree, in the name of the sabotage organisations, to the granting of concessions to the interventionists at the expense of Russia, these concessions having been agreed to by the Trade and Industrial Committee. The cession of a part of Caucasia to England, especially the oil industry region, and of Ukrainian territory on the right bank of the Dniepr to Poland and France."

"On this I pointed out to Charnovsky" — continues **Fyedotov** — "that Karpov⁷⁾ had on the contrary assured us, on behalf of the Trade and Industrial Committee, that in the case of an intervention the interests of the State were not to be violated, and had requested the engineers of the textile group to be informed of this, and that I refused to pass on this message from Ramzin to our sabotage organisation, and begged Charnovsky to inform Kupriyanov and Nolde personally"

In another statement, made by **Fyedotov** on 20th October 1930, he states that Karpov, whom he met in Berlin in 1928, declared to him that:

"... both France and Poland calculate on the subsequent exploitation of the inner wealth of Russia by means of various concessions, whilst Poland hopes at the same time to find markets in Russia, but that not one of the members of the Trade and Industrial Committee intends betraying the interests of Russia as a State, and that, should such fears arise anywhere, they should be quieted." (Statement made 20th October 1930.)

Fyedotov's last statement, made on 31st October 1930, is even more definite:

"Charnovsky then informed me of an extremely important confidential message from Ramzin, to the effect that during his stay in Paris he had been obliged, in the course of negotiations with the French general staff and the Trade and Industrial Committee, to accede in the name of the Centre of the engineers' organisations to the concessions which had already been made by the Trade and Industrial Committee at the expense of Russia. France demanded full payment of the tsarist and war debts, and at the same time comprehensive concessions enabling it to exploit the ore and other mineral deposits of Russia. England demanded the oil fields of Caucasia, Poland Kiev and a tract of Ukrainian territory on the right bank of the Dniepr. I was much astonished at this information, and reminded Charnovsky that Karpov had given me the special assurance that nothing of this kind would occur, that the Trade and Industrial Committee would not betray the interests of Russia, that no territorial concessions were to be made, that a hundred per cent payment was only to be made of private claims and of the accounts of the undertakings which had supplied machinery to Russia, whilst the payment of the tsarist and war debts was to be made solely in the proportion of five copecks to the rouble, in order to maintain the principle of debt obligations insisted upon by France, and that he requested that the engineers of the sabotage organisations should be informed officially of this. I told Charnovsky that either Karpov had deliberately deceived us in order that we might act in accordance with the instructions of the Trade and Industrial Committee, or that he himself was deceived, and that in either case it was clear that the Trade and Industrial Committee failed to grasp the effect of such a message on the minds of the

members and on the composition of the engineers' organisations. I expressed my surprise that Professor Ramzin could have kept his agreement secret for so long, and expressed the opinion that the news would deprive a great many persons of all desire to work in the organisation. I asked Charnovsky to speak personally to Kupriyanov and Nolde on the matter." (Statement made 31st October 1930.)

There is therefore no doubt that the actions of the foreign interventionists were prompted by the aim of imperialist conquest of this or that piece of territory in the Soviet Union. Their aims met with the consent of both the Trade and Industrial Committee and of the sabotage organisations of the Soviet Union.

Poincaré's and Briand's Personal Negotiations with the Industrial and Trade Committee.

The leaders of the Trade and Industrial Committee, in their endeavour to ensure to the utmost, the new military intervention, set themselves the task of seizing the bull by the horns, and securing a personal audience with Poincaré and Briand, at that time the leaders of French politics, one in his capacity of Prime Minister, the other as Minister for Foreign Affairs, and who were the persons to whom the Trade and Industrial Committee had applied even before the conference in 1928.

According to **Fyedotov's** statement (20th October 1930), Karpov had told him at the meeting in 1928 that:

"... the actual reason of his journey to Berlin was the necessity of a consultation on the preparations for the intervention, which was envisaged by the Trade and Industrial Committee for 1930/31, so that the decay of industry, the shortage of goods, and the discontent of the population would have to have reached a high point by this time. He stated that the Trade and Industrial Committee had been working with redoubled energy of late and reckoned on success, although the prospects of interference from England were diminishing; on the other hand France's interference was becoming more likely."

According to **Karpov**:

"... the representatives of the Trade and Industrial Committee waited on Poincaré. These representatives were Ryabuchinsky, Tretyakov, and Lianosov. Poincaré evinced readiness to examine the question seriously and to submit it to the general staff, with which the Trade and Industrial Committee maintained immediate relations through the military emigrés. There could be no doubt that the general staff would give Poincaré an answer in favour of an intervention. The intervention was planned to be actually carried out with the forces of Poland, Rumania, Esthonia, and Latvia, with some slight participation on the part of French troops and the French fleet, under the leadership of the French staff and of French officers.

But Poincaré besides promising that the question of an intervention should be given attention, pointed out with special emphasis the necessity of lengthy preparations in Russia. Although symptoms of decay, and especially of shortage of goods, were observable in the Union, the discontent which the emigrés had promised among the population was not finding clear enough expression. Therefore the sabotage work must be intensified by all means.

In this connection he requested the Trade and Industrial Committee in particular to intensify its efforts for the frustration of the planning work and especially of the Five-Year-Plan of industrialisation. The failure to accomplish the Five-Year-Plan would throw discredit on the Soviet power, and this was of especial importance for the success of the intervention." (Statement made 20th October.)

This information, given by **Fyedotov**, was repeated by Denisov at the conference between Ramzin and Laritchev and the Trade and Industrial Committee as proof that the Committee was fully convinced of the success of the intervention.

The conference with the representatives of the French government is referred to in similar terms by **Charnovsky** in his statement of 16th October 1930:

"The hopes of an intervention cherished by these industrialists (Ryabuchinsky and Konovalov) were founded on their personal negotiations with the representative of the French government, Briand, and with the French general staff."

⁷⁾ White Guard, emigré, textile industrialist.

Finally, we find further confirmation in the statements of the other leaders of the sabotage organisations who had the opportunity of immediate contact with the heads of the Trade and Industrial Committee. The latter did not fail to inform their colleagues as to the success of their efforts. **Sitnin** states (18th October 1930), for instance, that: "S. W. Kuprianow, asked me, before I left for abroad, to visit his former chief, I. A. Konovalov, whilst I was in Paris, and to hear from him how matters stood abroad." **Sitnin** visited Konovalov, who told him that:

"... Poincaré had recently sent for Tretyakov and Ryabuchinsky, and granted them an audience. ... He proposed to Tretyakov and Ryabuchinsky, as the representatives of the Trade and Industrial Committee, that they should send instructions to the engineers' organisations in the Soviet Union with regard to preparing the soil for intervention" (Statement made 18th October 1930.)

Sitnin, in his statement of 29th October, again declares:

"... that Poincaré promised full support for the intervention, and was of the opinion that in 1930/31 complete success might be hoped for it."

This same **Sitnin** confirms **Fyedotov's** statement (based on information from **Karpov**), that **Poincaré**, in the course of the interview with the members of the presidium of the Trade and Industrial Committee, stated that the French general staff was commissioned to carry out the practical work of preparation for the intervention."

Sitnin's and **Fyedotov's** account of the interview with **Poincaré** is further confirmed by another saboteur, **Dershavin**, who had received the information in Moscow, after **Fyedotov's** return. According to **Dershavin**, **Poincaré**: "promised an active policy in the direction of an intervention, but required that preparations should first be made in the Soviet Union for the disorganisation of the economic situation now finding its balance, so that dissatisfaction with the government might be aroused in the country"

These statements show clearly that the Trade and Industrial Committee was actually able to submit to the conference in October 1928 some proof of its work towards preparing for the intervention.

In view of the above cited facts, there can no longer be any doubt that the initiative taken by the Trade and Industrial Committee was mainly formal in character. In reality it was the governing circles of France, represented by **Poincaré**, which sought to exploit for their ends the Trade and Industrial Committee and the sabotage organisations. It is not for nothing that the accused saboteurs state that **Poincaré** insisted on the necessity of intensifying the work of the sabotage organisations in the Soviet Union.

The same conclusion must be drawn from the second communication made by **Denisov** at the conference in October 1928, regarding which **Ramzin** at first likewise kept silent: **Ramzin**, in his statement of 31st October, writes:

"**Denisov** reported that the work of the Trade and Industrial Committee in preparation of the intervention against the Soviet Union had already brought concrete results, for the French general staff had already formed a special commission, under the leadership of General **Janin**, for the preparation of an intervention against the Soviet Union. **Denisov** stated further that one of the active collaborators in the preparations for the intervention was Colonel **Joinville** of the French general staff, who would at the same time maintain direct contact with the proposed military leader of the intervention, General **Lukomsky**."

Poincaré, who had promised, during the interview, to submit to the general staff, the question of preparing for an intervention, had therefore actually fulfilled this promise before October 1928, and had laid down a corresponding line of conduct for the Trade and Industrial Committee, in the interests of the success of the intervention. The statement on the organisation of the **Janin** commission is further confirmed by **Kalinnikov** on 16th October:

"**Ramzin** informed us that the French general staff had formed an international commission, under **Janin's** presidency, of the representatives of France, England, and Poland, for the purpose of allotting the rôles in the leadership and carrying out of the Russian intervention. This commission declared itself agreed with France's undertaking the leadership in the carrying out of the intervention,

as also the providing and transport of war equipment and weapons for the intervention armies. The operative preparations and the rôle of vanguard were undertaken by Poland..."

On 16th October 1930 **Kalinnikov** made another important statement:

"... after this decision had been arrived at by the **Janin** commission, England adopted a somewhat more distant attitude towards the intervention, for the reason that the chief economic incentive, the possibility that English industries might earn something by supplying war material had disappeared..."

This was the work accomplished by the Trade and Industrial Committee; at the conference in October 1928 the balance of this work was drawn and communicated to the members of the Central Committee of the Industrial Party.

The facts communicated regarding the personal negotiations between the industrialists and **Poincaré**, regarding the promises given by **Poincaré**, and the formation of a special **Janin** commission in the French general staff in preparation for the intervention, form at the same time a complete confirmation of the conclusions drawn above with regard to the independently active rôle played by the former head of the French government, **Poincaré**, in preparations for an intervention. It is only in the light of these facts that it is possible to comprehend the extraordinary ease and rapidity with which, on the day following the October conference, the decisions arrived at could be realised in a now direct contact between **Ramzin** and **Laritchev** and the French general staff on the questions involved in the working out of the intervention plans.

The Co-operation of the Industrial and Trade Committee and the Saboteurs with the French General Staff.

"... Having heard" — states **Ramzin** in his deposition of 31st October — "that the French general staff was the military centre for the preparation and leadership of the intervention, I proposed to **Denisov** that a joint conference with General **Lukomsky** and Colonel **Joinville** should be arranged before I left Paris, in order that the question of the coordination of the work of the Industrial Party with that of the French general staff in the preparation of the intervention might be discussed and for this purpose contact established between the C.C. of the Industrial Party and the French general staff.

Denisov arranged this meeting in the private rooms of a Russian emigré during the first fortnight of October 1928. **Denisov** arrived in a motor car at the café at the appointed time, and we went together to the apartment, where we found **Lukomsky** and Colonel **Joinville**. At this meeting a permanent connection was established between the C.C. of the Industrial Party and the French army staff. This contact was maintained, on **Denisov's** suggestion, by a direct connection with me in Moscow through Mr. A., whilst the connection with the members of the C.C. of the Industrial Party, engineer W. A. **Laritchev** and Professor **Kalinnikov**, was made through Mr. K. Later on the connection between the French general staff and engineer **Laritchev** and Professor **Kalinnikov** was kept up with the intermediation of Mr. K., and in some cases with me through Mr. A."

Laritchev, in his statement of 16th October 1930, refers to this conference as follows:

"... Next day **Ramzin** had an appointment with the president of the Trade and Industrial Committee, **Denisov**, and with the white guard general **Lukomsky** and the representative of the French general staff, **Joinville** (whose name **Ramzin** told me). At this conference **Ramzin** received definite orders, as also information as to the time at which the projected intervention was to take place (summer 1930), the methods of preparing for this intervention, and on the formation of the expeditionary corps headed by General **Lukomsky**. In the evening of this day **Ramzin** expected Colonel **Richard** of the French general staff at his apartment for a consultation. **Ramzin** invited me to take part in this conference, which was held in his apartment. As the negotiations were carried on in French, which I do not understand, I can only repeat what **Ramzin** told me — that the discussion referred to the preparation of Poland

and Rumania for the attack, and that the French general staff was taking energetic steps in this direction. Richard on his part was interested both in the general nature of our work, and in the new buildings which might be of importance for defence; he was also interested in the situation in the war and chemical industries."

The character of this conference is sufficiently clear. It shows that both sides, on the one hand the representative of the French Poincaré government and the representative of the French general staff, and on the other the Trade and Industrial Committee and the White Guard generals, exerted every effort to realise the common aim.

In another statement, **Ramzin** speaks of a meeting with Joinville, and explains what the generals demanded from the Russian saboteurs:

"At my meeting with Denisov, Lukomsky and Colonel Joinville, which took place in a private house in Paris between 5th and 10th October 1928, the chief matter discussed was, as I have already stated, the practical question of the creation of a military organisation of the Industrial Party. Of this I shall not speak here. The negotiations were carried on in Russian, as I know very little French. From time to time Denisov and Lukomsky interpreted what was most important into French. Colonel Joinville was most interested in the possibility of obtaining military reports on the Red Army, and in the possibility of securing inside assistance, in the Soviet Union, by means of diversion work, etc. General Lukomsky, in reply to my question on the forces available and the plans for the intervention, stated that the negotiations were not yet concluded, that it was therefore too early to count forces and draw up plans, but that the plan which I had repeated, which had been accepted by the Trade and Industrial Committee, was almost the only one in which there could be no doubt of success, provided the army was well supplied and equipped, and especially if it received active aid from the Industrial Party and its military organisation, which would be given definite instructions and plans of action.

At the close of the conference Denisov informed us that important negotiations were going on, in France with Briand, and in England with Churchill, on the organisation of the intervention; that negotiations on the organisation of the intervention were rendered difficult by the large appetites of the participants — Poland, for instance, of course demanding the Ukrainian territory on the right bank of the Dniepr." (Statement made 16. 10.)

It was at this conference that the idea first arose of the founding of a special military commission of the Industrial Party in the Soviet Union, for the preparation of acts of betrayal by separate parts of the Red Army, and for this purpose suitable contact was established and consolidated with the French general staff. **Ramzin's** statement on 16th October 1930 contains the following:

"At this consultation Lukomsky proposed that a special military commission be founded in connection with the C.C. of the Industrial Party, this to be in communication with the French general staff. After a discussion, the chief tasks of the military commission were laid down. I have made a detailed statement on this subject in another place. Contact between the French general staff and . . . in Moscow was resolved upon and established. In accordance with Denisov's suggestion, direct communication with me was to be maintained by Mr. R., and direct communication with the member of the C.C. of the Industrial Party, engineer Laritchev, by Mr. K. Denisov informed us that instructions to this effect would be given in Moscow. Communication with the French general staff was to be maintained on normal lines, and was later actualised by Laritchev and by Professor Kalinnikov, the representative of the Industrial Section of the State Planning Commission of the Soviet Union."

The report on these orders from the French general staff is further confirmed by Kalinnikov. Espionage work of this description, in direct communication with the French general staff, was to be extended. According to **Kalinnikov's** statements:

"**Ramzin**, according to his own declaration in the C.C., was to establish direct communication with governmental circles in France and England on his next journey abroad, and to negotiate on military questions, I remember **Ram-**

zin's speaking of wanting to utilise Ryabuchinsky's connections with Loucheur, who supported the Trade and Industrial Committee (**Ryabuchinsky** informed **Ramzin** of this at their next meeting). **Ramzin** intended entering into communication with General Lukomsky in order to receive directions for the military staff of the Industrial Party." (Statements made by Kalinnikov on 16th October 1930.)

Fyedotov too was aware of the orders on the organisation of sabotage nuclei in the army. He makes the following statement:

"The chief aim of the nuclei which were formed was the giving of reports on the conditions and trends of feeling in the Red army and fleet; the organisation of measures reducing the fighting capacity of the Red Army, of measures for disorganising the army, of measures diminishing the defensive capabilities of the country and leading to actions of diversion; the laying idle of building activities in the most important factory and power station enterprises, etc.; to obtain influence, in the mobilisation departments, over the army supplies and to disorganise these; to effect similar disorganisation in the mobilisation departments of industry. (Statement made on 21st October.)

We see that the saboteurs had already laid down very definite lines for their work in preparation of the intervention. Every trace of the one-time "peaceful" sabotage had vanished.

Connections with the English Army Staff.

Compared with the active rôle played by the governing circle in France, the rôle of Great Britain appears in a somewhat different light. The government circles in France, having both the Trade and Industrial Committee and the military centre of the Russian White Guard emigrés close at hand, took over the entire leadership of the preparations for the intervention against the Soviet Union, whilst the rôle played by Great Britain has naturally been secondary.

This outlines the activities abroad of the Trade and Industrial Committee, and of the Industrial Party in preparing the foreign intervention.

Plans and Times Proposed for the Intervention.

The survey of these activities can be completed by a statement of the exact plan laid down for the intervention, of the times proposed at which the intervention was to take place, of the various amendments, and of the work to be accomplished by the saboteurs in the Soviet Union in order to ensure the success of the projected armed conflict.

On 21st September **Ramzin** made the following definite statement on the plan of intervention which had been worked out:

"According to information received from P. A. Paltchinsky, France was to be the chief leader of the intervention, but its immediate execution was to be achieved with the aid of the military forces of Poland and Rumania, with the assistance of the Baltic States. According to Paltchinsky's statements, hopes were also entertained, though very doubtful ones, of inducing Czechoslovakia and Yugoslavia to take part, but main reliance was placed on Poland and Rumania."

The negotiations carried on between Mechtchersky and Ryabutchinsky on the one hand, and Poincaré and Briand on the other, were — according to **Ramzin** — on these lines.

"The main purport of the negotiations lay in the idea that actual hopes existed of an intervention, the probable time of this intervention being calculated for 1930. General Lukomsky was to be the head of the military forces effectuating the intervention. It was planned to enter into communication with Gessen and Kaminka, in order to promote propaganda abroad for the intervention." (Newspaper "Rul.")

This plan, and the time for putting it into execution, were the subject of the negotiations of the Trade and Industrial Committee and the saboteurs in Paris, and before this of the negotiations of the sabotage centre in Moscow. **Ramzin** makes the same statements in another place with respect to the negotiation in Moscow in the first half of 1928:

"Paltchinsky informed us that he had received news from abroad that an intervention might be reckoned upon in

about two years, that is, in 1930, and that it was therefore necessary to work on this assumption, in order that the general crisis could be brought about by that time. France would be leader of the intervention, as the former Russian industrialists had already negotiated advantageously with Briand and Poincaré. But the task of immediate military operations would probably fall to Poland and Rumania, backed up by the Baltic States. The participation of Czechoslovakia and Yugoslavia was not excluded but doubtful. General Lukomsky was proposed abroad as actual leader of the intervention troops."

At this same session the saboteurs — obviously under the influence of these joyful hopes — discussed the composition of the government.

Ramzin states the motives fixing the intervention for 1930 to have been the following:

"According to the information received from White Russian emigré circles through the intermediation of Paltchinsky and Fyedorov, and direct from Ryabuchinsky through Ramzin, as also from the Trade and Industrial Committee through the agency of Ramzin and Laritchev, the negotiations between the emigrés and the French government, as leader of the intervention, as also the negotiations with the English government, justified the expectation of the possibility of the actual preparation and carrying out of the intervention by about 1930. This term was therefore decided out of political and military considerations."

The motive, therefore, was the realisation that it would be impossible to have the armed forces of the intervention ready at an earlier date.

"In 1928" — states Laritchev — "we received notice from the Trade and Industrial Committee that the intervention was postponed, probably until 1930. At the time when I visited Paris with Ramzin and conferred with the Trade and Industrial Committee, I learnt that the complications of the political situation abroad, above all the double policy pursued by Germany, which was facing both ways at once, and the attitude adopted towards Poland by Lithuania, made open action against the Soviet Union inopportune at this juncture. Nevertheless, the representative of the French general staff, Jonville, as also Denisov, assured Ramzin in a personal interview that the attitude of the French government remained unchanged with respect to the support to be lent the intervention, and that the French general staff was energetically continuing the work of strengthening the military forces of Poland and Rumania. An expeditionary corps of White Guard emigré forces was being formed and prepared. The leadership of these activities was again in the hands of the French general staff (the commission conducted by Janin), and suitable material and financial means, supplied chiefly by the French ministry of war, were available. General Lukomsky was to be the leader of the expeditionary corps." (Statement made 16th October.)

The saboteurs too were inclined to be in favour of this postponed term, but for other reasons. Ramzin continues:

"Under the natural conditions imposed by the development of national economy and the realisation of the Five-Year Plan, the year of operation 1929/30, as the middle of the Five-Year Plan, will be the most difficult, for in this year it will be necessary to put a great strain on national economic means for fresh investments in building work, whilst at the same time the profits from these investments cannot yet be great enough to have any effect. The difficulties of the situation in 1930 would be further enhanced by the inevitable difficulties of the advance of the collectivisation of agriculture, so that the Industrial Party cherished the hope that the food supply irregularities, combined with the extreme discontent of broad masses of the peasantry and the growing dissatisfaction of wide strata of the population, would accomplish the rest.

Hence the Industrial Party considered 1930 to be the most favourable for a counter-revolutionary upheaval: a) on account of military-political considerations with respect to the preparation and carrying out of the intervention; b) for the reason that the Soviet national economy would be passing through a period of great difficulty; c) because broad masses of the population would be plunged into dis-

content by the economic difficulties." (Ramzin, 31st October.)

The saboteurs worked to bring about in 1930 a crisis in the fundamental branches of the Soviet economy, in the transport service, in the supplies of power, fuel, and metals, in the mechanisation of agriculture, and strove to increase the disproportions existing between various branches of national economy.

Ramzin, in his statement of 16th October 1930, details this plan further. 1930 was selected by the Industrial Party for the intervention, not only for the above reasons, but also for the following:

"The strained investments in new buildings and plant was bound to cause the expenditure for defence to lag behind the general tempo of the economic development of the country at the beginning of the Five-Year Plan, and therefore the defensive capacity of the Soviet Union would be slighter in 1930 than in later years. . . ."

This same idea is repeated by Ramzin in his statement of 31st October:

The Concrete Plan of the Intervention.

"... It was intended to begin the intervention in the following manner: Rumania was to seize upon some pretext, for instance a frontier conflict, this to be followed by a formal declaration of war from Poland and the intervention of the Baltic States. The Wrangel troops were to take part in the intervention, and to march through Rumania. England was to aid the intervention with its fleet: 1. in the Black Sea, where it would cut off the oil fields of Caucasia; 2. in the Gulf of Finland, where it would take part in the operations against Leningrad. It was also planned to land Krasnov Cossacks on the coast of the Black Sea, that these might reinforce and strengthen the rising on the Don. Great hopes were set on a rising in the Ukraine, and on a consequent cutting off of communications between Moscow and the Donetz basin

The whole plan consisted of a combined action: The main attack was to be upon Moscow, this attack to be backed up by a second one against Leningrad, whilst at the same time the South army was to advance from a base on the right bank of the Dniepr. In the interior of the country the operations of the intervention troops were to be supported, not only by mass insurrections but by the activities of the Industrial Party in aggravating and worsening the crises by means of diversion action in the war industries, in the power works, etc." (Statement made 16th October 1930.)

The same statements have been made by the other accused. Kalinnikov for instance observes:

"... the governments of France and England, and the Russian white guard emigrés in the Trade and Industrial Committee, viewed the middle of 1930 as the next suitable moment for the intervention. This information was brought from . . . to Ramzin by Mr. K in the second half of 1928. At the same time he was informed of the plan which I have enclosed, laying down the scheme of the intervention."

(Statement made 16th October 1930.)

Laritchev's statement of 16th October 1930 is to same effect:

"The leading rôle in the organisation of the intervention was played by France, which realised its plans of preparation with the active aid of the English government, whereby the cooperation of the latter envisaged certain measures prescribed by the Deterding group (occupation of Baku and Grosny)." (Laritchev, 16th October 1930.)

Laritchev too confirms the motives causing the saboteurs to decide in favour of 1930:

"1930 was expected to be the year of the greatest crisis, in consequence of the disproportion in the development of the various branches of economy, especially in the metal industry, and of the costs of the great large-scale plant in course of construction. We received directions to this effect on the preparations for the intervention in 1930 from various members of the Industrial Party, and this formed the main factor of the political struggle in connection with the laying down of the Five-Year Plan." (Statement made 16th October 1930.)

Among the various statements, a very characteristic one is the following made by **Laritchev** on the rôle played by the French general staff in provoking the conflict on the Chinese Eastern Railway:

"The conflict on the Chinese Eastern Railway in the summer of 1929 was, as I learnt from Ramzin and Kalinnikov, a diversion instigated by the French and English staffs: A test was to be made of our mobilisation capacity and of the fighting powers of the Red army on the one hand, and on the other of the attitude of the broad masses of the population towards the possibility of war, of the extent of the consolidation of the Soviet power and of its influence over the masses of the workers and peasants at a time of inner and outer difficulties." (Ibid.)

The first plans, and the first times proposed for the intervention, are confirmed by **Charnovsky**. He states that as early as the autumn of 1927 Ramzin had informed the sabotage centre of his conference with Ryabuchinsky, at which:

"... the industrialists and officers meeting at Ryabuchinsky's informed the conference, for their part, of the plans for the intervention which was to be set going in the form of frontier conflicts to be provoked on the Rumanian border, and to develop from these frontier conflicts to military operations, to the interference of Poland as ally of Rumania, to operations from the sea and on the coast, to landing operations against Leningrad with the aid of the air fleet, etc. The directions formerly received by Chrennikov were therefore considerably extended and supplemented to correspond to the development of the programme of the military offensive, and were adapted to the furtherance of the intervention by means of suitable measures of military significance." (Statement made on 16th October 1930.)

Further Postponement of the Intervention.

But the hopes set on 1930 too were doomed to disappointment, and a fresh delay, this time of brief duration, until 1931, took place. Referring to this fresh postponement, **Ramzin** states (16th October 1930):

"By the second half of 1929 news arrived from abroad that it would be impossible to carry out the intervention in 1930, and that it was postponed till the following year.

The chief causes of this postponement were: 1. The increased revolutionary activity of the working masses, 2. complications in the military situation of France in consequence of strained relations with Italy, 3. Germany's uncertain attitude, and the conflicting interests of Germany and Poland. 4. the failure of the adventure in the Far East, which proved the difficulties of a fight against the Red Army, 5. the absence of agreements between the chief participants in the intervention.

"The somewhat altered plan for 1931 now began to take shape in accordance with the changed general situation. This plan already recognised the small probability of great risings in the interior of the country, especially in the Ukraine, since the counter-revolutionary organisations, for instance the "League for the Liberation of Ukraine" had been destroyed; it also recognised the effect of the general improvement of economic conditions in the coming year. Therefore, the new plan put much more serious demands on the inside help to be rendered by the Industrial Party, and stress was laid on diversion manoeuvres, on espionage, and on open treachery. In order to weaken the Soviet Union as far as possible beforehand and to compensate in part for the stronger economic and military position of the Union as compared with 1930, the new plan included the economic blockade of the Soviet Union.

"The new plan increased essentially the rôle played by the northern forces, which were to deal the blow against Leningrad, for now Finland's participation was secured; the armament and equipment of the intervention army and air forces. The southern group of the Polish, Rumanian, and Wrangel troops was to occupy the Ukrainian territory on the right bank of the Dniepr, and then to advance in as straight a line as possible on Moscow. It remained uncertain whether Germany would take part in this operation (although there was a possibility of mobilising considerable numbers among the members of the "Stahlhelm" for instance), for Poland was naturally afraid to let

German troops march through East Prussia." (Statement made 16th October.)

This statement deserves special attention. It describes the persistency shown by the governing strata of certain foreign powers in the organisation of the military intervention against the Soviet Union.

Kalinnikov states:

"... After returning from the London World Power Conference, via Paris, to the Soviet Union, Ramzin and Laritchev established connection with the Trade and Industrial Committee through the agency of Ryabutchinsky, who maintained contact with the French government via Loucheur. They learnt that — in view of the delays in the armament and equipment of the intervention army and the absence of mutual agreements among the Baltic states in the matter of the carrying out of the intervention, and in view of the fact that the Soviet Union would not take the initiative in war, as the successful fulfilment of the Five-Year Plan would be thereby thrown out of gear — the intervention would probably have to be postponed for a year or a year and a half. The Trade and Industrial Committee further substantiated the necessity of postponing the intervention for a year by pointing out that, to judge by the figures yielded by many years of statistical calculations, there would be a disastrous failure of crops in the Soviet Union in 1931." (Statement made 16th October.)

Laritchev cites the failure of the Chinese Eastern Railway conflict as the main cause of the postponement of the intervention:

"The resultant situation aroused even greater bitterness than before against the Soviet Union in circles abroad, but it rendered it necessary at the same time to return again to the question of the time to be fixed for the intervention, and to postpone the term proposed in 1930 for at least one year. . . . Without the certainty of support from sections of the Red Army troops, in the form of counter-revolutionary organisations, and without directing the activities of such sections, our work in preparation of the intervention was obviously inadequate. This question was raised by him⁸⁾ in the Central Committee of the Industrial Party as the most urgent and important work in preparation of the intervention. So far as I was informed before my arrest, the term of the intervention was postponed to 1931.

"The total plan of operations was, however, left unchanged. The French staff continued to insist that Poland and Rumania should take the initiative. It was pointed out that the opportunity for such an initiative would be given by open occupation, by Poland, of Lithuania, which is continuing its Soviet orientation, this would bring about an international conflict into which the Soviet Union would be bound to be drawn, and which would lead to an armed collision between the Union and both Poland and Rumania, which last is bound by a military alliance with Poland." (Statement made 16th October.)

Charnovsky's statement with reference to the causes of the postponement tallies with this:

"... The experience gained on the Chinese Eastern Railway proved the contrary, that is, that the fighting powers of the Red Army had increased. The intervention had to be postponed to a later time. This postponement was rendered further necessary, as Ramzin stated, by the course of foreign political combinations in the relations between France and Germany, in connection with France's attempt to induce Germany to dissolve the existing agreement with the Soviet Union, and with the attempt to liquidate Lithuania as a state by its annexation to Poland. The failure of these plans, which became evident in the summer of 1930, again tended to delay and postpone the intervention, and Ramzin was informed of this on the occasion of his journey to the International Congress in Berlin in July this year. . . . As result of this information the military intervention was postponed for a year, till the summer of 1931. This year appeared to be favourable in two respects: 1. the prophecies of some agronomists led to the expectation of a failure of

⁸⁾ Ramzin is referred to.

crops in the Soviet Union in precisely this year, 2. it appeared likely, according to the assumptions based by the Trade and Industrial Committee on supplementary data supplied by Ramsin on the course of the reconstruction work, that maximum difficulties would arise, culminating in 1931 in consequence of many delayed orders. Besides this, the political situation in Germany and England might be expected to yield in 1931 a better political constellation in Europe for the champions of intervention. (Statement made 16th October 1930.)

With respect to the rest of the saboteurs, who were

initiated to a less degree in the exact plans of the Central Committee of the Industrial Party, it may be seen from their statement that they were informed that the time chosen for the intervention was close at hand, that 1930, or at latest 1931, was to see the intervention, and that they adapted their work accordingly.

We can now pass from the work accomplished abroad by the saboteurs in preparation of the intervention to those activities within the Soviet Union itself which were directly bound up with the preparations for the intervention.

III. The Criminal Activity of the Industrial Party to Prepare an Intervention against the Soviet Union.

The work of the saboteurs organisation to carry out the instructions which it received from abroad, from the Trade and Industrial Committee and from the French governmental and military organisers of the intervention, was continued until recently, in fact, up to the arrest of the saboteurs. It is important that the character of this work before and after the year 1928 should be compared.

According to the statements of Ramzin the following sessions of the central leadership took place before it was reorganised and made into the Industrial Party.

The Character of the Anti-State Work of the Central Committee of the Industrial Party up to 1929.

First half of 1927.

1. A Session took place at the beginning of 1927 in the building of the Plan Economic Commission in Laritchev's office. The following were present: Laritchev, Paltchinsky, Rabinovitch and Ramzin. Paltchinsky and Rabinovitch informed the others of the existence of the Central Committee, and a programme of work was agreed to based on the assumption of the inevitability of an economic crisis and a counter-revolutionary coup d'Etat. The question of the necessity of timely preparations for the taking over of power and for the leadership of the economic system were discussed, in so far as, according to the opinion of the reporters, the leading rôle in the administration of economic life should fall to the engineers.

2. A Discussion in the Spring of the same year took place in the building of the Plan Economic Commission. The same persons were present. It was pointed out that the intervention was a completely practical possibility.

3. A Session of the Central Committee in the Spring of the same year took place. The following were present: Paltchinsky, Rabinovitch, Chrennikov, Laritchev, Ramzin, Tcharnovsky and Fyedotov. The session listened to a report by Paltchinsky on the instructions from emigrant circles concerning the work to lower the tempo of the development of industry and to create crises by causing disproportion to develop between the fundamental sections of the economic system. A discussion took place on the desirability of immediate sabotage. It was decided to consider the question according to industries. The delegates disagreed on the question of the monarchist principle or the bourgeois democratic republic. However, all persons present were in agreement concerning the necessity of setting up a military dictatorship in the first period following a counter-revolutionary coup d'Etat.

4. A session took place in the Building of the Engineers Association of the Soviet Union. The following were present: Paltchinsky, Rabinovitch, Chrennikov, Laritchev, Fyedotov, Tcharnovsky, Ramzin and Tchayanov. The question of a bloc with the counter-revolutionary Kondratyev-Tchayanov group was discussed.

5. A session took place in the Building of the Supreme Economic Council. The following were present: Rabinovitch, Chrennikov, Tcharnovsky, Paltchinsky, Laritchev, Ramzin and Strichov. The session discussed the concrete line of work with regard to the fuel supply industry and the metallurgical industry. The minimal variants of the Five-Year

Plan and of the annual plans were discussed with a view to: delaying the development of local fuel supplies, in particular peat and the coal in the Moscow area and the Kusnetz Basin; and causing deterioration in the supply of fuel for the metallurgical industry. With regard to the metallurgical industry it was decided to seek to delay the production of cast-iron and rolled iron so that it should not be more than from 6 to 8 million tons by the end of the Five-Year Plan. Further, it was decided to work for the creation of disproportion between the production and the demand of metal goods, and to delay the building of new metallurgical works and mines. On the political field the land question and the question of repaying the Tsarist debts, above all to France were discussed.

6. A Discussion took place in the Building of the ZEKUBU.*) The following were present: Paltchinsky, Rabinovitch, Chrennikov, Ramzin, Fyedotov, Tcharnovsky and Tchayanov. The questions arising out of two tactical variants were discussed:

Firstly the slow and gradual exclusion of the individual responsible communist colleagues by the influence of the engineering-technical Central Committee, and secondly a violent counter-revolutionary coup d'Etat with armed insurrection. The second tactic was declared preferable because, as Ramzin pointed out, the Central Committee was confident of an approaching overthrow of the government by an intervention. In the opinion of those present the time and the necessary forces for the intervention could be greatly reduced if parallel with the intervention an armed insurrection took place.

7. A Session in the Building of the Plan Economic Commission. The following were present: Rabinovitch, Laritchev, Ramzin, Fyedotov, Tcharnovsky, Chrennikov and Tchayanov. It proved that, thanks to the caste isolation of the Central Committee and the lack of supporting masses, the only hope was for an intervention. It was hoped to obtain a mass following through the Kondratyev-Tchayanov group and this was also an argument in favour of a bloc with this group.

8. A Session of the Central Committee in the Spring of 1927 in the Building of the Supreme Economic Council. The following were present: Paltchinsky, Chrennikov, Rabinovitch, Fyedotov, Laritchev, Krassovski and Tcharnovsky. Questions of the work in the textile industry were discussed. It was decided to work to hamper the development of the textile industry, to hinder the building of new factories, to cause an insufficient utilisation of existing capital investments, to hamper the introduction of new textiles and to create a disproportion between the half-manufactured goods. Krassovsky sketched the main lines of the work with regard to the People's Commissariat for Transport: to cause an insufficient utilisation of the rolling stock and in particular of the locomotives, and further, to slow down the development of the carrying capacity of the main lines to hamper the development of water transport and the fleet working on oil fuel. Paltchinsky reported on the desirability of establishing connections with the "Ru" group abroad, and Rabinovitch reported the existence of connections with Vorshantchik and the Polish government.

9. A Session of the Central Committee in the Building of the Plan Economic Commission. The following were present:

*) The Central Organisation of the Learned Professions,

Tcharnovsky and Ramzin. The session listened to Rabinovitch's report on the mining industry which sketched the planned hampering of investments, the hampering of housing, the hindering of scientific research work and of the electrical work in the Donetz Basin. In a report delivered by Strichov the plans were sketched for the work in the petroleum industry: the impeding of production, the delaying of the experimental boring operations, and individual delays with regard to the cracking plant with a view to reducing the Palchinsky, Rabinovitch, Chrennikov, Strichov, Laritchev, export of benzine. In accordance with a report of Ramzin on the Power industry, plans were adopted for the causing of crises in the supply of electricity at the most important points: the Donetz Basin, Leningrad, Moscow, Kisel, and the Kusniz Basin: the non-rational planning of electrical power works, a demand for foreign machinery and delays in the dates fixed in the building of power stations.

This was the work of the saboteurs organisation in the year 1927.

An analysis of these sessions proves that in the whole of 1927 up to the final crystallisation of the Industrial Party, the questions of sabotage work, which occupied the most important place in the work of the Central Committee, were chiefly concerned with retarding the constructive work. The intervention was regarded without any corresponding concretisation and working out of the plans.

In August 1927 the first meeting took place between Ramzin and Riabushinsky and the first establishment of connections with the French General Staff. This meeting increased and consolidated the connections with the Trade and Industrial Committee and the working methods and aims.

The Character of the Work of the Central Committee of the Industrial Party in the Years 1928-29.

The situation altered in 1928 in accordance with the general alterations of the political circumstances spoke of above.

In the first half of 1928 the sabotage activity of the Central Committee was of an elementary character. The session of the Central Committee in winter took place in the building of the Supreme Economic Council, and the following took part: Palchinsky, Chrennikov, Tcharnovsky, Kalinnikov, Laritchev and Ramzin. Palchinsky and Ramzin reported on the instructions they had received from abroad and informed the session that the earlier tactic had been approved.

It must be pointed out that the arrest of the Schachty group which took place in the first months of 1928 did not restrain the saboteurs in their work. On the contrary, just at that time the question of turning the Central Committee into a political party was considered. According to Ramzin, the arrest of a number of members of the Central Committee "had no influence on the activity of the latter". In connection with the arrest of Rabinovitch it was pointed out that greater care and conspiracy was necessary.

The three later sessions, of which the first was held in the Building of the Association of Engineers in the Soviet Union, Palchinsky, Chrennikov, Ramzin, Fyedotov and Tcharnovsky attending; the second in the spring in the building of the State Plan Economic Commission, Chrennikov, Kalinnikov, Laritchev, Fyedotov, Ramzin and Palchinsky attending, and the third also in the building of the State Plan Economic Commission, Chrennikov, Palchinsky, Ramzin, Laritchev, Fyedotov and Kalinnikov, dealt just with this question.

These three later conferences also dealt with the following questions: the report of Palchinsky that according to his information from abroad they might reckon on an intervention within two years, in 1930 and that it would be necessary for them to carry on their work in such a fashion that a general crisis could be brought about to coincide with the intervention. It was reported that France would be the leader of the intervention, that Russian industrialists had conferred with Briand and Poincaré and that the military leader of the intervention would be General Lukomsky. At the same time the candidates for the various Ministerial posts after the counter-revolutionary coup d'Etat were discussed. At the next session the question of these candidates was again discussed. The new methods of sabotage were discussed. These consisted in

making capital sterile by placing it in long-term and expensive building operations. And finally, at the fifth session of this period, the block with the Kondratyev-Tchayanov group was discussed as the main question.

The questions of the intervention began to mix themselves with the questions of sabotage in this period. In fact, the latter questions were even subordinated to the former without, however, the former questions assuming overwhelming importance.

In the second half of 1928 a decisive change took place in the work of the Central Committee. The arrest of Palchinsky, Chrennikov, Krasovsky and Strichov, following on the arrest of Rabinovitch, robbed the first Central Committee of the Industrial Party of its leaders and caused a temporary interruption of its work. In consequence it was the end 1928 before another session was held. Laritchev, Fyedotov, Tcharnovsky and Ramzin took part and it was decided to continue the work and to organise a new Central Committee. The above mentioned journeys abroad of Ramzin and Laritchev took place at this period, and the negotiations with the Trade and Industrial Committee and with French military circles. From this moment on the questions of intervention were placed definitely into the foreground and the whole work took its alignment from them. Ramzin declares that in the spring of 1929 a session of the new Central Committee took place, Fyedotov, Ramzin, Tcharnovsky, Laritchev and Kalinnikov attending. The following decision was arrived at:

"Our chief task is now to maintain ourselves until the beginning of the intervention: our main tactic must therefore be directed to preserving the head of the Industrial Party and its cadres, even if this is purchased at the price of a weakening of the leadership of the various branches of the organisation and its lower groups. This is all the more the case because the crisis has already begun and will inevitably deepen of its own accord. Therefore the work must be carried on with a maximum amount of care. With this end in view the former tactics of the minimal plans shall be abandoned absolutely, because they are impossible of accomplishment and obviously dangerous, and in this connection to review our plans if this be possible without risk. The work of the most prominent members of the organisation is to be transferred to the field of rational and technical undertakings, as their results will be of value to the future State" (Statements on the 21st September 1930).

The arrests in 1928 did not cause the abandonment of the work of the Central Committee owing to other reasons. The Statements of Ramzin on the 16th October contain the following:

"A second and not less powerful spur was the assurance conveyed by Laritchev and Ramzin at the end of 1928 from the Trade and Industrial Committee that there was firm hope of an intervention in 1930, i. e. in a short space of time. The fractional struggle which flared up in the Communist Party of the Soviet Union, the development of great difficulties in the collectivisation, the progressive economic crisis, the growing discontent of the broad masses, the speedy growth of the hold of the T.K.P. (Kondratyev's group) on the masses and the financing of the Industrial Party by the Russian emigrants, all these facts formed the basis of the calculations for the success of a counter-revolutionary coup d'Etat which was the next task of the Industrial Party.

"Under such circumstances the activity of the Industrial Party was, of course, continued, but noticeably reduced. The chief task here was the preservation and careful increase of the cadre of the Industrial Party, the consolidation of the tactical relations with the T.K.P. and the efforts to maintain the organisation until the time of the intervention. (Statement of the 16th October 1930.)

The new destruction of the Central Committee took place in the spring of 1930 with the arrest of Fyedotov and Laritchev. But this also did not lead to the stopping of the activity of the Industrial Party as Ramzin seeks to prove in his statement of the 21st September:

"I cannot remember any further session of the Central Committee Industrial Party throughout the following period. Up to the last destruction of the organisation by the arrest of Fyedotov and Laritchev I came into touch

only with individual members of the Central Committee or with small groups."

The Criminal Activity of the Central Committee of the Industrial Party in the Year 1930.

This contention of Ramzin is refuted by a series of statements made by others of the accused concerning plenary sessions in the years 1929/30. For instance, Kalinnikov declares (on the 31st October 1930):

"The Central Committee of the Industrial Party organised two conferences on its own initiative: one to receive the report of Gintzburg on the economics of industry in 1930. Sokolovsky, Byelozerkovsky, Schein*, Tcharnovsky, Laritshev and myself were present. The session took place under the chairmanship of Schein and in his room in the Scientific-Technical Institute of the Supreme Economic Council. The second conference was held in the building of the State Plan Economic Commission in Laritshev's room in order to hear the report of Gromann on the general economic trend of 1930. I did not attend this second conference and cannot say who was there.

With regard to the estimation of the economic situation to be expected for 1930 these conferences came to very similar conclusions, namely that production and investments in building would experience great difficulty with regard to the supply of fundamental raw materials and building material and chiefly with regard to finances and the supply of food. This analysis of the economic trends of 1930 was not unexpected for the Central Committee of the Industrial Party as its members were already aware of these circumstances at the time the Five-Year Plan was drawn up. Still greater economic difficulties are to be expected for the summer of 1931."

Kalinnikov goes on:

"... Laritshev postponed the information of K. . . until the next session of the Central Committee of the Industrial Party at the beginning of January 1930, at which Ramsin, Laritshev, Tcharnovsky and I were present."

"At this session the C.C. of the Industrial Party adopted the resolution on the intervention. This was done at the proposal of Ramzin. It was decided to begin with the work of organising military groups of members of the Industrial Party in the institutions of the Red Army."

Fyedotov declares (on the 30th October 1930):

"At the end of 1929 I met Tcharnovsky at his request in the Scientific-Technical Institute and had a long talk with him."

"Above all, he informed me that the S.I.O. (Union of Engineer Organisations) continued to exist despite the arrests and was transforming itself into an Industrial Party of which Ramzin was chairman whilst the members of the Central Committee of the party were Tcharnovsky, Laritshev, Kalinnikov and Fyedotov. I expressed astonishment at the fact that I had been elected a member of the Central Committee without my agreement, but he calmed me by declaring that the Bureau of the Central Committee had never once met and that now, in view of the necessity for greater care, would not meet. It had therefore been decided that the Bureau should do nothing."

The investigation material gives exact information concerning another side of the activity of the accused, namely concerning an extraordinary session of the C.C. of the Industrial Party in May 1930. This session was kept particularly secret and this was the reason why Ramzin, Kalinnikov, Tcharnovsky, Fyedotov and Laritshev, who were already arrested at that time, said nothing about it in their first statements (March/April 1930).

Under the influence of these statements Ramzin had to admit that he had not told the whole truth on the 21st September. The motives for his attitude are quite understandable. It is sufficient to look at the agenda of the session in this period.

Finally, on the 3rd November 1930 Ramzin declared the

*) The activity of the persons named here is being made the subject of a special inquiry.

following. Above all, he supplemented his statements concerning the year 1928 with a series of conferences in which the new members of the C.C. took part, and which dealt chiefly with the reports of Ramzin and Laritshev concerning their journey to Paris in the autumn of 1928, and with the carrying out of the instructions which the two had received in conferences with co-operators of the French General Staff after personal relations had been established with agents of the French Secret Service in Moscow.

As far as the year 1929 is concerned, the following was decided upon in the five conferences which Ramzin now admits:

In the first conference Ramzin and Laritshev reported on the intervention on the basis of information which they had received from French agents in Moscow. It was stressed that the intervention would take place in 1930 and that it was necessary to have caused an economic crisis by that time. A discussion took place on the methods of joint action with the counter-revolutionary Kondratyev-Tchavanov group, the methods necessary to aggravate the food crisis in the summer of 1930, and the methods for the organisation of peasant uprisings.

At the second conference Ramzin reported on the persistent demands of the agents of the French Secret Service and of the French General Staff that the work for the formation of military groups in the Red Army should be accelerated. The Industrial Party was instructed to make the necessary inquiries.

The third conference discussed the question of the formation of an organisation for carrying out diversions. In accordance with the special instructions of the French General Staff the members of the Central Committee were acquainted with the tasks they were expected to perform with regard to the power industry, the war industries the railway system, etc.

At the fourth session it was reported that the date of the intervention had been postponed until 1931.

In the final session a report was made concerning the creation of a military organisation, and the final composition of the government to follow the counter-revolutionary coup d'Etat was decided upon.

In this way the whole work of the saboteurs in 1929 was concentrated on the preparation of the intervention and the activity of the saboteurs became feverish.

And finally for the year 1930 Ramzin mentions two sessions. One of these sessions dealt with new tendencies in the Industrial Party aiming at an armed insurrection and the seizure of power with internal forces. This idea, however, was rejected. Instead the question of organising systematic terrorist acts against communists in the villages was considered, whereby the discontent of the Kulaks was to be exploited. It was decided to discuss this question again in the spring with the Kondratyev-Tchavanov group by which time the general situation would have become clearer.

And then in May 1930 a session of a similar character took place.

To sum up: speculation on an intervention; espionage; diversions; military work and sabotage activity with a view to supporting a foreign military intervention — that was the essence of the last period of the activity of the Industrial Party. Sabotage gave way to new and sterner methods because, as Ramzin said, "the crisis had already begun".

The Criminal Activity of the C. C. of the Industrial Party to Cause an Economic Crisis in 1930.

It is now necessary to consider the role played by the work of the accused and its influence on the development of the crisis.

Ramzin gives the following information concerning the general work which had preceded the setting up of the special task of causing a crisis in 1930:

"The fundamental and general aim for all branches of industry was above all to limit the tempo of their development. Further, the following measures were decided upon at the sessions of the Central Committee and at meetings of individual groups of the organisation:

1. Metallurgical Industry. a) to reduce the tempo of development. This is made particularly clear by a

comparison of the old Five-Year Plan which was set up under the influence of the Central Committee and stipulated the figure at 7 million tons of cast iron, with the last Five-Year Plan with 18 million tons, i. e. the old Five-Year Plan was two and a half times smaller; b) a lack of agreement between the assortment of metals and the demand; c) a disproportion between the production and the demand for certain metal commodities; d) the holding up of building work and work for the extension of the factories and the coking plants.

2. Textile Industry. a) a slow tempo of development; b) the building of new factories without a proper supply of raw materials; c) a disproportion between the supplies of and the demand for certain war materials; d) delays in the introduction of new textiles.

3. People's Commissariat for Ways and Communications. a) incorrect and irrational usage of the rolling stock and the locomotives; b) the rendering of effective locomotives useless; c) the holding up of the development of the carrying capacity of the most important lines, for instance Don Basin to Moscow, Kusnetz Basin to the Urals. The fuel supply to be endangered also; d) despite the inevitability of an acute shortage of coal for fuel in the Don Basin, measures to be taken to place locomotives in readiness for the consumption of this coal, although this question is one of the most important in the whole complex of fuel problems; e) no work for the improvement of the economic consumption of fuel in the locomotives by the planning and construction of new types; f) considerable lagging behind in the development of the oil fleet which represents one of the weakest points in the oil supply.

4. The Oil Industry. a) slowing down of the tempo of development by the limitation of boring operations; b) considerable lagging behind of the experimental boring, which is at the same time a factor in the slowing down of the development of oil production, and also the inevitably increasing number of empty shafts; c) incorrect utilisation of the oil gases; d) slow tempo of the building of pipe-lines; e) slowing down of the development of rational oil line equipment and as a result a yield of inferior assortments of oil products; f) considerable delays in the developing of the cracking plants.

5. The Coalmining Industry. a) considerable reduction of the tempo of production in all districts, but particularly in Moscow and the Kusnetz Basin; b) considerable delay with regard to boring experiments so that the tempo of development is lowered and the number of useless pits increased; c) considerable delay with regard to the investment work and the building of houses, which is one of the chief hindrances to the development of coalmining; d) a crisis in the power supply in the Don Basin, the Kusnetz Basin and in Kisel, so that the development and the level of mechanisation are limited; e) slowing down of the mechanisation of coal production thus aggravating the labour and housing problems.

6. The power industry. a) slowing down of the tempo of electrification; b) the causing of crises in the power supply at the most important points, the Don Basin, Leningrad, Moscow; c) the slowing down of the building of power stations and the extension of the building periods double and triple so that capital is tied up, including considerable quantities of monetary capital, whereby temporary crises in the supply of electrical power are caused; d) non-coincidence of the dates at which individual sections of the power stations are completed and the dates at which individual sections of the equipment arrive, thus also causing capital to lie unused; e) expensive productive costs for the building of power stations as a result of irrational planning; f) delay in the building of heating plants.

7. The Fuel Supply. a) considerable reduction of the tempo of the fuel supply industry; b) reduction of the production of local fuel, particularly peat and coal in the Moscow area; c) limitation of the tempo of development in the Kusnetz Basin; d) delay in the measures for the improvement of the quality of the coal for smelting purposes, and as a result a worsening of the quality of coke and metal." (Statement on the 21st September 1930.)

The sabotage work in this direction was begun by the old engineering Central Committee. The new Central Committee which began to work in the second half of 1928, strengthened the work for the causing of a disproportion in connection with the new aim of producing a crisis in the year 1930, particularly as the carrying out of the old tactic especially in the plan work was made practically impossible, as Ramzin says, "as a result of the energetic carrying out of the general policy of the Communist Party of the Soviet Union".

"The fundamental measures in industry", declared Ramzin, "had to be directed towards aggravating the already inevitable economic difficulties . . ."

Continuing, Ramzin declared that as far as he was aware there had been no definite concrete plan for the causing of an economic crisis at the moment of the intervention. "The chief task of the Industrial Party consisted in a systematic work and the direction of the economic system so that by carrying out the above mentioned measures **the economic difficulties would be acutely aggravated and in this way a favourable basis for the intervention created.**" (Statement on the 21st October 1930.)

In general the saboteurs saw the 1930 crisis in the following form:

"A particularly acute crisis was to occur with regard to the **fuel supply** in the central industrial area and in the North-West district, and this would then immediately develop into a **catastrophe** with the military interruption of communications with the Don Basin and as a result of the **weak and obviously insufficient development of the production of local fuel such as the peat and coal in the Moscow area**, and the unpreparedness of the consumers for its broad and rational utilisation. A similarly acute crisis was to develop in the **metallurgical industry**, and particularly in the war industries, **as a result of the retarding of the development of the metallurgical industry.** Here also the military interruption of connections with the metallurgical south would cause an immediate catastrophe. The cutting off of the Don Basin with its coke and benzol industry was to cause similar catastrophic consequences for the chemical war industry. With regard to the **textile industry disproportion in a special form was arranged for the year 1930** between the productive possibilities of the textile factories and the supply of raw materials, particularly of a native origin. This would have led to a closing down of the factories and, after the cutting off of foreign supplies, to the destruction of the textile industry altogether. With regard to **transport**, its development lagged so far behind the general tempo of the growth of the economic system, particularly with regard to connections with the south and the east, that the transport difficulties would inevitably have increased greatly by 1930. The crisis in the fuel supply plus the unpreparedness of the railways for a large-scale utilisation of the local fuel supplies, would then have created a transport catastrophe.

"In this way the system of measures adopted by the Industrial Party were to have led about the year 1930 to a general economic crisis and to have formed the basis for considerable discontent on the part of broad masses of the population with the result that insurrections and strikes would finally paralyse the economic life of the country. The separation of the industrial south from the centre of the country was to play the main role in the final accomplishment of the crisis." (Statement on the 31st October 1930.)

Ramzin also points out what the saboteurs succeeded in accomplishing in each of these branches of industry. Ramzin administered the power industry. He says:

"**The creation of crises in electrical industry.** The general direction of the work of the Industrial Party was directed here also above all towards reducing the tempo of the power stations. It is sufficient to point out that in the Five-Year Plan of the State Planning Commission the production of district power stations was given at from 10 to 14 milliard kilowatt hours, whilst their production is now given at 20 milliard kilowatt hours. The Industrial Party, however, paid particular attention to

the production of crises in the electrical supply in the most important districts, i. e. in the Don Basin, in Moscow, Leningrad, the Urals and the Kusnetz Basin:

"a) Thanks to the systematic delay in the building of the power stations Shterov and Suyevo the Don Basin is still experiencing a power supply crisis and is now feeling this crisis particularly sharply. The building of the latter power station was delayed by the State Planning Commission of the Soviet Union, chiefly through Professor A. A. Agorey, under the pretext of the possibility of meeting the demand for power by fetching it from Dneprostroy. The building of the Shterov power station was greatly delayed for a number of years owing to the ordering of irrational equipment (insufficiently strong turbines, a clumsy and extremely complicated system of firing, the use of irrational furnaces of a French type instead of the reliable American types, etc.). The dates of delivery did not coincide with the dates for the fitting of the individual parts of the equipment, unsystematic ordering of equipment abroad, etc.

"The Don Basin is therefore not equipped with a power station and this delays the mechanisation of production, increases the labour and housing difficulties and represents a retarding factor for the development of the Basin as a whole.

"b) For a number of years Leningrad has been experiencing a permanent crisis with regard to power supply as a result of the insufficient strength of the power station, the wear and tear of the equipment and its unreliability, particularly with regard to the Turbo-generators of the old stations. The exclusion of individual machines from use frequently caused the necessity of cutting off consumers. The reason for this crisis is the delay in the extension of the existing stations and in the building of the Leningrad station.

"c) The Moscow City Power Stations (M.O.G.E.S.) are in a similar situation because the strength of the stations is not capable of satisfying the demand. The result is that new consumers cannot be taken on and large and irrational expenditure must be permitted for the building of small stations. This situation came about as the result of the delay in extending and modernising the works in Kashira and the delay in building the works in Bobrikov. For the works in Kashira "Resolutor" dynamos were ordered which could not operate on the flinty coal of the Moscow Basin and which demand a pause for repairs about every 150 to 200 working hours. Further irrational furnaces were built here.

"The result is that the boilers of the Kashira works have a low capacity and a very low level of efficiency even after an expensive and protracted refitting.

"d) Similar crises of power supply are present in the Urals and in the Kusnetz Basin.

"2. Forcing up Power Station Costs. The costs of building power stations were forced up by the systematic carrying out of a series of methods at the time of the planning.

After Ramzin had enumerated these methods, he continued:

"Without going into technical details it can be said in general that the cost of the kilowatt hour produced by our stations was about 350 roubles and even rose to 400 and 450 roubles, as against a possible cost of 250 roubles. In this way the working costs of the stations were about 40% higher than necessary, whereby a considerable part of this extra cost was in monetary capital.

"3. Hampering the Heat-producing Industry. The heat-producing industry is one of the most rational and effective methods on the field of power supply because it represents a great saving of fuel and investments. Without opposing the indisputable advantages of the Heat-producing industry, the Industrial Party succeeded in causing in the beginning an absurdly dilettante attitude towards this question. For instance, for Moscow it calculated the possible strength of heat-supply at from 40,000 to 50,000 kilowatt hours instead of the thoroughly possible 300,000 to 400,000 kilowatt hours. Exactly in this fashion the "Electrostrom" gave a figure of approximately 40,000 kilowatts instead of a possible 150,000.

"Chiefly based on the M.O.G.E.S. and the "Electrostrom" the Industrial Party succeeded in causing a delay in the heat-producing industry of at least two years . . .

" . . . The carrying out of the fundamental plans of the Industrial Party with regard to the power supply was guaranteed by the fact that the chief bodies which completely controlled the solution of the various questions were fully in the hands of the Industrial party . . .

" . . . The general leadership of the work of the Industrial Party with regard to the power supply was carried out by me." (Statement on the 3rd November 1930.)

With regard to the fuel supply Ramzin points in his Statement of the 3rd November to the following minimal plans of the Central Committee of the saboteurs which were adopted by the State Planning Commission but afterwards altered and extended by the operative State organs:

"The main aim with regard to the fuel supply was above all the slowing down of the tempo of production and of the preparatory investment and investigation work connected with it. In order to characterise the successes of the Industrial Party in this connection it is sufficient to compare the figures for fuel supply contained in the Five-Year Plan of the State Planning Commission pushed through by the Industrial Party for the year 1932/33 with the latest calculations for the same year:

	State Planning Comm. proposal in millions of tons	Latest Stipulations	Increase
The Don Basin	50	75	1.5 fold
Kusnetz Basin	6	19	3.1 fold
Moscow Coal Basin	4	10	2.5 fold
Ural Coal District	6	11	1.8 fold
Peat	15	33	2.2 fold
Oil	20	42	2.1 fold
Total production calculated on the fuel index	100	180	1.8 fold

"These figures show that the tempo of fuel production was set almost 50% below the possible level." (Statement on the 8th November 1930.)

Laritchev who carried out the sabotage work in the fuel supply industry, declared:

"I was entrusted with the working out of all questions connected with the fuel supply, and with the working out of measures to lead to a fuel supply crisis. In general these measures were as follows: the drawing up of the daily and future plans for the fuel supply was carried out in such a fashion that the fuel situation remained constantly strained and the fuel supplies in the country were held at an extremely low level. Such a situation would in case of the least transport stoppage inevitably have led to the collapse of the fuel supply and the paralysing of the factories.

"The chief measure of the sabotage activity in this direction was the reducing of the plans for the development of the fuel supply in disproportion with the general growth of demand, and above all the development plans of the basic fuel supply districts of the Soviet Union the Don Basin and the Kusnetz Basin. The Don Basin occupies the most important position in the fuel supply of the Soviet Union.

"The sabotage activity was directed to reducing the plan for the development of the Don Basin, to the delaying of the reconstructive work and of the extension work of the existing pits. The situation created by the sabotage organisation in Shakhty with regard to the pits in the Donetz Basin (particularly in the large pits), was not repaired in the following years. In its further development the Don Basin could therefore not rely upon this group of pits, and the number of pits deepened yearly did not increase between 1925 and 1929, on the contrary, it decreased . . .

"With such a plan of development of the Don Basin and its actual carrying out, a great crisis in the fuel supply industry must have occurred in 1930, in accordance with the general directives of the Industrial Party concerning the preparation for intervention in this year.

"The Kusnetz Basin with its tremendous possibilities of a speedy development is of especial importance as a powerful mobilisation basis. As a basis for the fuel supply in the heart of the country, free from the danger of invasion and destruction at a time of military action, the Kusnetz Basin should have been prepared at any time for a production considerably exceeding the local demand and should have been considered as a district of importance for the whole Soviet Union and in particular for mobilisation. This role of the Kusnetz Basin was deliberately disregarded by me and by the whole sabotage organisation of the State Planning Commission in accordance with the instruction of the Industrial Party when working out the Plan for the development of the district. Obviously reduced tempi were given when the Five-Year Plan was drawn up and in particular in relation to the tasks of the years 1930/31. Apart from the development of the basic fuel supply district, the Don Basin and the Kusnetz Basin, the development of local fuel supply is of tremendous importance for the whole fuel supply plan and in particular in relation to the defence of the country (the local coal fields, peat, etc.). In particular this is important with regard to districts which are greatly dependent on fuel supplies brought from great distances, for instance, the Leningrad district, the central industrial district and the Ural district . . .

" . . . The weakness of the existing transport facilities of these fundamental fuel supply districts, increased by the general disorganising work of the Industrial Party would have quickly led to the complete paralysing of the fuel supply in a period of crisis or military action and would have made it impossible to utilise a district like the Kusnetz Basin of such importance for mobilisation . . .

" . . . The impeding of the development of oil transport and the creation of an obvious disproportion between the production of oil and the existing transport means, waters and railways, belong to the sabotage measures directed towards the destruction of the fuel supply." (Statement of 3rd November 1930.)

Referring to the metallurgical industry **Ramzin** declares:

"The minimal rates of development carried out by the Industrial Party in the metallurgical industry can be seen by a comparison of the figures of cast iron production according to the Five-Year Plan of the State Planning Commission (eight to ten million tons) with the latest figure of seventeen million tons or almost twice as much. This slowing down of the rate of development in the metallurgical industry whilst simultaneously increasing the extent of the investment works led inevitably in 1930 to an acute shortage of metal and to a crisis in the metal supply: It is sufficient to point out that the deficit of sheet iron increased from year to year and in 1929/30 had reached 37%.

"The metal shortage is made still more acute by the fact that the assortment of metals do not fit the demand and that also a disproportion exists between the production and the demand for individual metallurgical commodities. The metal shortage was aggravated by irrational usage."

Tcharnovsky, who directed the sabotage work in the metallurgical industry, declared:

"With regard to the supply of the metal working industries with metals, our main aim was to create a deficit of supply in all forms of metal and half manufactured goods to meet the needs of the People's Commissariat for Ways and Communication and other official institutions. This was done above all by slowing down the tempo of development of the smelting industry: a) the so-called great metallurgical industry, that is the production of the metal works of the Don Basin and the Urals, and b) the small metallurgical industry which is the mechanical and engineering work of the central industrial district and the north west district.

"The deficit in the metal supply created an immediate threat to the development of all branches of industry and transport, a most important factor in the defence of the country, using the products of the metallurgical industry, and thus created apart from crisis and congestion in

production, a dangerous situation for the defence of the country at a moment of intervention when not only arms and ammunition but every locomotive and every waggon is of importance as a means of defence.

"In particular the delay with regard to repairs and the reconstruction of workshops for the production of wheels and axels for locomotives and waggons in the works of the great metallurgical industry during the course of the last three or four years was a considerable hindrance to the repairing of rolling stock units as the production of these parts which continued in the factories of the small metallurgical industry met with difficulties owing to the poor quality of the metal and was unable to meet the growing demands of the People's Commissariat of Ways and Communications and the waggon factories which are considerably increasing their production. The same is true of the other individual parts of the rolling stock, the springs, the couplings, etc. whilst a timely solution of this task by the setting up of special workshops for the centralised production of the axels by rolling and forging, of the bandless wheels by rolling (or by casting the wheels of steel by the Griffin system) and also for the centralised production of springs, couplings, etc. would have made possible the complete development of the means of transport, would have guaranteed the development of waggon building and in part of locomotive building and thanks to the timely centralised methods of production would have made possible considerable economies in material.

"The delay in the solution of the tasks mentioned will bring our railway transport into a chronic state of shortage with regard to these parts and abolishes at an acute moment of intervention the possibility of speedily overcoming this difficulty as a result of the inevitable increase of demand for these parts.

"The slowing down of the tempo of development in waggon building, locomotive building and in the building of river steamers is also of considerable negative importance in the case of an intervention . . .

" . . . Similarly, the development of many engineering works for the supply of the chemical industry was held up to the damage of our defensive capacities in case of war or intervention. The production of chemical apparatuses is made difficult by the unpreparedness of our metallurgical industry to produce special sorts of steel, acid resisting steel, non-rusting steel, steel which is capable of standing high pressure and high temperatures under the effect of acids. The slowing down of these forms of production creates extremely unfavourable conditions for a series of forms of production which supply the war industry, including the production of explosives . . .

" . . . Not less behindhand is the development of the production of lathes, of essential importance not only for general production but also for defence, for instance for the manufacture of arms and ammunition, etc. of which we were able to convince ourselves by the experience of the world war. Tool making is of similar importance in this respect and its development is also very backward. These two branches of industry which are of essential importance in case of war or intervention, demand the greatest attention, but in fact they have only received stimulation in their development quite recently. For instance the plans for four factories for the production of lathes were put forward for confirmation only in 1930. This delay was due to the sabotage work with regard to the setting up of plans for the various branches of industry . . .

"A general conclusion may be drawn that with the close connection of all branches of the metallurgical industry and in particular the engineering industry, there is no single branch which has not suffered as a result of the incorrect organisation of the engineering industry, and in case of an intervention the branches supplying military equipment will suffer directly as also will work and connections in the hinterland." (Statement of the 3rd November 1930.)

Finally **Fye-otov** declared in the textile question:

"The work for the preparation of crises in industry

leading to the closing down of the factories, to commodity shortage and therefore to dissatisfaction amongst the population became the main work of the sabotage organisation in recent years. Individual acts of sabotage were considered as too dangerous and not in accordance with the aim. On the other hand, however, the destruction of the systematic preliminary conditions led to serious difficulties.

"In order to prepare the way for the intervention it was necessary to accelerate the crisis and bring it about in 1930. In the textile organisation the work in this direction began as early as 1927 and was continued in 1928 in accordance with the instructions and demands from abroad and the guidance of the Union of Engineer Organisations." (Statement of the 2nd October 1930.)

This was the work of the saboteurs to produce crises.

This work was supplemented by other parallel work which took on a greater and greater significance and became the chief work of the Industrial Party in 1929/30. The analysis of this work gives conclusively the possibility of determining what the Industrial Party became finally as the result of its close connection with the organisers of the intervention.

According to the statement of the saboteurs themselves the work was determined upon, by them as follows:

"The tasks and instructions received from abroad, declares Ramzin," can be divided into three categories:

"1. Informational tasks aiming at obtaining information concerning the political, economic and military situation of the Soviet Union;

"2. organisational tasks in special organisational questions;

"3. operative tasks and tasks with regard to the plan economy; and

"4. diversions." (Statement of the 31st October.)

The concentration on espionage and treason in the work of the Industrial Party in this period is clearly seen from the mere enumeration of these tasks.

In order to carry out this whole work and to co-ordinate it with leading circles abroad it was necessary to have, 1. money; and 2. a correctly built up organisational apparatus for connections. And these two questions received great attention from the leaders of the C.C. of the Industrial Party. This work was continued down till quite recently.

The information on the question of the organisational connections with the foreign organisers of the intervention for espionage and treason gives the following picture according to the evidence produced.

The Connections of the Industrial Party with the French Agency in Moscow.

As early as the first meeting between Ramzin and Riabushinsky in Paris in August 1927, the latter mentioned a certain Mr. K. who lived in Moscow, a person through whom it would be possible to maintain connections with the Trade and Industrial Committee. Ramzin then took up this connection. In Moscow in the middle of 1928 he made this Mr. K. acquainted with the accused Kalinnikov and Laritchev. Mr. K. is a French citizen, and according to his own statement he holds a certain position in the hierarchy of the French government service in the Soviet Union.

A second connection existed through the mediation of a French citizen Mr. R. who lived in Moscow and was organised with the assistance of the chairman of the Trade and Industrial Committee, Dennisov in October 1928 in Paris. According to the statements of Ramzin this Mr. R. is an official of the French government in the Soviet Union.

These two persons were the chief mediators between the C.C. of the Industrial Party and the Trade and Industrial Committee and the French General Staff.

In 1929, according to the statements of Ramzin, Mr. R. declared in the name of a rather high official of the French government to Ramzin at one of these meetings, that the French General Staff was dissatisfied with the existing means

of communication, because they went a roundabout way over official personalities. The French General Staff therefore considered it necessary to organise a direct connection with the military members of the Industrial Party, and proposed for this purpose a Colone, Richard, a member of the French General Staff, whom Ramzin met in October 1928 after a conference with Colonel Joinville.

The connection with Mr. K. was agreed upon as early as 1927 at the meeting with Riabushinsky. Mr. K. was to visit Ramzin in Moscow.

The meeting took place in the beginning of 1928 when Ramzin introduced Mr. K. to Palchinsky in the Z.E.K.U.B.U. After that, declares Ramzin, met Mr. K. twice in 1928 in his (Ramzin's) own rooms where he introduced Mr. K. to Kalinnikov. At the end of 1928 they met in the rooms of Laritchev where Mr. R. was also present. The latter was to visit Ramzin in Moscow in accordance with the agreement with Dennisov in Paris. This meeting was to take place in the rooms of the Thermal-Technical Institute under the pretext of Mr. R. wishing to view the Institute. Mr. R. was to hand Ramzin a letter from a certain official French institution. This actually took place in November 1928. This letter, which was written in Russian, contained the request to permit French engineers to visit the Institute and to grant facilities to the bearer of the letter.

** After this Ramzin, according to his own statements had three meetings with Mr. R. in the second half of November 1928. In the rooms of Kalinnikov he introduced Mr. R. to Otchkin. That was in the spring of 1929. At the end of 1929 they met in the rooms of Otchkin. At the first meeting with Mr. R. the ways to establish a correspondence with the French General Staff through a certain French institution in Moscow were decided upon. Apart from personal meetings a connection through third persons was established, in this case through Otchkin and the engineer of the Elektro-import, Gordon. Mr. R. also undertook to forward the correspondence of the saboteurs to the Trade and Industrial Committee (Statement of Ramzin on the 31st October 1930). Finally Ramzin received, according to his own statement of the 25th October, the last news from Mr. R. in February or March 1930. This news referred to his temporary absence from Moscow abroad. Thus correspondence between Ramzin and Mr. R. lasted until quite recently (March 1930).

The persons mentioned in these statements of Ramzin and implicated in the whole affair, Kalinnikov, Laritchev, and Otchkin completely confirm Ramzin's statements. In his detailed statements of the 31st October, Kalinnikov declares that the connection with French governmental circles and the Russian white guardist emigrants of the Trade and Industrial Committee was maintained in the beginning by Chrennikov and Fyedotov and in part by him, Kalinnikov.

The connection, he declares, was maintained in Moscow through . . . over Mr. K. and Mr. R. and Ramzin. And further also through a highly-placed person . . ." (31st October 1930).

Concerning his personal meetings with the persons mentioned, Kalinnikov declares that his meeting with Mr. K. in autumn 1928 took place in the foyer of the Chamber Theatre during a first night of "Natalia Tarpova". Why he met Mr. K. in the Chamber Theatre he explains rather peculiarly:

"On the occasion of the meeting with Mr. K. in Ramzin's rooms I learned that the personnel of the . . . were very much interested in the performances of the Chamber Theatre and never missed a first night. I therefore went to the first night of "Natalia Tarpova" in the hope of seeing Mr. K. there. And in fact I met Mr. K. there in the foyer during the first pause. Mr. K. was accompanied by two ladies and a gentleman whom Mr. K. introduced to me as Mr. R.

"During the next pause Mr. K. informed me that he had met Ramzin and Laritchev a little while before and that he had made statements to them concerning the date of the intervention and the plans for its carrying out. Mr. K. repeated in detail the information given by Ramzin to the C. C. of the Industrial Party and which I have given above.

"The new item which I learned from Mr. K. was his

wish to know the opinion of the C. C. of the Industrial Party concerning the date fixed for the intervention, and also to know what economic state was to be expected in the Soviet Union for the middle of 1930." (Statement on the 31st October 1930.)

The control of the foreign connections, according to Laritchev on the 31st October 1930, that is to say the connections with the Trade and Industrial Committee and with the French General Staff, was concentrated in the hands of Ramzin.

"All the negotiations concerning the preparations for an intervention were conducted by Ramzin through a certain Mr. R. Apart from Ramzin, Kalinnikov also maintained connection with this Mr. R., and I once saw Mr. R. in Kalinnikov's rooms (in autumn 1928). Through Mr. R. Kalinnikov received reports and instructions concerning the preparation of an economic blockade against the Soviet Union. Here also, France was the initiator."

"In the spring of 1928 Ramzin introduced me to the second French agent, Mr. K. The meeting took place in Ramzin's office at about 11 o'clock at night. At Ramzin's suggestion I was to maintain connections with Mr. K. in order to receive documents and money from the Trade and Industrial Committee, and to send on our part the reports and answers of the Industrial Party to individual questions. . . The money and the letters came from Mr. K. to me or to Ramzin at our rooms, usually at about 11 o'clock at night. In order to increase the circle of people through whom news could be sent and in order to prevent attracting attention by frequent visits of the same person, I introduced Mr. K. in November 1928 to Kalinnikov on one occasion when he was visiting me."

The third person mentioned in the evidence of Ramzin, Otchkin, also makes a statement:

"Professor Ramzin told me himself that on one of his journeys to Paris he had received instructions from French government circles to make the acquaintance of a Mr. K. in Moscow with a view to establishing connections between the Industrial Party and France.

"At the end of 1929 Ramzin then introduced me to Mr. K. in the office of Ramzin in the Thermal-Technical Institute. He called me through his secretary Sporova, I believe, and introduced me to a stranger who he said was Mr. K. a collaborator of the . . . In the presence of Mr. K. who spoke Russian fairly well, Ramzin informed me that I would have to give Mr. K. written reports from him, Ramzin. He did not inform me that the character of these reports would be that of espionage in the interests of France, but I understood from the tone of our short conversation with Mr. K. that Ramzin had given me a task of a purely espionage character.

"I must add that he made his proposal that I should maintain connections with Mr. K. very definitely in the tone of a superior, in a tone which brooked of no contradiction. At this interview I learned nothing concerning the practical side of his relations with Mr. K.

"About a month later Ramzin called me into his office and handed me a large closed packet without any inscription. Ramzin declared that I was to hand this packet over to Mr. K. When I asked how I should find Mr. K., Ramzin answered that Mr. K. would ring me up."

"And in fact on the same day, about half an hour later, I was called to the telephone by Ramzin's secretary Sporova. A person whose voice I did not recognise informed me that the speaker was the person to whom I had been introduced a month ago in Ramzin's office, and that I had a packet to hand over to him, the speaker, that I had just received from Ramzin. The speaker proposed that I should be at the General Post Office at 6 o'clock sharp where he would be waiting for me.

"I was at the Post Office in the Miaznitzkaya Street punctually at 6 o'clock and I met Mr. K. there who deman-

ded the packet Ramzin had given me. I gave him the packet and then we parted, going in different directions."

"Two months later Ramzin handed me a second packet in his office for Mr. K. Mr. K. again called me to the telephone through Ramzin's secretary Sporova. We discussed an appointment and he proposed that I should meet him at 5 o'clock sharp on the corner of the Hotel Metropole on the Sverdlovsk Square. I met him as arranged and gave him the second packet from Ramzin. After these two meetings I did not see Mr. K. again."

"I became acquainted with Mr. R. the collaborator of . . . in the second half of November 1928 under the following circumstances: Ramzin called me to him in his rooms one evening. I found a stranger there and Ramzin introduced me to him as Mr. R.

"Ramzin instructed me to organise a visit to the Thermal-Technical Institute for a party of French engineers. Two or three days after I met Mr. R. I organised this visit together with the engineer on duty at the Institute. I cannot remember whether or not Mr. R. was amongst the engineers who visited the Institute.

"I met Mr. R. again about a year later, i. e. at the end of 1929. Either in November or December (I cannot remember exactly when it was) Ramzin called me to him in his rooms one evening and asked me if he could come with Mr. R. to my rooms to discuss a business matter.

"As at that time there was no one in my rooms, not even my wife, I agreed. About a quarter or half an hour later Ramzin arrived in his motor-car with Mr. R.

"In order not to disturb them I went into the next room and left them together.

"Ramzin's talk with Mr. R. lasted about half an hour, after which they both left in Ramzin's motor-car. I must add that during the second meeting between Ramzin and Mr. R. the latter received a packet from Ramzin whilst I was present. I do not know what was in this packet.

"Ramzin requested me to say nothing to anyone about his meeting with Mr. R. I never saw Mr. R. again."

(Statement of the 31st October 1930.)

The other members of the C. C. of the Industrial Party, Fyedotov and Tcharnovsky confirmed the existence of this connection between Ramzin and the French agents mentioned.

The Espionage Activity of the Central Committee of the Industrial Party.

As far as the espionage activity of the industrial Party is concerned, *Ramzin's* statements contain information about such work. He declares:

"**Informational Tasks.** 1. In accordance with the instructions given by the Trade and Industrial Committee in October 1928 in Paris, the Industrial Party sent quarterly reports from about the end of 1928 to this committee concerning the economic situation of the Soviet Union. These reports were put together chiefly by the specialists in the State Economic Commission under the instructions of Professor P. S. Osadtchy, Laritchev and Kalinnikov. They contained a general survey of economic trends and the most important features for the most important industries: fuel supply, metals, textiles, chemicals, food, forestry, building, electrification, the general situation of transport, agriculture, etc. They also contained figures concerning the volume of production, the number of workers, the price index etc. The economic reports consisted chiefly of tables with short explanatory text, conclusions and prospects. Apart from these reports, publications concerning statistics and economic trends in the economic system of the Soviet Union were sent. As a rule, Professor Osadtchy edited these economic reports whilst W. A. Laritchev forwarded them to the Trade and Industrial Committee through Mr. K.

"2. Apart from these periodical economic reports,

the Central Committee of the Industrial Party provided the Trade and Industrial Committee at Mr. K's request with memoranda concerning the individual branches of the economic system. These memoranda, the method of their elaboration and their contents, as far as they were known to me, are put down in my statements of the 15th to the 27th October of this year on "The espionage activity of the Industrial Party".

(Statement of the 31st October 1930.)

The information given to the French agents and forwarded by them, however, did not limit itself by any means to "economic reports". In his statement of the 31st October, **Ramzin** declares:

"In the spring of 1929 Mr. A.*) approached me with the request to provide him with a memorandum on the state of the Soviet air service, even if the material referred only to the technical level of the air service. At my request Professor B. S. Stetchkin drew up such a memorandum which I handed to Mr. A. towards the end of 1929. This memorandum contained in a concise form a review of the various types of aeroplane used in the Soviet Union together with information concerning their carrying capacity, speed, rising capacity motor strength, etc. Further the successes achieved with the construction of all-metal aeroplanes and a number of special questions concerning flying theory and technics were dealt with."

Still earlier:

"... In the middle of 1928 during a meeting in the home of Mr. K., Kalinnikov approached me with a request for information concerning the situation and the prospects of the war industries in the Soviet Union. As a result of our promise and a decision of the Central Committee of the Industrial Party and at my instance, such material was collected and collated under the instructions of Kalinnikov and Tcharnovsky. According to statements made by these two, Kalinnikov handed such material on three or four occasions to Mr. K. Kalinnikov and Tcharnovsky will be able to give details concerning this material. Apart from general information concerning the war industries, E. Th. Yevreinov*) gave Kalinnikov at my request special reports on the power supply of a number of war undertakings. As far as I am aware from the statements made by Palchinsky, Michailov formerly gave such information concerning the war industries to the French General Staff.

"... At the end of 1929 Mr. A. requested me at a meeting with him to work out the question of the building of aeroplane bases in the Leningrad district. I handed over the carrying out of this task to Professor Stetchkin*) who dealt with the question and handed the material to Kalinnikov who forwarded it to the French General Staff.

"... The French General Staff made several requests through Mr. K. to Kalinnikov and Laritchev, and through Mr. A. to me that we should organise the collection of material of a purely military character. General Lukomsky and Colonel Joinville approached me with the same request in Paris. Mr. Patrick and Colonel Lawrence approached Laritchev in London with the same request in the name of the British General Staff. In order to make possible the sending of such information to the French General Staff the Trade and Industrial Committee pressed for the formation of a military commission."

(Statement on the 31st October 1930.)

This espionage activity which is completely confirmed by the other accused falls under Article 58, paragraph 6 of the Penal Code of the R.S.F.S.R. At the same time the Industrial Party received tasks of a military-organisational character through the same persons from the French General Staff. The

Industrial Party received instructions as to how it should build up its organisation in order to be of service to the intervention and to make the necessary preparations for the intervention correctly.

During the last two years of its existence the Industrial Party therefore lost completely the character it had in the beginning of a counter-revolutionary (sabotage) organisation composed exclusively of Russian citizens, and became not only a typical espionage organisation, but a typical military agency of the ruling circles of a foreign power. Still further, even the Trade and Industrial Committee has receded into the background. The foreign leaders of intervention now determine the activity of the Industrial Party. They give instructions and demand that they be carried out.

The Russian counter-revolutionaries have degenerated into spies and agents of a foreign power. At the direct instructions of the French General Staff the Industrial Party formed through the persons mentioned, 1. a military organisation, and 2. an organisation for the carrying out of diversions.

The Activity of the Central Committee of the Industrial Party for the Creation of Diversions.

On the 31st October 1930, **Ramzin** declared:

"The task of forming an organisation for the purpose of creating diversions, was given to the Industrial Party as early as the end of 1928 by the Trade and Industrial Committee. The instructions concerning the necessity for the formation of such an organisation became particularly urgent towards the middle of 1929 after it had transpired that an intervention in 1930 would not be possible.

"... In accordance with these instructions the Industrial Party took up the problem of creating such an organisation in the power supply industry about the middle of 1929. Kalinnikov and Tcharnovsky were given the task of forming a similar organisation in industry whilst Laritchev and Kogan-Bernstein were to do the same for transport. The details of the organisational side of this diversion activity of the Industrial Party are contained in my special statements.

"... The third great organisational task was the creation of a military organisation of the Industrial Party. As far as I remember this task was put to us for the first time towards the end of 1928 by General Lukomsky during a conference I had with him in Paris. It was also put to us by Colonel Lawrence during a conference I and Laritchev had with him in London in October 1928. Towards the middle of 1929 the Trade and Industrial Committee and the French General Staff began to press for the acceleration of the work for the formation of a military organisation and an organisation for carrying out diversions. In the spring of 1929 the Industrial Party began with the work for forming a military organisation, by setting up a special military commission in its Central Committee. The leadership of the military group, of the military organisation and of the work for recruiting new members was handed over in the beginning of 1930 to ... Details are contained in my special statement."

These two confessions are absolutely sufficient to justify an indictment under Article 58 Paragraph 6 of the Penal Code of the R.S.F.S.R.

In the same statement **Ramzin** gives a general survey of the work accomplished:

"The question of the creation of diversions during an intervention was discussed several times by the Industrial Party and treated chiefly in three divisions: 1. the war industries; 2. the power stations; and 3. the railways."

From the spring of 1929 these questions were discussed zealously both in the Industrial Party and with the representatives of the foreign General Staffs:

"The main principle of the acts of diversion, about which an agreement was come to between the Trade and

*) According to **Ramzin**, Mr. A. is a pseudonym for Mr. R.

*) Yevreinov is indicted in another affair.

*) Stetchkin is involved in another trial.

Industrial Committee and the Industrial Party, was that of producing protracted hold-ups in industry with a minimum of destruction of fixed capital. This principle aimed at maintaining an industry capable of work for the future government and having it in such a state that it could be brought into order with a minimum of financial costs and expenditure of time. With this end in view it was planned to determine the objects of the diversions in advance and then to hold spare parts in readiness abroad in order to make the necessary repairs etc. without loss of time after the conclusion of the intervention.

"War industries. In accordance with these directions, Kalinnikov and Tcharnovsky drew up a list of military undertakings in the order in which the diversions were to be carried out. This list was drawn up after agreement with the French General Staff through Mr. K. At our meeting with Mr. A. in the spring of 1929, Kalinnikov informed him of this. At the same time I gave the instructions to work out the diversions in the power stations, technically in accordance with Kalinnikov's list, and to carry out the work in agreement with Kalinnikov. This was then done . . ."

(Statement on the 31st October 1930.)

And finally:

"With regard to transport, the diversion tasks consisted in the destruction of the railway connections between the most important districts. It was planned to cut connections by creating artificial congestions with various means, and in extreme cases by the destruction of railway works. . . At the same time Laritchev received instructions to deal with the question of diversions in the heat-producing industry . . ."

(Statement of the 31st October 1930.)

With regard to the military counter-revolutionary work, the indictment limits itself, for the considerations mentioned previously, to pointing out that instructions were given from abroad and that, according to the confessions of the accused, these instructions were accepted by them for execution. For instance Tcharnovsky declares on the 16th October 1930:

The Treasonable Work of the Central Committee of the Industrial-Party in the Red Army.

"On the basis of the instructions received by Ramzin from the Trade and Industrial Committee and through its mediation from French military experts' instructions which were later supplemented, Ramzin presented the members of the Central Committee of the Industrial Party in autumn 1929 with a provisional plan for a military organisation of the Industrial Party. Later he presented a plan worked out by him in detail. I was able to learn of Ramzin only the outlines of this plan during a discussion which took place in Kalinnikov's office before the arrest of Chrennikov in the spring of 1929 and in the presence of the latter. At that time Ramzin had presented only the idea and the scheme of the organisation. I learned of the detailed plan worked out by Ramzin in a talk with Kalinnikov towards the end of 1929 or at the beginning of 1930. This military organisation was to serve diversional purposes at the moment of an intervention, to support insurrections and to occupy important transport points, etc."

In his statement of the 31st October 1930, Laritchev declared, referring to the same matter:

"Towards the end of 1929 Ramzin informed us that . . . our work for the internal technical preparation of an intervention was insufficient, and proposed to extend the work to units of the Red Army and to organise a military nucleus in the Industrial Party. The task of this nucleus was to consist of drawing up detailed reports on the position in the various units of the Red Army, these reports to be forwarded to the foreign General Staffs, and chiefly to win military experts for the preparation of the intervention by working to hinder the technical and political training of the army and to further its demoralisation."

The instructions of Mr. K. concerning the support of the preparation for an intervention from a military point of view were presented, according to a statement of Kalinnikov, by Laritchev, "at the next session of the Central Committee of the Industrial Party at the beginning of January 1930 in the presence of Ramzin, Tcharnovsky and myself (Kalinnikov)."

"At this session the Central Committee of the Industrial Party adopted its last decision in connection with the intervention. At the proposal of Ramzin it was decided to begin the work for the organisation of military groups of members of the Industrial Party in the institutions of the Red Army . . ." (Statement on the 16th October 1930.)

The financing of the sabotage group was carried out through the same connections. Ramzin declares:

" . . . Thanks to my personal intervention and that of Laritchev with the leaders of the Trade and Industrial Committee in Paris in 1928, we succeeded in establishing a working channel for the financing of the Industrial Party by the Trade and Industrial Committee. The financing of the Industrial Party was to cost about a million a year. In order to avoid discovery and because the connection with Moscow was very risky, it was decided to forward the money in instalments of from 100,000 to 200,000 roubles, chiefly in Soviet currency, but partly in foreign money over . . . in Moscow. In order that the Industrial Party should not be dependent each time on accidental and unreliable connections it was decided that after receiving the monies . . . should pay them out through a person indicated by him as a general rule in the rooms of Laritchev and in the latter's absence, or in accordance with the latter's instructions at the last payment to me in my rooms. Mr. K. was informed about these operations. After the return of Laritchev and myself from abroad, financial connections existed for about 18 months. The money arrived in instalments of from 100,000 to 200,000 roubles and in accordance with the instructions from abroad it was paid out in the rooms of Laritchev and only very seldom in my rooms.

"During the last 18 months, i. e. in the period of the activity of the new Central Committee, the Industrial Party received about 1.5 million roubles from abroad."

(Statement on the 21st September 1930.)

This is also confirmed by Laritchev. The money came, as can be seen, not only from the Trade and Industrial Committee, but also from official French circles.

Conclusions.

The criminal activity of the C. C. of the Industrial Party against the State found its expression during the last two years in:

a) In the continuation and the strengthening of the general sabotaging work to disorganise economic life — work which had been begun by the Engineering and Technical Committee before the formation of the C. C. of the Industrial Party;

b) In the special sabotage work to destroy the systematic constructional work by causing crises in the fuel supply, the metal supply, the power, the textile and other industries, with a view to effecting a general economic crisis in 1930 — the year fixed for a foreign military intervention — in order to facilitate and support this intervention;

c) In the special espionage work of the instructions of the French General Staff and of the Trade and Industrial Committee which has its venue in France — this work consisted in giving information concerning the economic situation of our country, and in giving special secret military information concerning our defence system with a view to facilitating a military intervention on the part of foreign powers;

d) In military work which was directed to demoralising the Red Army and preparing treasonable acts on the part of individual units and their commanders — also with a view to facilitating a foreign intervention;

e) In work for the creation of diversions, directed in particular to the destruction of the productive forces of Soviet industry and to the disorganisation of the hinterland of the Red Army at the moment of actual intervention.

The character of the criminal activity justifies exhaustively the filing of an indictment under Article 58, Paragraphs 3, 4 and 6 of the Penal Code of the R.S.F.S.R.

On the basis of the facts set out above, the following are handed over to the jurisdiction of the Special Senate of the Supreme Court of the Union of Socialist Soviet Republics:

I

1. Ramzin, Leonid Konstantinovich, born 1887, citizen of the Soviet Union, Professor of the Moscow Technical High School and Director of the Thermal-Technical Institute. A member of the illegal Industrial Party at his own confession;

2. Kalinnikov, Ivan Andreyevitch, born 1874, citizen of the Soviet Union, Vice-Chairman of the Industrial Section of the State Planning Commission, and Professor of the Military Air Academy and of other Academies. A member of the illegal Industrial Party at his own confession.

3. Laritchev, Victor Alexiyevitch, born 1887, a citizen of the Soviet Union, engineer, Chairmann of the Fuel Section of the State Planning Commission. A member of the illegal Industrial Party at his own confession.

4. Tcharnovsky, Nicolai Franzevitch, born 1868, a citizen of the Soviet Union, Professor of various Technical Academies and Chairman of the Scientific and Technical Council of the Supreme Economic Council. A member of the illegal Industrial Party;

5. Fyedotov, Alexander Alexandrovitch, born 1864, citizen of the Soviet Union, Professor of various Technical Academies, Chairman of the Collegium of the Institute for scientific investigation for the Textile Industry. A member of the illegal Industrial Party at his own confession.

6. Kuprianow, Sergei Victorovich, born 1871, a citizen of the Soviet Union, Technical Director of the Textile Organisation of the Supreme Economic Council of the Soviet Union, Engineer. A member of the illegal Industrial Party at his own confession.

The following charges are made against the above named:

1. That they, after having joined at various times the sabotage organisations in the various branches of industry and set themselves the aim of damaging economic construction in the Soviet Union through various forms of sabotage, of undermining the Soviet power and creating the preliminary conditions for the restoration of the power of the bourgeoisie, did conduct such activity for years and join together for this purpose on the initiative of one, Palchinski since executed for participating in a counter-revolutionary organisation and for conducting sabotage, and of one, Rabinovitch convicted and sentenced in the Shakhty trial for sabotage, in a central organisation which they termed "The Engineering and Technical Central Committee" and which had as its aim the organisation of sabotage in all branches of industry;

2. That they, after they had convinced themselves in view of the increasing success of the socialist constructive work, of the fruitlessness of their attempts to prevent the said constructive work, and restore the economic and political power of the bourgeoisie by acts of sabotage alone, and after they had come to the conclusion that armed force was necessary for the overthrow of the Soviet power and the restoration of the capitalist order of society, did reorganise themselves with this end in view in a political party which they termed, "The Industrial Party"; that they extended the activity of their organisation by taking up connections with other organisations which were formed at that time, and in particular with the counter-revolutionary Kondratyev-Tchayanov group; that they took over the leadership of the Industrial Party and became members of its Central Committee;

3. That they, after having convinced themselves of the impossibility of organising an armed insurrection inside the Soviet Union, and of the impossibility of overthrowing the Soviet power and restoring capitalism without outside assistance, took up connections with the central organisation of the emigrant enemies of the people, the former owners of the nationalised undertakings who have organised themselves in the so-called Trade and Industrial Committee; that even earlier they maintained connections with individual members of this organisation, and carried on their sabotaging activities in agreement with these persons with a view to creating

favourable conditions for an armed intervention; that with this end in view they accepted financial support from the Trade and Industrial Committee and from foreign States.

4. That they also took up criminal connections through the Trade and Industrial Committee with French governing circles in the persons of the former head of the French government, Poincaré, the present French Foreign Minister, Briand, and the officers of the French General Staff, Joinville, Janin and Richard, who were working out the plan for an armed intervention against the Soviet Union, thereby committing high treason.

5. That in the course of their treacherous activity for the destruction of the economic life of the country, they directed their sabotage to a) the creation of a crisis in the most important branches of industry for the year 1930 i. e. for the time set by the French General Staff for a military intervention against the Soviet Union; b) That in agreement with the French General Staff they took up personal connections through the mediation of members of the French Secret Service specially appointed for this purpose, and who were designated as K. and R. respectively; that they accepted espionage tasks from the French General Staff and attempted to carry out these tasks, whereby they obtained at French instructions the necessary secret information concerning the armed forces and the defence-system of the Soviet Union; c) That at the instructions of this General Staff they organised a special military group which had the task of demoralising the Red Army and preparing individual acts of treason on the part of individual units of the Red Army and their commanders during the intervention; d) That at the instructions of the French General Staff they formed a special group in their organisation for the creation of diversions with a view to supporting the military intervention by blowing up public buildings, railways, ammunition factories, power stations, etc.

All these charges fall under Article 58, Paragraphs 3, 4 and 6 of the Penal Code of the R.S.F.S.R.

II.

Otchkin, Vladimir Ivanovich, born 1891, a citizen of the Soviet Union, Scientific Secretary of the Thermal-Technical Institute, Manager of the Scientific Investigation Department of the Supreme Economic Council of the Soviet Union. A member of the illegal Industrial Party at his own confession. Otchkin is charged with joining the Industrial Party with a full knowledge of the aims and activity of this party and with having carried out the instructions of this party; with having taken up treasonable connections with Mr. K. and Mr. R. officials of the French Secret Service with a view to espionage activity; that he provided these persons with the necessary secret information; and that he accepted and carried out the instructions of these persons, all offences which fall under Article 58, Paragraphs 3 and 6 of the Penal Code of the R.S.F.S.R.

III.

Sitnin, Xenophon Vassilievitch, born 1878, a citizen of the Soviet Union, Engineer of the Textile Syndicaté of the Soviet Union. Sitnin is charged with joining the same counter-revolutionary sabotage organisation with a full knowledge of its aims and activity, and with having carried out the instructions of this organisation with regard to sabotage; and further with having taken up during his stay abroad personal relations with leading members of the Trade and Industrial Committee, in particular with Konovalov, all offences which fall under Article 58, Paragraphs 3 and 4 of the Penal Code of the R.S.F.S.R.

The above Indictment has been confirmed in agreement with the Public Prosecutor of the Supreme Court of the Soviet Union by

Krilenko
Public Prosecutor of the Russian Socialist Federative Soviet Republic.