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A Force That Eluded Control

The Rise of the Moscow Trade Organizations

■ In the Soviet Union, from the era of Lenin to that of Chernenko, the Communist Party never lost its power to another political force. Nevertheless, its authority was challenged, and some specialists argue that it occasionally lost its grip on Russian society. To support their argument, scholars have pointed to the 1930s and to the period from 1947 to 1953, when the KGB, by creating a climate of terror, accumulated so much power in the Soviet system that it even supplanted the Party. In his memoirs, Khrushchev affirms the validity of this argument.¹

Other authors assert that the Communist Party lost its power in certain southern republics during the Brezhnev period.² Threats to the Party differed in nature depending on the circumstance; for example, during the Soviet military intervention in Afghanistan in the late 1970s and the early 1980s, the army and military-industrial complex undermined the Party's domination.³

Due to the pervasiveness of corruption in the 1970s, Soviet trade organizations, which were responsible for the internal distribution of goods, acquired increasing influence, particularly in Moscow. This growth in their influence became a primary concern at the Kremlin, with Gorbachev declaring at the Twenty-fifth Congress of the Communist Party of the Soviet Union that the Soviet system was being seriously challenged in some regions of the country.⁴ Gorbachev's concern about the situation had much to do with the fact that Andropov had succeeded Brezhnev as leader in 1982, and Andropov and his protégé, Gorbachev, progressed to the top of the Party hierarchy as champions of law and order. As head of the KGB during the Brezhnev era, Andropov had collected a large amount of evidence pointing to low moral standards among the *nomenklatura*.

This study of the Soviet internal trade bureaucracy from the Brezhnev era to perestroika focuses on the Moscow trade network's status and influence. Two key organizations in this bureaucracy were the Moscow branch of Glavtorg (the Moscow Trade Association, which was the central administration for the distribution and retailing of consumer goods) and Glavka (Administration of the Moscow Fruit and Vegetable Offices, or *kontoras*) (see fig. 1.1). Whereas Glavtorg attained the status of a ministry in the Russian Republic, Glavka was not directly involved in commerce because its function was to warehouse and distribute fruits and vegetables to grocery stores. The essential characteristic of these two organizations was that they had been created by the Soviet system under Stalin, meaning that their objectives were determined by the Communist Party and that retail stores belonged to the state. Prices were also state controlled and kept low so that goods would be accessible to all. Centralized decision making in the internal trade organizations was supposed to guarantee adequate supply and fair distribution to the population, but corruption and shortages became widespread. Stalin reacted by initiating campaigns of repression.

The Gosplan, a government committee that produced the nation's near-term economic plan, officially orchestrated distribution, but in reality, it was bribery

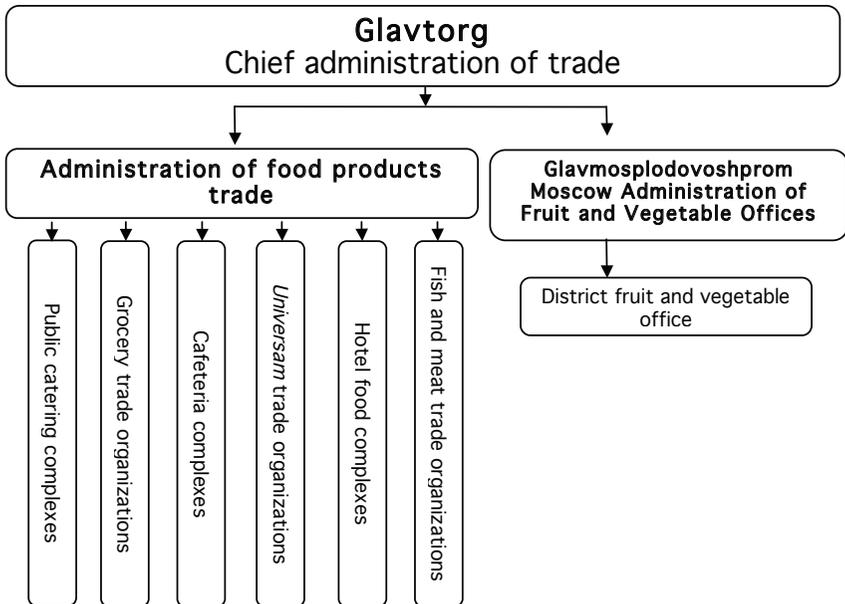


Figure 1.1. Structure of the Moscow Trade Administration (TORG) (5,000 stores–300,000 employees)

that largely determined the allocation of goods. Employees in the goods distribution organizations were thus engaged in unofficial trade, like their colleagues in Glavtorg. Both Glavtorg and Glavka built up unofficial networks that clandestinely provided them with considerable resources. The power of the Glavtorg and Glavka leaders derived from the fact that they could allocate the goods as they liked. The focus here is on one category of resources in the goods distribution system—food—which the executives of Glavtorg and Glavka were able to transform into political power mainly through personal networks that allowed them to amass considerable sums of money.

Politics can be defined as the battle for the distribution of resources among groups, organizations, or individuals. The more resources a group, an organization, or an individual acquires, the more influential it becomes in the political system. Dennis Mueller proposes that there are three conditions that aid in the acquisition of bureaucratic power: the monopolistic situation that the bureaucrat oversees, the bargaining position the bureaucrat occupies vis-à-vis the organizations that supply necessary resources, and the absence of monitoring, which allows them to conceal both the organizational budget and the expenses incurred.⁵

Executives in the Soviet trade network had access to large amounts of money and resources. Individuals in a society, including bureaucrats who seek material advantages, act out of self-interest to different degrees.⁶ This was true of the Soviet internal trade staff, who were typical bureaucrats, that is, always looking for extra revenue despite the risk of punishment. However, another motive played a significant, even predominant role for a sizeable number of executives: they sought positions that conferred power and prestige. This ambition was particularly apparent with older-generation trade managers, because it was less risky than committing economic crimes and because this group was satisfied with a modest standard of living.

The Rules of the Moscow Soviet Trade Network

This description of the irregularities in the trade organizations is not meant to suggest that such abuses were considered minor infractions of Soviet criminal law. Lenin viewed corruption as a highly reprehensible activity that had to be combated with vigor and even given priority over other wrongdoings. He considered bribery and speculation to be major offenses that deserved harsh punishment. Lenin had been very critical of bribery: “If there is such a phenomenon as bribery [i.e., the payment of bribes], it means that there is no point in having political discussions. If bribes are being given, it is pointless even to have political views, and if we have no views, we cannot undertake political activity. The

existence of bribes makes political activity become pointless because all political measures enacted remain in suspended animation. Such measures would produce no results.⁷

Although Lenin set up the theoretical basis of socialism, it was Stalin who instituted the rules and built the structures of Soviet trade. The specific norms he established were modern in that they were universal in character. Moreover, the law defined the functions of bureaucrats in Soviet trade. As Ken Jowitt notes, Stalin lent legitimacy to impersonal laws that applied to all bureaucrats no matter who they were.⁸ Transgressions were dealt with severely, so bureaucrats largely observed the rules. On some levels, this aspect of law abidance can be associated with Weber's legal authority type, but in other respects this was not the case. Weberian legal authority implies modernism, that is, the most developed economic and political system: capitalism and the rule of law. On this last point, of course, Stalin and Weber had opposing points of view.

Thus, rules backed by law defined the rights and obligations of every bureaucrat in the Soviet trade organizations.⁹ These rules encompassed such matters as salary, hiring, job definition, and customer relations. At the highest levels, Glavtorg leaders were expected to hire employees who fit the attributes of the model executive. Initially, the expectations of the organization were that it would ensure adequate quantities of food for Muscovites so that they would not have to form queues in front of stores. Model managers would first ensure that the neediest citizens received priority care and would also surround themselves with clerks who served customers with sensitivity and care. Executives had to show their competence by successfully executing food distribution plans, and inspectors from the control agencies would thoroughly evaluate the managers. Raids and unexpected visits were a means by which inspectors determined if the assortment of products was adequate, if the employees sold the products at the official price, whether a store was clean, and so forth. If store directors passed such tests, it meant they were working in accordance with Soviet rules. A bureaucrat who broke the law was likely to receive harsh punishment.

At least some trade organization staff members adhered to these rules during the Stalin era because they had no choice. Besides, these Soviet norms seemed reasonable to large sectors of the population due to intensive propaganda. Many executives were patient with the new system and accepted that it needed time to work properly. While many economic crimes continued to take place in trade organizations, harsh repression by law enforcement agencies targeted the violators.

Khrushchev is known as the instigator of de-Stalinization. He denounced Stalin for the reign of terror he had imposed on the country from 1930 to 1953,

but he never directly attacked his predecessor's policy in internal trade matters. Officially, he introduced no major changes to the rules and made no major staff changes at the trade organizations. Still, under his leadership there did emerge certain modifications regarding the management of goods distribution, but they were not immediately apparent and had only an indirect effect on management. After all, Khrushchev represented members of the nomenklatura, including the trade executives. He promoted their interests, allowing them a certain amount of autonomy, and did not directly criticize law enforcement agencies, although he referred in his speeches to abuses committed by the KGB in the 1930s. On the other hand, he demanded that the nomenklatura be more efficient. Unlike Stalin, he did not expect trade leaders, first and foremost, to find and repress "enemies of the people"; rather, he emphasized economic skill and success. This emphasis did not take the form of an official mandate but a tacit pact, one stipulating that, in return for the nomenklatura's strong commitment to improving the standard of living, the Kremlin would allow it almost free rein in the means used to reach that goal. It took years for trade leaders to realize that the Stalinist repression was a thing of the past. Trade staff balked and were afraid to commit economic irregularities because under Khrushchev, although to a lesser extent than under Stalin, such offenses were still treated with severity. Press reports from Moscow about the convictions in 1960 and 1961 of people speculating in foreign currency dissuaded many people from illegal dealings. The nomenklatura appreciated the end of massive physical repression but was still worried by Khrushchev's frequent changes of personnel. In addition, Khrushchev's promise in 1961 that Soviet society would achieve communism in twenty years disturbed the trade staff because it imposed an almost impossible task on them: to considerably increase the quantity of food available to consumers in a short period. Khrushchev's favored policies to achieve this goal required major reforms in agriculture and engendered fierce resistance among the nomenklatura.

Glavka acted to defend its position of strength, which Khrushchev's proposed reforms threatened. The *kontora* (borough fruit and vegetable office) was created in the 1930s as part of the Stalinist agricultural policy. Officially, it was under the supervision of the Ministry of Fruits and Vegetables, but it was very autonomous in its operations. Two features of the *kontora* are worthy of attention. First, its structure gave it total control—through the Ministry of Fruits and Vegetables—over the sale of produce from the *sovkhozes* (state-owned farms) and *kolkhozes* (collective farms). Second, the *kontora*, like many other bodies during this era, was run by a small group of bureaucrats in the capital. This model of extreme centralized administration did not have unanimous support, even among Soviet leaders, and Khrushchev was the first to contest it. To him, agriculture was a

high-priority sector for reform. The Twenty-second Congress of the Communist Party in 1961 announced a program to integrate the *kolkhozes* and *sovkhozes* into agro-food complexes that would process their products for sale in the cities.

If Khrushchev's policies have been attacked for their inconsistencies, there was at least one point on which he acted coherently: he wanted to replace the *kontora* system that prevented farmers from selling their products directly to urban markets. Under Khrushchev's leadership, a first objective was to allow the *kolkhozes* to open stores that would eventually replace the fruit and vegetable offices. The specialists—and there were many who supported the secretary general—were not short of arguments to defend the reform. They noted that the shortcomings, not to say the failures, of Soviet agriculture were largely known. The Soviet regime could not adequately supply its population with food, and the *kontora* system was identified as one of the major weaknesses of the agriculture system. The corruption that weakened the food distribution system was also blamed on the *kontora* system. Khrushchev's proposed decentralization was based on the integration of the agro-food sector, which would give farmers the right to operate stores and would prevent bureaucrats from selling food products to the population via the fruit and vegetable offices.

The way these reforms were implemented was typical of the period. The Kremlin moved slowly and cautiously, so as not to provoke any debate. The first step was to allow the creation of agro-food complexes in certain regions and then wait to see the results. This measured approach, however, did nothing to narrow the gap between the reform's partisans and its opponents, who pointed out that the results were not convincing. The new organizational structures had not ended the shortages in the stores. Still, the reformers did not renounce their project but instead attributed the poor results to sabotage by the *nomenklatura*, a faction of which opposed the reform precisely because it implied a curtailment of their prerogatives. It implied, too, a loss of some of the profits they made through illegal dealings in the *kontoras*. The *kontora* directors were chosen by top bureaucrats in the Ministry of Fruits and Vegetables and were answerable to them, so *kontora* directors strengthened their positions by involving these influential ministry officials in their corruption schemes.

The attempt to eliminate the *kontoras* as part of the effort to decentralize the Soviet system was substantially weakened by the fall of Khrushchev in 1964. Under the reformist Kosygin, the Kremlin continued to claim that it had not changed its orientation regarding the necessity of improving the distribution of food products, but it became evident after 1964 that the reform had lost its momentum. The reformists adopted defensive measures instead, abandoning the plan to put an end to the *kontoras*, and the conservative faction of the *nomenklatura* increased its resistance and was not as cautious in defending the *kontoras*.

They did not renounce the agro-food complex but instead undertook to discredit it. The 1970s saw the gradual death of the stores that the agro-food complexes oversaw. In 1976, the poor performance of the new stores provoked a storm of criticism from the media that justified their abolition. Sabotage by the nomenclatura, which cut off funding and support for these stores, was, effectively, the reason for the project's failure.

The failure of the reform revealed the strength of the food distribution bureaucrats and their opposition to any reform that threatened their interests, and it widened the influence of the *kontora* lobbies, opening the door to new violations of the law. If Glavtorg staffers were not officially involved in the conflict between the partisans and opponents of the *kontoras*, they were still very much concerned by it, for the battles of Glavka were also the battles of Glavtorg. The victory of the pro-*kontoras* forces was welcomed by Glavtorg leader Nikolai Tregubov and his colleagues, who had viewed Khrushchev as their prime enemy. The abolition of the centralized network of fruit and vegetable offices would have encouraged the forces of change and increased pressures for additional reforms. For the trade organizations, the principal consequence of the failure of the agriculture reforms was a reinforcement of the conservative trend represented by Tregubov.

Until the 1960s, stores offered only a limited choice of consumer goods, and levels of consumerism were rather modest. Because the majority of citizens shared an ascetic standard of living that highlighted any conspicuous consumption, corruption levels were relatively low. Nonetheless, managers had to give bribes in order to obtain adequate quantities of products for their stores. They did so less for personal gain than because their superiors compelled them to do so. Lower-level store employees felt justified in charging higher prices than the official ones and pocketing the difference because doing so allowed some of them to move from a miserable income to a decent one. Since there were not enough consumer goods to supply every store properly, high-ranking officials often steered scarce goods to managers who offered them the highest bribes and who were extra efficient. Trade officials guessed that the majority of the staff members were engaging in such behavior but rationalized that only small amounts were involved and that circumstances forced staff violate the law. Moreover, trade leaders were indulgent toward those who committed offenses for the store's sake and not for personal gain. For all these reasons, many trade leaders were lenient toward those who committed economic crimes. Executives, however, could not cross the line and were punished if they went too far. As understanding as leaders may have been about the actions mentioned above, they were still expected to denounce colleagues who committed major irregularities. Corruption already existed during Stalin's time, but it increased under his successors due to the decline of repression and the prevailing tolerance of illegal means used to achieve objectives.

The Building of Networks

The role of trade organizations in Soviet society changed significantly in the 1970s because of the political and economic situation. At first glance, the changes did not alter the principle that authority was based on legality; in fact, the tenet was strengthened. Discussions about the necessity and legitimacy of laws became a major issue in the media, and many articles on the importance of improving the laws were published. The elaboration of a new constitution for the country in 1976 was the major legal achievement of the Brezhnev era, but a clear paradox emerged. On the one hand, the Kremlin seemed aware of the necessity of the rule of law, while at the same time, there was some advance toward authority based on tradition. Executives of the trade structures broke the law more than ever before, precisely when they were continually being exhorted to act in conformity with Soviet law.

As many trade organizations, primarily in the food sector, became more powerful, their leaders acquired privileged positions. The foundation of their power lay in their monopoly over the distribution of consumer goods. In the Soviet economy, competition was of course forbidden. Only the Moscow Glavtorg, which had the status of a ministry in the Russian Republic, had the authority to distribute goods to the population of the capital. It was, therefore, a very different system from that operating in the West, where the government attempts to regulate trade organizations in order to collect taxes. While government control appears relatively successful in its oversight of most categories of goods, food regulation has been more difficult. Food is, and will remain, the sector in which it is easiest to avoid government control, regardless of the type of government in power, including the Soviet regime, where executives who distributed food occupied privileged positions.

A major reason that food is difficult for governments to control is its inherent range of quality and its perishability. Food trade leaders were in charge of setting quality standards for products. Most fruits, vegetables, and meat went through three stages. The first corresponded to their optimum quality (first grade); in the second, the quality was lower, but the food was still good enough to eat (second grade); and finally, the third-grade category was applied to food that had spoiled and had to be thrown away.¹⁰ Many food products are perishable and can thus disappear from inventory through spoilage. But who was in charge of determining the grade of hundreds of kilograms of fruits and vegetables in a store? Who had the power to decide if products had to be sold or thrown out when they were supposedly spoiled? Store directors made these decisions; they were the veritable tsars of the retail concern because there was almost no oversight of their actions. Most store directors had norms that differed from the Soviet trade rules that they imposed on their staffs. Like other executives, irrespective of their levels, they

worked primarily for personal gain, making material profits whenever possible. They could do this because store directors had considerable power in the decision-making process, even though, in general, the executives of the trade network possessed absolute control over the destiny of huge quantities of food. However, objective circumstances helped to provide store directors with wide prerogatives. In many cases, it was not easy for the food quality specialist to decide whether a product should fit into one category instead of another. One investigator said, "We did some experiments; we asked an expert to tell us what grade some herring should be in, and he was mistaken. The standards for determining quality grades are very vague. But if a specialist is mistaken, how can a customer find his way around in this labyrinth?"¹¹ This confusion meant that store directors could make illegal decisions and appear to be acting in good faith. They were in a good position to manipulate the quantities and qualities of food to their advantage. The first condition stipulated by Mueller for the acquisition of power by bureaucrats, the monopolistic situation, is present here: the Kremlin allowed only Glavtorg executives to distribute consumer goods, particularly food, to the population. Moreover, executives and store managers were in an entirely dominant position with respect to their customers because of the scarcity of many products. As one store manager said, "When I have 100 hats and 99 customers I am nothing, but when I have 99 hats and 100 customers, I am God."¹²

The leaders of Glavtorg had direct control over all consumer goods in the country, while Glavka, the Moscow Administration of Fruit and Vegetable Offices, was responsible for receiving products from the Ministry of Fruits and Vegetables and warehousing them in Moscow before distributing them to the borough *kontoras* and to the grocery stores. Of course, Glavka leaders allocated products according to the relative generosity of bribe-givers in their district's fruit and vegetable offices. Because the Glavka executives enjoyed a high degree of autonomy, they did not need to offer many bribes to the Glavtorg bureaucrats at the top of the hierarchy and they decided on their own who would receive the best products. The key figures in this bureaucratic structure were Tregubov, Andrei Petrikov, Vladimir Kireev, and Genri Khokhlov of Glavtorg; Sobolev and Eremeev, deputy directors of the Moscow food trade section of Glavtorg; and Korovkin, Sonkin, and Lavrov, directors and deputy directors at the grocery-store level of Glavtorg in Moscow. Others who reaped huge benefits were the directors of the most important grocery stores (fig. 1.2) and the heads of sections in these stores, whose prerogatives were equal to if not greater than those of the directors in many grocery stores.¹³

Founded by the Eliseevski family in the nineteenth century, the top *gastonom* in the country stood out because of its aesthetics. The Eliseevskis wanted their grocery store to impress customers with its beauty as much as by its assortment of food products. Museumlike, with sculptures and mosaics, the Eliseevski

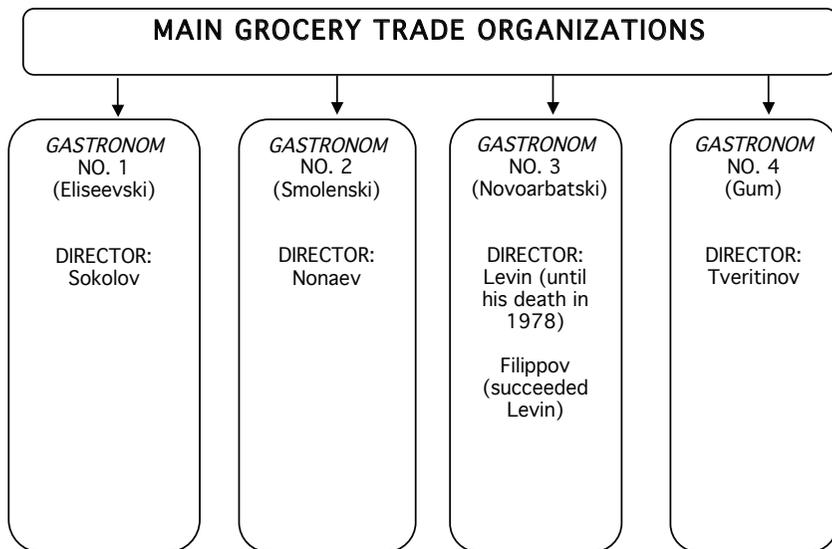


Figure 1.2. Administration of the food product trade organizations and directors of top grocery stores

gastronom figures in the history of Russian commerce as the favorite store of the intelligentsia. During the Soviet period, it maintained its tradition of attracting artists as customers, but the quantity of food in the store window was not always impressive. The Smolenski *gastronom* (the No. 2 grocery store) had a larger-than-average staff. The Novoarbatski *gastronom* (the No. 3 store) was in a similar category; it was usually full of customers, who had fifteen hundred sales clerks at their disposal. The No. 4 store, the Gum *gastronom*, had a thousand employees. There, too, consumer demand was high and expectations, strong.

It should be stressed that all these stores were frequented by very different groups of people. Muscovites were, of course, the primary customers, but tourists and provincials as well came to these top stores for various reasons. Speculators from all over the Soviet Union would assemble downtown to visit stores known for their wide selection of foods. If certain products were not available at one store, people would go to the others, which were close by. The core of the nomenklatura, from ministers to Central Committee members, lived and worked in the area where the stores were located. These influential groups could find very few places that offered quality food, so these top stores were important to them. The Eliseevski *gastronom* was very close to the Central Committee building and to KGB headquarters in Lubyanka Square, while the Gum *gastronom*'s advantage was its location on Red Square facing the Kremlin. Gum played the role of a convenience store for the political leaders of the country in the Soviet

era. The relations that store directors had with people in the top echelons of the Party and the government allowed them a large degree of autonomy in the way they conducted their affairs. In any case, few food trade executives paid bribes to people in the nomenklatura, who had their own preferred stores where they had special privileges and could pay with coupons. Bribes did not have to be paid to the leaders of the Ministry of Trade in spite of this ministry's authority over the distribution of consumer goods (with the exception of fruits and vegetables), all of which indicates that the Moscow stores were not strictly supervised either by the government or by the Party.

The situation was different where the fruit and vegetable offices (*kontoras*) were concerned. If Moscow had an advantage over other cities because it received the best products from all over the country and abroad, even there, only a few *kontoras* were well supplied. The *kontoras* in the Dzerzhinski and Babushkin districts and, to a lesser extent, those in the Moskvorets, Baumanski, Leninski, and Sebastopol districts emerged as major distribution centers for black market fruits and vegetables. The Dzerzhinski *kontora* was especially noteworthy, being considered the best in the capital and a model operation offering an abundance of produce and greater variety, including apricots, parsley, and grapes, products that were in high demand and extremely difficult to obtain.¹⁴ Its high status conferred special responsibilities, such as providing food for receptions organized by political leaders. Another role of the Dzerzhinski *kontora* was supplying other types of stores in Moscow: the *mosovotshch* (fresh produce shop), the *gastronom*, the *diettorg* (special diet store), the "specialty bases" (where the elite could obtain products that were in short supply), the *universams*, Tsum (Main Store), and so forth. Maintaining tight control of the distribution of imported fruits and vegetables, the Dzerzhinski *kontora* leaders likewise invested a lot of time developing relationships of trust and friendship with high-ranking Glavtorg executives.

The Ministry of Fruits and Vegetables directed the distribution of fresh produce for the whole country, employing former leaders of the Moscow trade organizations, who came to dominate the both the Ministry of Trade and the Ministry of Fruits and Vegetables. In 1982, Poliakov, a former head of Glavka and director of the Dzerzhinski *kontora*, was serving as deputy head of the Ministry of Fruits and Vegetables. Kolomeitsev had followed a similar career path: he had been a high-ranking executive in Glavka before being appointed deputy director of Soyuz plodoimporta, the All-Union Office for Importation of Fruits and Vegetables for the Soviet Union. These men not only rose to the top of the two ministries but were also empowered to choose who would succeed them at the *kontora* level. Thus, Poliakov was able to hire his protégé, Mkhitar Ambartsumyan, as director of the Dzerzhinski *kontora*, thus conferring on the latter a reputation as one of the top store managers in the capital. Huge sums of money were amassed through collusion among the leaders of the Ministry of Fruits and

Vegetables, the directors of the Moscow *kontoras* in general, and the directors and deputy directors of the Dzerzhinski and other model *kontoras* in particular. All these officials shared the profits made from selling food products at high prices to the public markets and stores. According to one witness's testimony in the resulting court case,

Many times in Ambartsumyan's office, I saw orders, which had been prepared for Poliakov. All this was supervised by Ambartsumyan. I already said that in 1983, V. T. Roganov sent peaches and tomatoes to our store. I gave the money for that to the driver, who transmitted Roganov's request that I bring a few boxes of peaches and tomatoes to Ambartsumyan. That is what I did. Ambartsumyan said "Thank you." He called Edik (head of Refrigeration Unit No. 35) and with him, we brought half of this order to the cafeteria, but the other half was loaded into Poliakov's car. Edik did the loading. At this time, Poliakov worked at the Soviet Ministry of Fruits and Vegetables. I can even suppose that Poliakov received huge bribes from Ambartsumyan.¹⁵

Working with Tregubov and other Muscovite trade executives, Kolomeitsev prepared receptions and banquets for Party and government leaders. Top officials of the ministries of Trade and of Fruits and Vegetables, including deputy ministers, asked Ambartsumyan for favors. They requested such things as alcohol and even tailoring services. The main advantage enjoyed by the trade executives in this situation was that they could become acquainted with the leaders of these ministries. Their meetings were held under the guise of conferences intended to improve the food supply to the population and to encourage good management practices. Frequently, high-ranking officials met with model directors and managers to learn from them and apply their methods and experiences all over the country. Ambartsumyan and other model executives were central figures in these conferences and were known as smart managers who could teach their colleagues. The meetings allowed successful managers to build strong personal networks and to win the trust and friendship of many of the participants. They did their utmost to render services to colleagues, and they offered them gifts. The trust acquired on these occasions was useful in strengthening networks, gaining additional support, and justifying the provision of privileged food supplies to the model executives' organizations.

The possibility of traveling abroad was one of the many advantages granted to model executives. They were occasionally selected as members of delegations sent to other countries to negotiate trade agreements. One effect of these missions was to promote the establishment of personal relations, since members of a

traveling delegation were often sharing meals, going on excursions, or arranging negotiations and contracts with foreign firms.¹⁶ Furthermore, each member of a delegation was expected to respect and get to know the other members—people who would not have been there without the support of powerful protectors. The first objective of a delegation member was to be able to continue to enjoy trips abroad, and it was useful for this purpose to befriend all the other members. Therefore, with regard to Dennis Mueller's second condition for acquiring bureaucratic power, that of being in a bargaining position, in Moscow, the managers of the main stores and *kontoras* were not merely in a situation in which they could bargain with their suppliers; they were actually in collusion with many of those suppliers.

A sign of the strength acquired by the *nomenklatura* during the 1970s and early 1980s was the way in which job stability or tenure developed for executives at all levels. According to Nicolas Werth, "The political stability of the Brezhnev years allowed the blossoming of powerful elites, self-confident and attached to their status and advantages. Elites constituted feudal powers with their hierarchy, their territories, and their clients."¹⁷

Gradually, according to one of the leaders of the Prosecutor General's Office (PGO), the members of the trade organizations managed to loosen any supervisory control over their activities: "Thus, it came about that inspectors had their 'own' stores, and stores had their 'own' inspectors."¹⁸ Because it was unusual for officials and executives to be fired, they maintained their positions until death. During the 1970s, no grocery store managers in Moscow were prosecuted for corruption.¹⁹ In fact, at every hierarchical level, officials enjoyed a great deal of autonomy; their superiors criticized them less and less, and whether they were criticized or not was of little consequence. The worst that could happen to a director was to receive a reprimand, as in the case of Baigelman, director of the Kuishev RPT (Raipishetorg or District Food Trade Organization).²⁰ But even mild penalties were unusual; most of the time, criticism was rather vague and therefore did not threaten anyone in particular. Glavtorg executive meetings ended merely with declarations mentioning that "there are shortcomings in the trade organizations" and emphasizing "the need to intensify the fight against them."²¹ Certain weaknesses in the trade network that were denounced concerned the ill-mannered behavior of employees toward customers. Corruption was identified as only one problem among others and, moreover, was only mentioned briefly. Leaders of Glavtorg denounced the tendency of certain employees "to take money from the customers' pockets."²² However, few formal accusations were leveled, and while some employees were denounced as wrongdoers, no allusions were made to mistakes committed by executives. Because store managers had job security, the *nomenklatura* could focus on its personal interests and thus enjoyed

good times during the Brezhnev era, when its members had sought, more than ever before, to increase their living standards. The sector of the nomenklatura that benefited the most from this situation was the trade organizations, especially Glavtorg. Of course, the ascendancy of these bureaucrats was due mainly to illegal activities, and since its members had acquired job security and impunity, they became less reluctant to break the law.

The Soviet government encouraged improvements in internal trade in Moscow more than anywhere else. Although the Soviet economy entered a slump in the late 1970s, an expansion in services occurred, as illustrated by the emergence of new grocery stores and the hiring of additional employees.²³ The increase was particularly impressive in the food sector, where some twenty restaurants opened every year. The number of restaurants rose from 243 to 388 (1966–1981) and the number of cafeterias in workplaces and schools increased from 4,008 to 5,645 during the same period.²⁴ Moreover, in 1980, the Kremlin announced its intention to build *gastronom*s in several factories.

In Moscow, it was difficult for the Kremlin and its law enforcement agencies to control the distribution of resources, particularly food products, because the internal trade staff had several places to sell these resources on the black market. The preferred outlets were the twenty-eight public markets and two thousand food stalls in the Moscow area.²⁵ Every year, 300,000 kilograms of fruits and vegetables were sold by seventeen thousand individuals in the markets alone.²⁶ The internal trade bureaucracy also extended to restaurants and cafeterias. The multiplicity of these units increased the opportunities for pilfering, bribery, and speculation. Grocery store employees hid their speculative activities at these points of sale; the police succeeded in catching only a small fraction of the active speculators. Again, with reference to the second condition posed by Dennis Mueller, it can be seen that the effective bargaining position of the trade organization bureaucrats allowed them to increase their budgets, and the additional resources invested in the Moscow trade network reflected the growing influence of Glavtorg.²⁷ For Glavtorg's leaders, the addition of new food stores increased the possibility of benefits and the opportunity to hire people close to them who would also be willing to pilfer, speculate, and give bribes to their superiors. The food distribution organizations became attractive for the employment possibilities they offered, especially compared to other sectors, where finding jobs was usually difficult. Trade organizations were among the few places where the younger generation could hope to make a career, and the prospect of making money from food trade revenues was an attractive one, even if it required breaking the law. Rather than being put off by rumors of rampant corruption in the trade network, the younger generation saw this as a challenging, even thrilling activity.

Charismatic Leadership, Norms, and Traditional Practices

The personnel in the Moscow food distribution network presented certain marked characteristics. First, the food sector was dominated by Russians, or, more precisely, Muscovites, who were intimately familiar with the workings of the capital. Russians were prevalent in Glavtorg and in the top levels of all the food trade organizations. The leaders of Glavtorg—Tregubov, Petrikov, Kliachin, and Khokhlov—were all of Russian background. All the directors and deputy directors of the *kontoras* were also Russian. Russian deputy directors often succeeded their Russian bosses. The Russian group had an impressive cohesion, built up during the many years they had worked together; moreover, their acquaintance often went back to their participation in World War II. They knew each other well and had learned to work together harmoniously. Their strength lay in their close links with the Moscow Party organizations, links created by the appointment of Party apparatchiks as directors of certain food stores. Tveritinov was an example. He was a Komsomol cadre prior to his nomination as director of the Gum *gastronom*.

Most of the Russians were conservative communists who unconditionally endorsed Brezhnev's policies. No declarations or attitudes cast doubt on their loyalty to the Soviet system. Trade leaders expressed their support of Moscow Party chief Grishin and his team through impressive, exceptional supplies of food and, more generally, consumer products. The best food products were served to participants at conferences or celebrations organized by the Communist Party or the Soviet government. While the Moscow Party organization's tolerance of corruption was a sign of its good relations with the trade leaders, to conclude that such tolerance was the only reason would be simplistic. Most of the leaders of the Moscow trade network were sincere Party members despite their propensity for illegal dealings. A good illustration was Boris Karakhanov, a grocery store director arrested in 1984. He said that one of the worst moments of his life was when he was expelled from the Party. It was the first time he wept in public. He had never felt as ashamed and miserable as in that Party meeting where he was denounced for his involvement in corruption. Karakhanov's arrest made him aware that he had committed reprehensible actions; he had previously believed that the modest sums of money he had given authorities were considered gifts.²⁸

The majority of executives in the trade network during this period were World War II veterans, and many had been appointed to their positions specifically because of their military service. They proudly wore their medals on their chests for public show. The veterans occupied a central place in the Soviet system because they were agents of sovietization in the internal trade organizations. Because the

veterans were advocates of the Soviet system and the majority of them were members of the Communist Party, their presence was intended to project a positive image of Soviet trade and present an important example of loyalty to the trade staff.

For Victory Day and other commemorations, the value of the veterans to the motherland was celebrated. Many had been mobilized at a very young age. Sokolov, director of the Eliseevski *gastronom*, the nation's top grocery store, belonged to the generation who had joined the Soviet army at age seventeen and spent the best part of their youth at the front, seeing people die on a daily basis. Many veterans suffered serious injuries during the war or were infected by diseases that affected them for the rest of their lives. Many of them, like Petrikov or Ambartsumyan, who lost a kidney, became disabled or physically challenged. Some had to spend regular stints in hospitals; Ereemeev, for example, was hospitalized from September to December 1980.²⁹ Heart disease was common among the trade staff.

The leadership of the trade network was not lacking in charisma. A few individuals inspired respect and consideration because of their heroic past; they had shown undeniable strength during World War II. They also showed political skill and strong character, qualities that made them highly appreciated by the people around them. During the 1970s, a cult encouraged by the regime boosted the war veterans' reputation. A prototype of the model charismatic Russian director was Rosliakov, the manager of Fruit and Vegetable Store No. 20, who had been an officer of the Soviet army and a civil aviation pilot.³⁰ He was involved in corruption like his colleagues but was considered to have acted under mitigating circumstances. The KGB took the position that he was not a swindler but rather a victim of the Soviet system; he had taken money because he was a victim of extortion by his superiors. He was popular among his employees, whom he defended against the machinations of corrupt police officers, and his store was reputed to have a larger quantity of products than the majority of stores in the capital. Glavtorg hired many employees like Rosliakov, for obvious reasons. They were seen as models by other employees, in particular by their subordinates. Leaders and executives were expected to observe the law and the rules in front of their employees. This did not imply that they were incorruptible, however. Some, like Sokolov, were hired precisely because they were not afraid to make illegal profits. While some had the reputation of being strong, others had weak characters and could be easily manipulated; it was easy to extort money from them. Thus, staff members had different character traits, and there was the view that executives who were "morally superior to other executives" would balance out other appointments based on self-interest and bribe-taking. Executives with high moral standards were recruited to place limits and constraints on their colleagues' appetite for illegal money. Ambartsumyan, for example, had not entered the trade organization with the intention of making illicit gains. Instead, trade

leaders invited him to work in the Dzerzhinski *kontora* to prevent others from cashing in. Indeed, some trade leaders liked to hire employees who took little because it left more for the others.

Several trade network executives who were considered very competent people, even by officials in the law enforcement agencies, became the “stars” of Glavtorg. According to the KGB, the charismatic Ambartsumyan and Filippov (director of the Novoarbatski *gastronom*) were among the best executives.³¹ Executives like Ambartsumyan were praised for having invented new ways of preserving fruits and vegetables. Food trade executives and specialists admired him and came from all over the country to learn about his experiments. Even high-ranking officials of the ministries of Trade and of Fruits and Vegetables attended Ambartsumyan’s lectures on how to safely store fruits and vegetables. The charismatic leaders also included Tveritinov and Nonaev, the directors of Grocery Stores No. 2 and 3 (the Smolenski and Novoarbatski *gastronom*s), respectively, who shared the reputation of being the most competent directors in their sector, along with Sokolov, who was praised by the president of Glavtorg as “the Eliseevski of our time.”³² Police officers classified Filippov among the top ten managers in the country. In 1978, according to Shimanski, head of the Ministry of Trade, 222 stores in the capital followed the example of the Dzerzhinski *kontora* in the conservation of fruits and vegetables.³³ It was the only fruit and vegetable depot in Moscow to function without huge losses for seventeen years, and during the preceding three years, four other *kontoras* in the capital would imitate it.³⁴ From 1972 to 1982, the period during which Sokolov was the director of the Eliseevski *gastronom*, according to police reports, the store’s revenue increased from 30 million to 94 million rubles.³⁵

The star executives of Glavtorg were presented in the media as model citizens and leaders. They accumulated many awards for merit in their work and for their high moral standards. Ambartsumyan received eighteen awards from the state—all prestigious awards, although not the most important ones, and he was not the only one to receive so many honors. Thus, leaders like Ambartsumyan generally projected a positive public image.

The aging members of the Politburo preferred that people of their own generation hold high positions in the various domains of the Soviet system, so older individuals predominated in the top ranks of the trade organizations. The Politburo members wanted executives to reflect their image and to remain in their jobs as long as possible. Certain Party leaders were very well acquainted with the Moscow trade leaders and contacted them regularly. They trusted these executives because they had shown their loyalty on several occasions in the past. Furthermore, conservative Politburo members were suspicious of any reformist trend in society that spread dissidence. With this older generation of trade

leaders in place at the trade organizations, Politburo leaders believed the trade network was well defended against dissidence. Trade leaders were skillful enough to oppose any change in the economic system; they never showed the slightest sympathy for a market or private economy, and their views were pleasing to the Grishin clique of the Party.

While trade leaders might have had good motives for hiring executives with honorable pasts, such as World War II veterans, it was not always advantageous to have lower-level store staff members with these profiles. Most veterans had limited education and similarly limited management qualifications and skill. However, since many activities in the food distribution sector were illegal, the trade organizations needed skilled legal specialists who could shed light on which activities were illegal or legal according to the criminal court, the civil court, or the Comrades' Court, on what constituted a major economic crime as opposed to a minor one, and on several other important issues. On many points, the laws were not clear, and, as a result, some violations were tolerated and others were severely punished. Glavka leaders found a candidate possessing all the education and skills of a law specialist in Volkov, who had risen in the hierarchy after he was named deputy director of the Dzerzhinski *kontora*. Trade leaders also sought out communication specialists. They wanted people trained in journalism who could present good images of the trade organizations throughout Russia. Aging trade executives who had problems expressing themselves orally were even worse off when writing. Sokolov was known to have been hired for his talents as a communicator. Both he and Volkov were very persuasive when defending the trade staff's interests in public. Professionalism and expertise were also required of bookkeepers, who needed to be able to work with data and statistics on store operations. Documents in the trade sector contained considerable masses of data and were very complex. Finding the right person to handle such work was not easy, but occasionally trade leaders did come across suitable candidates.

Food trade employees who proved able to handle these complex tasks were praised in accordance with Brezhnev's policy, which was to reward employees who exemplified Soviet norms by performing well at work and by observing the law. The Party drew up a list of employees and executives in the Soviet internal trade sector who would be given awards and promoted. The Moscow trade sector employees received more honors than any other group. Trade executives took these marks of distinction very seriously; the honors did not always provide material advantages, but they boosted reputations. Trade executives who engaged in corruption needed to build reputations of honesty to compensate for or dissimulate their wrongdoings or rumors of wrongdoings. Awards were also desirable in that they highlighted the recipients' professionalism, and the authorities tended to be more tolerant of corrupt executives who were viewed as competent managers.

Awards to trade organization staff were granted for reasons that appeared contradictory. In reality, these rewards were an integral part of the pervasive graft that existed in the food trade organizations. Corrupt executives were able to rise in the organizations by the very fact that they were deeply involved in illegal dealings. At the same time, executives were rewarded for good performance at work and for promoting Soviet norms in the trade structures. Some executives favored the allocation of products in traditional ways that tolerated redistribution through bribery. Store directors calculated how subordinates could benefit them. In return for bribes, the directors distributed products and services or granted awards or distinctions to whomever they thought was deserving, by, for example, upholding Soviet norms or rendering personal services to the manager. In the top-ranked grocery stores, both criteria prevailed. Thus, in the 1970s, when several complaints were sent to the Ministry of Trade and Glavtorg regarding the cheating of customers and price increases at the Gum, the *gastonom* nevertheless remained a top-ranked store. Its staff received bonuses for their achievements; moreover, the director, Tveritinov, received several awards that qualified him as one of the most competent and successful store managers. Three of his awards conferred particularly high status: the Order of the October Revolution (awarded in 1971), Emeritus Trade Employee of the RSFSR (awarded in 1974), and the Order of the Red Standard (awarded in 1981). Tveritinov was an excellent manager and enjoyed the support of his staff, although his charisma was not at the level of Sokolov's. There were certain shortcomings in his store's relations with consumers, but Tveritinov was not the only one responsible for the problems; some of the issues were structural in nature and existed in most of the stores. These prestigious honors should not have been issued to a director of a store riddled with economic irregularities, but Glavtorg's leaders often rewarded those who served their personal interests, and in this case, Tregubov decided that Tveritinov deserved to be a star among his staff after he had bribed him with eight thousand rubles.³⁶ Nonetheless, Tveritinov gave this bribe so as to ensure adequate supplies at his stores, not for his own material benefit.

Baigelman, the Kuibishev RPT director, was yet another executive whose reputation was tarnished by grievances, both from consumers and from the ranks of his employees. Even the supervisory body reported arrogance, the insulting of customers by employees, and frequent violations of Soviet trade laws by the RPT. Still, no sanctions were enforced against the Kuibishev RPT director, and no measures were taken to eliminate the abuses in his store. Baigelman was safe because he had the protection of Tregubov; he even received the Order of the Red Standard award.³⁷ This award boosted his reputation as an honest and highly competent executive, not because he acted in compliance with the rules of Soviet trade but because he fulfilled Tregubov's standards for a model man-

ager. Tregubov himself received his share of awards. As president of Glavtorg, he earned more awards than any other trade executive, and the ones he received were the most important awards. Tregubov was in a category all his own in that he alone among trade executives was chosen laureate of the USSR Council of Ministers, the supreme distinction in trade affairs.³⁸ These honors reflected the firm support that Tregubov enjoyed at the highest echelon; such support gave official encouragement to his conservative and traditional leadership style and condoned his staff's practices, which included dishonest acts.

One of the dominant norms (that is, legal norms) was the fair treatment of employees. A model director was one whose employees were paid a salary that reflected their job descriptions and who gave employees access to services, for example, housing. This interest in employees' benefits took on different meanings for directors between the Stalin and the Brezhnev eras. Under Stalin's rule, directors treated their employees in a manner that conformed to the boundaries of Soviet law. By the 1970s, sensitivity for the well-being of one's employees meant not only providing them with adequate social services but also tolerating irregularities.³⁹ Directors and other managers allowed irregularities that would benefit themselves and employees and calculated how to obtain the support of employees who would defend their superiors if they were suspected, interrogated, or prosecuted. However, charismatic leaders were not primarily motivated by material private interests; decent salaries for their employees were a priority for them. They worked principally for the achievements of their stores. At the Dzerzhinski *kontora*, employees were very supportive of Ambartsumyan. One employee said, "A good boss, that's all we can say, a very good boss. Probably there will be no boss like him anymore. That's what he was: a very good boss. We won't see such a boss here at the *kontora* again. That's it. And the gates wouldn't have been broken if he was alive. There was everything in the *kontora*. Everything was in order. In winter there were cucumbers all the time, bananas, apples." Another employee's comments were similar: "What happened, only people at the top know. We are ordinary folks. We knew that to us, he was a good person." A third employee spoke for many when he said, "I have been working here for sixty years. My memories of him are very good; he always provided us with housing."⁴⁰

The employees of the main stores run by charismatic directors had enviable status. Eliseevski employees wore prestigious Bimbar diamonds around their necks and on their wrists; women wore Malika earrings and heavy gold bracelets. Thus, some store employees had access to places like the restaurant or bar of Dom Kino, a venue where celebrities such as film directors, actors, and writers would gather.⁴¹ According to Anatoli Rubinov, Sokolov became a popular figure in the capital among well-known artists and musicians:

The director [Sokolov], with his friendly open face, was proud of his famous visitors who bowed down before him, and he never denounced them. Business cards were always on his desk. Managers, authors, generals, artists, noted physicians, television announcers: their cards were displayed on the table, sometimes in a pile, or fanned out. Visitors could, with a little effort, read the last names on the cards. Some of them, the more trusted ones, called on a direct line without passing through the director's secretary. The visitors could hear the director refuse someone's kindly offer for a cruise on the Mediterranean. "I understand that it is not expensive and that it will be paid for, but believe me I cannot afford to take a vacation." Or tickets for an American film at an elite movie theater. "You know, I already saw it, my daughter and my son-in-law as well, but I am grateful to you." Or tickets for a premiere at the Smolenski Theatre: "You know that tonight I am busy, but I will call you when I am available." Or to go through a tomography scan: "It will be good to do this, but for now I am so busy; although I do realize that we must not neglect our health." Yet another instance was an offer to buy him a new model of Salamander shoes: "Thank you; it is a good brand, but I prefer Topman." Charming to all, Sokolov has become a huge force in Moscow.⁴²

Sokolov was a model of how to generate society's support for the trade network. He set up four types of privileged relations with famous or influential people.⁴³ He supplied them through the black market; he sold them high-quality products that were difficult to obtain at official prices and did not require the customer to wait in line; he allocated free food to some individuals; and, perhaps most importantly, he organized receptions for famous members of the intelligentsia. The following example, provided by Sergei Semanov, gives a good idea of Sokolov's role:

In fall 1980, a well-known journalist who had worked in the West for a long time returned to work in Moscow. On this occasion, I was invited to a dinner organized at the Aragvi restaurant for him. We had studied together. Everything proceeded normally, but the host particularly shone. He was a middle-aged man, very well-dressed. Everyone there knew him, but I did not know who he was and quickly asked a neighbor at the table. I discovered that this man was Sokolov, the director of the Eliseevski *gastro-nom*. When the guests left the table, they did not go up to the journalist, who was the object of the reception, with their business cards in hand, but to Sokolov.⁴⁴

Weber's types of authority are useful when applied to the Soviet trade organizations. While traditional and charismatic types of authority were predominant, legal authority also existed. During the Brezhnev era, this type of authority was in decline; however, in the late 1970s, some measures were taken to reinforce allegiance to the Soviet system. Trade leaders looked for support from other groups in society at this time. For example, the Kremlin, under pressure from the Ministry of Trade in an attempt to improve the food supply, opened grocery stores in several factories. Traditionally, industrial workers were, from the point of view of Soviet propaganda, the leading class of society, and the Party expected support from this group. The trade organizations played a crucial role in fulfilling the needs of the working class. Trade executives did not see these factory stores simply as new places to embezzle but rather as an opportunity to consolidate the leadership under Brezhnev. Wary of Andropov's growing influence in the Party, these officials played a political game by supporting the conservative forces represented by Brezhnev and Grishin against Andropov, the KGB chief. They succeeded in substantially improving the food situation in certain places by inaugurating these factory stores, although for the majority of the population the food deficit continued.

The power of the Moscow trade network can be measured by its capacity for enrichment and the acquisition of resources. Trade executives had access to considerable amounts of money and resources; their influence depended on what they could do with them. At first glance, the Soviet system severely restricted opportunities for them. The ministries of Trade and of Fruits and Vegetables had the support of institutions created by the Kremlin that guaranteed adequate supply to the population. The number of supervisory organs in the country was at its largest since Stalinist times, although they did not have the unlimited power they had held before (see fig. 1.3). The increase in the number of entities during the Brezhnev period can be attributed to the fact that the government wanted to give the impression it was looking after the well-being of the people and that the political system was governed by law and not by arbitrariness. The expansion meant, above all, a commitment to respecting the law in distribution and retail. It would be erroneous to imply that all the control organs, such as the price commission, the union inspection department, and the Glavtorg inspection department were all corrupt or manipulated.

The Transformation of Glavtorg into a Political Force

Leaders in the Ministry of Trade had no leverage when it came to political questions such as constitutional changes, which were the exclusive prerogative of the Communist Party. Trade leaders had no hope of removing the Party from

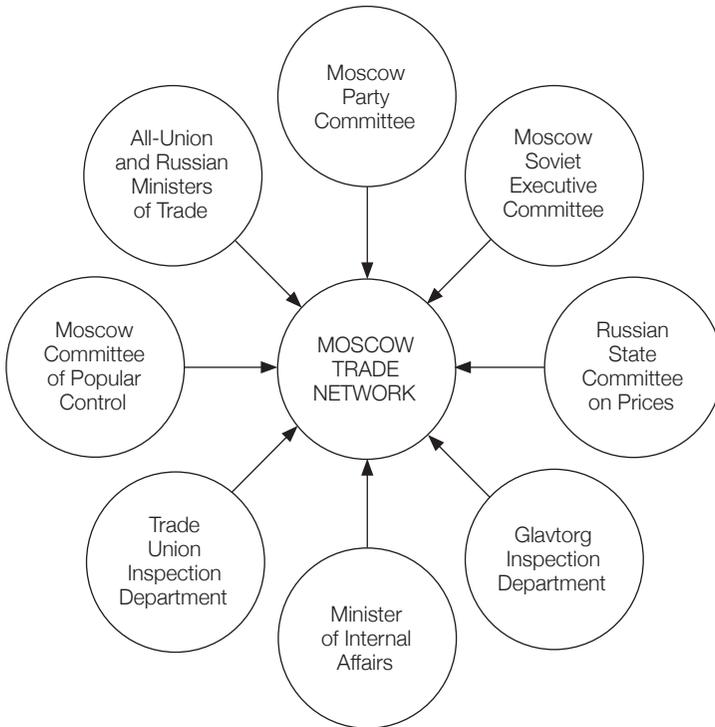


Figure 1.3. Entities controlling the Moscow trade organizations

power in this nondemocratic system, and without elections, they could not give money to politicians to promote their interests. Thus, while political channels were closed to them, trade leaders could exercise influence on the economic level: in the trade network, the rules were not always respected or enforced. As their authority was not based on law, trade leaders turned to traditional means of protecting themselves. The personalization of power was a deeply rooted practice in Russian society, and, in the 1970s, trade executives consolidated their positions through their personal relations. Superiors decided whether employees were honest and competent or not and when to apply the law. Trade executives' behavior affirmed Mueller's third condition for consolidating bureaucratic power—the absence of monitoring. They eluded control by both Soviet and Party agencies. With money and resources, trade executives at different levels bought political support among Party and government officials and were continuously on the lookout for people to bribe. Colleagues at the district level and the directors of the top *gastronom*s helped them by identifying influential officials to

whom Glavtorg executives could give money or scarce goods. It was thus that Glavtorg became a political force.

Purchasing Political Support in the Law Enforcement Agencies

To become a political force, trade organization leaders had to gain support in the upper echelons of government and Party structures. They could go about this either by working to have their colleagues from the trade network appointed to important positions in these structures or by buying support among political and judiciary officials already in place. In order to carry out these illicit activities without fear of being caught, Moscow trade leaders had to neutralize the entities designed to control their activities. This strategy was exemplified by the actions of Glavtorg chief Tregubov, who represented the trade network in the Moscow Party Committee and, more importantly, was a member of the City Party Committee. Tregubov's strength came chiefly from Moscow Party chief Grishin, who had believed in Tregubov's honesty and competence to the extent that he made him his lieutenant in the trade organizations.

Tregubov and other Glavtorg leaders first looked for support from supervisory bodies within their own ranks. The best way to have the backing of these groups was to involve their leaders in corruption. It became a widespread practice in the inspection staff to take bribes; in return, the inspectors would report that law and order prevailed in the stores. Inspectors could put pressure on managers or employees at any time, and life became impossible for those who were reluctant to meet the inspectors' demands. The inspection department leaders' main function consisted of covering up illegalities and promoting the view that everything was fine in the trade network. Their reports stressed that executives were honest, confirming Glavtorg's reputation as a model organization. If the inspection department claimed that honesty and order were the main features that characterized the trade organizations, it implied that external control was unnecessary. If another control body found illegalities, it would necessarily enter into conflict with the internal trade inspection department, whose leader, Kireev, enjoyed Tregubov's full confidence.

As Brezhnev's authority declined, various organizations won greater autonomy. Broader autonomy in a particular organization meant an increase in its political influence. The strong influence of the Moscow trade organizations was due to a large extent to the power of its chief, Tregubov, as leader of the Moscow trade organizations. His importance in the Moscow Party Committee was made clear in 1972, when investigations by the Russian state price commission disclosed major violations in twenty district stores: "In 156 out of the 193 stores, it turned out that irregularities had been committed. Four out of five customers

had been cheated concerning 51 to 57 percent of prices. Systematic food price hikes were noted in the Proletarski district, where customers lost a total of 32,000 rubles.⁷⁴⁵ The president of the commission informed Glavtorg chief Tregubov of these results and told him he had to report on the situation to the Party and the government. Tregubov succeeded in persuading the president of the price commission to allow him to report to the Moscow Party Committee instead and outline the necessary corrections (which he never carried out). I. M. Tiglis, an investigator for the state committee on prices, explained how Tregubov's strategy worked: "Great pressure was placed on me by management, who proposed not to convey the results of the inspection. Soon after, the documents disappeared under mysterious circumstances."⁷⁴⁶

The year 1972 was a turning point: the government control agencies would henceforth have to report trade irregularities to Tregubov. They continued to report many trade network violations to Moscow and even proposed measures to counter them, but it was up to Tregubov to decide what would be done in the end. Moreover, all complaints addressed to the Party Committee about corruption in the trade sector were referred to him. The result was that "in many letters, the organs of the legal and the control system informed Tregubov of the increase, year after year, of incidents of embezzlement, bribery, the cheating of consumers, and other offenses in the Moscow trade network. In these letters to Glavtorg, they proposed to take resolute and efficient measures to eliminate the causes and conditions of [these violations]."⁷⁴⁷

These pressing complaints constituted a threat to Tregubov. Even if he could ensure that the control agencies would not act upon a complaint and although he knew that the political leaders trusted him over the representatives of the agencies, he also needed police support. The law enforcement staff, particularly that of the Ministry of the Interior (MVD), based its legitimacy on apprehending lawbreakers and could lose their jobs if they did not perform. When Tregubov offered them material advantages, police officers would accept only if they were persuaded that it was not risky, that is, if they knew that their bosses were also involved in such practices. Indeed, they frequently had no choice in the matter because their bosses often compelled them to act illegally. The control agencies' staff had to follow the laws that regulated Soviet trade, but in reality, their conduct was dictated by the Glavtorg chief. Tregubov's authority was such that his staff obeyed him even if they risked imprisonment. He was able to buy support from Moscow MVD leaders, who became crucial allies of the trade network leaders. According to Oleinik, who headed the anticorruption brigade and handled the investigation of especially important cases, "When I worked in the Department for Combating Organized Crime, officials reported that inside the State structures, there were a thousand corrupt employees, with 40% in the Ministry of the

Interior and 20% in the courts.”⁴⁸ According to Petrikov, senior deputy president of Glavtorg, “Tregubov and other leaders of the organization often requested N. T. Mironov, head of the Moscow Department for Combating Speculation and Embezzlement of Socialist Property, not to inform Party and Soviet organizations of irregularities occurring in trade in Moscow, but instead to transfer the information to the Moscow Trade Administration (Glavtorg), which would take measures against it.”⁴⁹

According to Petrikov, Tregubov frequently appealed to Mironov’s assistant, Maratik, to hide cases of corruption that might have been reported to the police. He said that Tregubov told him, “We [Glavtorg’s leaders] had to appeal to Maratik; Maratik would solve the problem.” In fact, according to the police report, “During this period, all measures were taken to hide criminal activities in trade.” In return, Petrikov revealed that, concerning MVD officials, Glavtorg’s leaders “satisfied all their requests and wishes. These requests came not only from Mironov, but also from his deputy heads in the Moscow MVD, I. M. Shutov, V. A. Shashkovski, N. S. Mirikov, and I. A. Minaev. One after the other, they behaved as if they had the right to make various requests of us. Mironov wrote letters to Tregubov and me, letters requesting cars, furniture, carpets, and other things.”⁵⁰

MVD officials were very useful to executives in the trade network. According to the law, it was incumbent upon the Ministry of the Interior, and in particular, the MVD Department for Combating Speculation and the Embezzlement of Socialist Property (OBKhSS), to fight corruption in the trade network. If there were irregularities, why should Tregubov be held responsible for them? Under Brezhnev, all information and complaints about wrongdoing in the Moscow trade organizations were referred to OBKhSS. The power of the Ministry of the Interior was, officially, almost unlimited; its officers could arrest and jail any trade employee. MVD officers often wielded their power in another way, however: until 1982, they chose to ignore and even to protect trade executives involved in wrongdoing, receiving in return substantial sums of money and other resources.

MVD officers helped the cause of the trade leaders in several ways. Taking bribes themselves precluded them from opposing this practice, and this put greater pressure on employees to give bribes in general. In taking money, MVD officers reduced the amount of money available to trade executives but increased the number of defenders of wrongdoing in the trade network. The MVD officers’ tactic was to extract money from employees and to “embezzle socialist property” rather than to take money from executives. They regularly brought charges against underlings but rarely prosecuted executives. Trade leaders were forced to agree that this MVD police force had to justify its existence and prove its efficiency by prosecuting and convicting some people, particularly when it targeted

trade employees. Managers were not always passive with regard to the relations between law officers and employees: they frequently took the side of the repressors and aided them in practicing extortion. The following case concerns a store manager who reported that two of his employees had been accused:

Filippov [head of the Babushkin district MVD Department for Combating the Embezzlement of Socialist Property] claimed it was a coincidence, but we knew that he applied some pressure when he needed money, and paying him each month was not possible. We learned that sales clerks Laiushkin and Kasatkin were charged. Their case was not transferred to the criminal court, but to the Comrades' Court. Filippov wanted to stop procedures with 1,000 rubles. I transmitted his proposal to the accused sale clerks, who fretted day and night, asking my help on how to find the money. Filippov told me and my assistants that the sales clerks had to bring the money. I brought the money to Filippov's office. He asked me if the sales clerks knew about it. I said no, and he replied, "Fine, thank you."⁵¹

The KGB was the weakest link for the Moscow trade leaders. Contrary to what happened with Party officials, trade leaders were never able to place their colleagues in high positions within the security forces. Moreover, law enforcement documents do not mention the names of any KGB officials, even at the district level, who had been bribed by trade executives. This does not mean that the Moscow trade organizations were unaware of the importance of gaining support within the KGB: they expended much effort toward this end, and it eventually paid off. While most trade executives were unable to count on high-ranking KGB officials for support, an exception was Roganov, head of the Sheremetyevo Airport imported food warehouse, who succeed in bringing the KGB officers who worked at the airport onto his side. One trade executive associated with Roganov through illegal activities made the following comment about his colleague: "Besides working at the imported fruit and vegetable warehouse, I do not know how, but Roganov knew almost all of the KGB officers and border guards. He looked like the real owner of the airport."⁵²

Occasionally, high-ranking executives, including the directors of the major grocery stores, did find supporters in the KGB. Petrikov mentions that Tregubov once alluded to Sokolov's connections in the security forces. In certain cases, KGB assistance had significant benefits. For example, Tregubov's son would not have entered the KGB if his father had not had friends inside the organization. However, it should be added that Tregubov's connections in the KGB did not extend to the higher levels; moreover, his son was never promoted to a position

of authority in the security force, and Sokolov was not granted a visa to go abroad even after appealing to acquaintances in the KGB intercede for him.⁵³ In sum, the KGB backed a few trade executives, but this support was not enough for the latter to avoid prosecution when they were eventually charged with wrongdoing.

In general, KGB officers who received favors from the trade organizations were those who worked as volunteers in the food organizations.⁵⁴ The KGB volunteers were circumspect, accepting only modest quantities of food, and police documents do not report any instances of KGB intervention on behalf of arrested trade employees. The volunteers were members of the KGB Party Committee in the trade organizations and were therefore accountable to the Party more than to the security forces. Their connections to the upper echelons of their own organization were weak, and consequently, they could not influence KGB actions. However, until 1982, the trade executives were not worried by the fact that they had not bought much support in the KGB, considering that, to all appearances, it was the Party that dominated society. Late in the 1970s, there was no sign that Party hegemony would end in the near future. In this light, it is understandable that the trade executives sought support primarily in the Party.

There was a contradictory tendency in the law enforcement agencies, with part of the staff, concentrated in the KGB, actively combating corruption while another portion supported corrupt trade officials. While it would be incorrect to say that the Prosecutor General's Office was controlled by the trade organizations, widespread corruption at all levels of the Ministry of the Interior indicated that the judiciary organs had been weakened by this division among the ranks.

Purchasing Political Support in the Soviet Agencies

According to the Soviet constitution, the Moscow trade network was under the jurisdiction of the Moscow soviet, as were the ministries of Trade and of Agriculture. Although the Moscow Party Committee controlled the soviet, the latter possessed an autonomy that increased significantly during the Brezhnev era. The Moscow soviet grew in importance due to the privileged status of the city. The influence of this soviet went hand in hand with that of its leader, Promyslov, with his strong personality and impressive authority as mayor of Moscow. Promyslov's status also stemmed from his relations with Moscow Party Committee leader Grishin. Although we have no legal evidence that Promyslov was bought by the trade leaders, there is no question that he belonged to the group that unconditionally supported the trade staff. He demonstrated this support on many occasions.

Moscow soviet leaders did not rule the trade network with exclusivity, but

without their approval, the network was almost powerless. No nomination of a Glavtorg executive was valid without the consent of the Moscow soviet. The situation was the same for other matters, such as determining the quantity of food distributed to stores. The new power acquired by the trade organizations via the support of the Moscow soviet was possible only because trade leaders paid for it. This payoff may have been beneficial for the Moscow soviet leaders in financial terms, but it was prejudicial to the Moscow soviet's institutions, which lost a lot in terms of power. The Moscow soviet leaders thus played a major role in increasing the influence of the trade network. A significant point in this path toward greater influence was Decree 3-59, adopted by the Moscow soviet's Executive Committee in 1971, which widened Glavtorg's responsibilities: "The Moscow Trade Administration assumes the direction of the retail trade in the city, [and] bears responsibility for the state and development of trade and the quality of the services to the population. One of the primary tasks of Glavtorg is to guarantee respect for socialist legality in all spheres of activity in its organizations and enterprises."⁵⁵

Glavtorg's president was assigned additional power in 1973: "The president bears personal responsibility for the accomplishment of Glavtorg tasks and obligations."⁵⁶ The Moscow soviet's support for trade executives was based on other considerations as well. For example, the Moscow soviet had jurisdiction over land in the capital. It was responsible for matters related to communication and transport and for the buildings where many stores were located. It thus had to maintain and repair those buildings. Trade executives paid bribes to persuade the Moscow soviet to invest substantially in the improvement of Glavtorg and Glavka structures. Soviet officials allocated certain highly appreciated services, such as housing in apartments and space in garages, to trade executives in return for huge sums of money. Other resources that the Moscow soviet commanded, such as construction materials, were in very high demand on the black market.

The key officials in the Moscow soviet were the deputy directors, and trade executives made it a priority to win their support. One official targeted for such support was Debridin, the first vice president of the Executive Committee and therefore second in importance after Promyslov. Debridin was the effective leader of the staff (he made all personnel decisions) and knew more than anyone else about the illegal activities of his officials. To a certain extent, he orchestrated those illegal matters, and he was Promyslov's confidant inside the Moscow soviet. Trade leaders had bought him and his lieutenants, including Naumenko, his principal advisor.

Trade leaders bribed other vice presidents for various reasons. Each vice president had a particular jurisdiction, and Debridin was reluctant to encroach

upon it. The other vice presidents usually preferred to make deals directly with trade executives because otherwise, if they allowed the first vice president to carry out these operations, they risked losing significant amounts of graft money. Protection from the Moscow soviet was more safely ensured when it involved more than one of its high-level officials, whether that one was Debridin or someone else. Trade executives kept in mind that if one vice president was arrested for corruption, others would have to step in as suppliers and protectors. These officials were the "trade men" within the Moscow soviet, that is, one of their main tasks consisted of consolidating the interests of Glavtorg and Glavka. It should be added here that certain trade organizations were more involved in acquiring this backing than others; many buyers of Moscow soviet support held positions in Glavka, an organization that was riddled with illegalities.

In many respects, the trade executives in the capital offered services to the Moscow soviet's Executive Committee that resembled those provided to the Party Committee. Their contribution was to receive delegations and organize receptions for conferences or meetings. Nevertheless, the proportion of the Moscow soviet staff who regularly received or gave bribes was not as important as the number of MVD officials or district Moscow Party Committee members doing so. Some store managers did not consider the soviet's officials to be as influential as Party or law enforcement officials. They took it for granted that their supporters in the latter organizations were their principal protectors.

Since most of the Moscow soviet officials could not offer as much protection as the other organizations could, they did not expect large bribes. The trade executives were aware of this and occasionally refused to accede to their demands when they involved large amounts of money. However, the Moscow soviet officials had a plan B, which consisted of asking trade executives to deliver free delicacies to them on occasions such as holidays. This demand was more difficult to refuse because, first, it was rather modest and second, some Moscow soviet officials asked so vehemently that their requests could be perceived as threats: "as you give to others, you should give to me too, otherwise. . . ." Moreover, it was hard to refuse such requests when they came from high-ranking persons. Low-risk meetings between trade executives and Moscow soviet officials were frequently held, and during the meetings they would discuss problems and consume illegally obtained food and vodka. Naumenko, the advisor of the first vice president of the Moscow soviet, addressed his requests for goods to Ambartsumyan, the director of the Dzerzhinski *kontora*. In 1982, the two men met five times: twice in restaurants, twice at the Bolshevik baking plant, and once on the outskirts of Moscow. On these occasions, the *kontora* director paid for the food and drink. Nevertheless, apart from deliveries of food, some Moscow soviet of-

officials demanded additional resources or services, such as repairs to their apartments: "Twice, he wanted repairs to his apartment; once it cost 60 rubles, the second time, 1,000 rubles. Every month, he required food deliveries."⁵⁷ When trade executives showed their power by refusing demands made by Moscow soviet officials, even when these came from the upper echelons, some officials complained that the executives did not pay them enough.

The Moscow soviet officials' success varied from one store director to the next. Sokolov, director of the Eliseevski *gastronom*, was more willing to collaborate with them, probably because of his criminal record. (In 1959, while working as a taxi driver, he had been convicted of defrauding customers and was sentenced to one year in a labor camp and fined 20 percent of his annual salary.) The heads of the Moscow soviet contacted the Eliseevski *gastronom* via a special telephone line, a practice that was not usual among officials and that intimidated store directors. Sokolov knew that after receiving a call on this line, he had to raise the amount of a bribe for someone or add some names to his list of bribe-takers.⁵⁸ This was part of the price that trade leaders had to pay to remain free of the Moscow soviet's regulations.

Trade executives made particular efforts to buy the district soviet leaders who had accumulated additional power during the Brezhnev era. This was particularly the case in the model districts, where the leaders' authority was reinforced by good management and good results. In the Dzerzhinski model district, Ambartsumyan's achievements earned him an increase in bonuses and honors, some of which went to the district soviet leaders. Illegal dealings also produced extra revenue for the model district soviet's bosses. In addition, the corrupt executives in these districts had powerful protectors and superiors who boosted both their own reputations as excellent managers and those of the district soviet leaders. The trade executives pursued a policy that maximized the importance of the model district soviets, especially with respect to the Moscow soviet. District soviet leaders served trade leaders' interests by buying supporters in the upper echelon of the Moscow soviet. Another tactic of district bosses was to place their colleagues in key Moscow soviet posts. Thus, district soviet leaders helped the cause of the trade staff by corrupting Moscow soviet officials. Trade leaders could buy high-ranking Moscow soviet officials through the intermediary of the district soviet bosses.

Purchasing Political Support in the Party Organizations

One of the trade network leaders' strategies was to gain support among Party officials, something that, at first glance, seemed very difficult. Not all officials were willing to accept illegal resources. However, for the trade executives, finding

support in the Moscow Party organization was a high priority. They attempted to approach officials of Moscow Party agencies who were responsible for inspections. By buying the promise of collusion from apparatchiks, the strength of the trade leaders could only increase, especially in Moscow, where the Party organization was the most influential in the country, if one considers its role as the main recruitment base for the central institutions. The Moscow Party organization also had unusual strength at the middle levels (regional and urban), and because it had such close ties to the central Party structure, Moscow officials naturally rose to the Party's top echelons on a regular basis.

The trade network leaders were successful with their primary tactic, which consisted of turning officials of the Moscow Party structures into bribe-takers. The highest-ranking apparatchik they succeeded in buying was Buchin, who, as president of the Moscow Party Control Commission, was responsible for checking on officials' behavior, and therefore had the final say on whether or not a high-ranking Moscow city official would be charged with corruption. The trade leaders also succeeded in buying support from apparatchiks of the Central Party Committee and the Moscow Party Committee, from the heads of the Trade and Maintenance and the Finance departments, and from the Party secretaries of the Dzerzhinski, Babushkin, Nevski, and Perovski districts. These Party secretaries were very influential and almost independent of the Moscow Party organization because they headed model districts. The Moscow Party Committee's Department of Trade and Maintenance had to deal with the trade organizations in the capital. It did not have to administer trade, a function that was the responsibility of the Ministry of Trade, but it did supervise the trade organizations and was responsible for making sure that they and their staffs were working adequately and honestly. In fact, these officials from the Department of Trade and Maintenance became Tregubov's men after they received bribes from executives in the trade network. Unofficially, their work thereafter was primarily to protect their bribe-givers.

The Moscow trade organizations' secondary tactic for gaining support among Party officials was to offer "gifts" on holidays: "Orders included cucumbers, tomatoes, lemons, oranges, bananas, pineapples. When the amount reached 3 kilograms, it was put in bags. Besides that, such orders necessarily contained Armenian or French cognac, good vodka, good champagne. Also included were dairy products and processed fish."⁵⁹

Because this gift-giving tactic involved less monetary value, it had its advantages, since it did not look like overt bribery and thus did not constitute a serious criminal offense. Another advantage of this practice was that the purchase of the Party officials was achieved at a relatively low price. This kind of "donation" did not imply consent from the receiver, or at least not explicit consent, and it could be given to the targeted person's wife or mother.

One of the major successes of the trade leaders was their purchase of Party support at the Moscow district level. It was through favors to the district soviet and MVD leaders, who were in a position to counter any accusations against them, that the trade leaders consolidated their influence with the district Party secretaries, who also accepted gifts. Whether the favors rendered were actually bribes or true gifts was often a matter of interpretation. While the food given to Party officials was presented as a gift, the amount of food involved was more impressive than what was given to state, soviet, or police officials. The district Party boss received about twenty kilos of a variety of scarce food products, of a value of about a hundred rubles, with lower-status Party officials receiving less. In one police interrogation, the driver for a *kontora* director divulged information about the delivery of such orders:

Question: Do you know how much such deliveries cost?

Answer: For example, an order for the secretary of the Dzerzhinski District Party Committee cost 100 rubles. But the orders were less valuable for deputies and officials of the different organizations, who received no vodka or cognac, but only bottles of champagne.⁶⁰

This generosity was appreciated and even expected by Party officials, but it had its risky side too, because a zealous prosecutor or a new Glavtorg leader could suddenly appear, interpret such gifts as bribes, and put the recipients behind bars or at least cause their expulsion from the Party. But in the Brezhnev era, no one imagined that for such a paltry gesture a Party official would run into problems with the justice system.

Another regular practice was to invite Party officials to the *kontoras*, where they would be volunteers and sort food according to quality. During the Brezhnev era, personnel from numerous organizations performed this work, which was supposed to be unpaid, but in fact Party officials would take some of the best food home with them. Yet another means of distributing favors was to encourage friendships within Party apparatchik circles to create opportunities to meet outside the workplace.⁶¹ One last common practice throughout the Soviet Union in the Brezhnev era was to organize receptions for the guests of high-ranking officials and to look after participants attending conferences, as a trade leader in Rostov recalls:

When this conference took place, I had to take care of some [Party] secretaries, whose names I have forgotten, from the following districts: Cherssovski, Chenichevski, Brianski, and Riazanski. I had to accompany them, to find a hotel room for them, and to feed them when they were not at their meetings: I had to offer them lunch and dinner in the evening. Moreover, there were souvenirs to give: a scarf that cost 55 rubles, and

a typical vase of the region for 50 rubles; up to 150 rubles for everyone. Also, a bottle of champagne made by the Cossacks in Rostov. Initially, when they told me that the person accompanying them must pay for all this, I wanted to tell them to go to hell. I understood that they would have expelled me from the Party or that I would have lost my job for this. But what did I have to lose? Money, I have enough . . . but I did not refuse.⁶²

The Glavtorg leaders in Moscow had to organize more conferences and receptions for high-level officials than did trade organizations in other cities. The importance of their role was magnified because these events were for the Moscow Party Committee, the Moscow soviet's Executive Committee, the USSR Ministry of Trade, and the Ministry of Trade of the Russian Republic. The following account illustrates the role of the Moscow trade leaders in the organization of conferences:

Delegates from all the republics and regions met at the Moscow Party Committee for a conference on the fruit and vegetable supply in Moscow. After the conference, the delegates stayed in Moscow to eat. Tregubov headed this reception. This delightful occasion took place at the Hotel Moskva, in the banquet hall. There were 80 people; for each one, the cost was 15–20 rubles. They were given good cognac, good vodka, good hors d'oeuvres, good caviar, and other delicacies. Of course, we received 200 rubles from the government to organize this delight, but it cost 1,500–3,000 rubles, and maybe more.⁶³

Trade executives did their utmost to please Party officials at such gatherings by taking their demands and particular tastes into account, and the goal of serving the correct variety of tempting foods was to compromise the integrity of the maximum number of influential people. The trade leaders knew that certain Party officials were not particularly interested in money but preferred to take part in meetings where good alcohol and delicacies were in abundance. In certain cases, they organized meetings that also included an element of erotic pleasure: "First secretaries of the Dzerzhinski Party Committee, M. A. Ablochin and N. G. Komarov, phoned to tell me that there should be a meeting outside of Moscow, with good food and good alcohol. We also should invite employees from the KGB Party Committee. They told me that the secretaries and deputy secretaries of the district Party Committee would attend this meeting. They were drinking, eating, and kissing. At the end, the unfinished food was packed and brought home."⁶⁴

For Party officials reluctant to take bribes, even gifts in kind, because they were afraid of eventual problems with the law, the trade executives were careful

to find solutions that took such reticence into account. Many officials received “legal” favors, such as being able to skip a long queue of customers when they paid for the best goods at official prices. Even though no law was broken in such a case, the discovery that Party officials had accepted such privileges from a store manager would be serious enough to end their political careers.

Because some trade executives still felt insecure even after buying substantial support among Party apparatchiks, they expended considerable effort in trying to get colleagues appointed to key posts in the Party hierarchy. The practices that trade executives developed at city and district levels to get colleagues into Party and government agencies were very successful and reflected the growing influence of the trade organizations. A report by the Prosecutor General’s Office in 1986 stressed that “many who worked before in the trade organizations have reached commanding positions in Party, soviet, and economic structures, where they continue to be useful to their networks.”⁶⁵

The appointment of trade executives to the upper echelons of the Party is worthy of attention. The cases of Tregubov and Pospelov are good illustrations. Tregubov reached the post of president of the Moscow Trade Administration after a career in the food trade sector. It was only after he rose to the top of the trade network in the capital that he began a second career as a Party leader. After he was nominated to head the Moscow Glavtorg, Tregubov was responsible for appointing people to the trade organizations, but in the second half of the 1970s, his responsibilities were broadened to include recommending candidates for the Moscow Party Committee’s Department of Trade and Maintenance. In 1980, Pospelov, who had made his career in the Moscow Fruit and Vegetable Office, was appointed head of the food section of the Moscow Party Committee’s Department of Trade and Maintenance.⁶⁶ He emerged as the third most important of the Moscow Party “trade men” after Tregubov and Buchin. All major trade issues were referred to Tregubov, as a member of the Moscow Party Committee, to decide on behalf of the Party. At all levels, the trade leaders enjoyed favored treatment from Party officials, but their representation was the strongest at the district level. District Party secretaries were not afraid to publicly manifest their high consideration for the bosses of the trade organizations. They invited the “trade men” to Party meetings, where they sat with district officials such as the Party secretaries, the president of the Moscow soviet, the secretary of the trade union, and the head of the district MVD. Trade leaders also served as deputies in the local soviet and as members of the Trade Union Committee.⁶⁷

The Moscow trade organizations’ success in building networks and controlling and influencing officials in their own and in other spheres was impressive, particularly as they managed to turn entities that were supposed to combat corruption into their allies. These control bodies were mainly law enforcement

agencies; it could be said that the trade organizations' success was relative, since the judiciary organs in the Soviet system were not as strong as they would have been under the rule of law more common in the West. Their most significant influence lay in the diverse echelons of the Moscow Party Committee, which had never been corrupted to this extent before. However, Moscow Party leader Grishin was not involved, although he supported several Party officials who had accepted bribes and knew about their irregularities but only defended most of them after they were accused. He believed in the honesty of most of his officials and was persuaded that the accusations about them were a tactic of his enemies to discredit and replace him and his team. As for their failures, trade leaders never managed to compromise a member of the Politburo, and one factor that should have concerned corrupt trade leaders was that Glavtorg and Glavka enjoyed little support from the KGB.

Social Capital

The trade staff was united by not only corruption but also the sincere friendships that developed within its ranks. The leaders of the trade network worked to build trust among its staff members. Trust was a component of the social capital that was essential to the functioning of the trade organizations. Social capital was situated within the executive's general relations with the rest of society and, more specifically, with colleagues. The more trust that existed among executives, the stronger their positions would be. Furthermore, executives recognized the importance of mutual aid not only with respect to work issues but also personal matters. For example, executives found it important to have their own support system of individuals who could provide assistance in case personal difficulties suddenly arose. After all, citizens could not always count on Soviet institutions for social support.

Trade executives confided in colleagues with whom they colluded in economic irregularities, and these special relationships often extended beyond working hours. Directors did not own their stores but had total control over them during the workday. From eight o'clock in the morning until closing time, store directors invited people to their stores to relax, drink alcohol, or eat with them. This practice was the simplest means of creating social capital. Among the invited guests were high-profile officials who could play the role of protector. Store directors might already be involved with them in corrupt activities, but inviting them for midday socializing would strengthen the personal relationship between them, gain the officials' trust, and through the latter's connections, bring about introductions to even more influential people. For example, according to Rosliakov, A. D. Ulagin told him that "there was no day that MVD leaders did

not come at lunch- and dinnertime to take food, vodka, and beer. Almost every day, V. I. Filippov, deputy director, and V. F. Ivanov, deputy director of the MVD district section, were invited. I've heard that they even got drunk sometimes in Filippov's office. I saw it with my own eyes on certain occasions. I wondered when they found time to work."⁶⁸ Directors could not transform their stores into restaurants, but they could entertain guests with good conversation, free delicacies, and the prospect of further illegal gains.

The number of conferences and meetings of all kinds increased significantly during the Brezhnev era. Such meetings, usually organized by the trade agencies, were official functions tied to work matters or to holidays and involved a gathering of small or large groups. Sometimes these meetings were intended for the employees of a single store, other times for the representatives of all the stores in Moscow, and, on occasion, for the directors of different categories of stores in the same district. Each meeting or reception was an occasion to get to know people better, to establish a friendly relationship with them, and to meet new people. The meetings served as a means of collecting information on what colleagues could offer and what they expected in return. Hosting a successful meeting of this type implied that one could expect to obtain access to additional services and products.

Many executives also liked to meet at public baths or country homes. There, they could relax in a familiar and intimate atmosphere. According to Ambartsumyan, "They went for several years to the Sandunovskie bath, the most comfortable bath and the one that provided all services: massage, food, etc. The same circle of friends met there."⁶⁹ The executives who colluded in the shadow economy used the baths as a venue in which to discuss their transactions in detail and conclude deals. It was safer to do this in public places other than the workplace, where it might arouse the suspicions of employees. Moreover, several executives had reached an age that made them appreciate the baths for therapeutic reasons. Often, a director would reserve a separate room at the baths. Roganov was one of the executives who discussed major deals with influential people at this privileged venue: "At the central bath, he [Roganov] began to invite other people: store managers with whom he was acquainted, and who frequently traveled abroad." The baths were also a place where gifts could be exchanged: "At the beginning, Roganov, B. G. Nazarev, Benjaminov, and A.V. Kuvaldin went to the baths. Often, an acquaintance of his, a pilot . . . would come and give him souvenirs."⁷⁰ Introducing an important person like an Aeroflot pilot had a significant psychological impact on Roganov's colleagues, building esteem and trust among them. Like the other trade executives, he sought to strengthen his network by any means possible. The more impressive the network, the easier it was to attract new adherents and thus increase influence.

Free time was not spent only in business discussions. The executives also liked to socialize with friends. Executives never forgot that one day they might be helping a friend manage some sort of problem and the following day they might be in need of assistance themselves. Furthermore, executives who made profits through corruption found it useful to build friendships with work colleagues, usually their subordinates, who were not involved in bribery in order to make it less likely that the latter would denounce them to the police. So executives sought out occasions to help such friends. Ambartsumyan related this type of relationship with his colleagues: "With Noris A. Mesumian, Roganov, and some other people, we went to the outskirts of Moscow to relax, sometimes for two hours, sometimes more. I knew Noris, his father, and his brother. When his brother died in Moscow, I helped arrange the transportation of the coffin from Domodedovo airport to the city of Tbilisi."⁷¹ Ambartsumyan used his personal connections to offer a service that was theoretically the state's responsibility but that, in practice, was not properly carried out by the state. Here, the accumulation of social capital extended to helping a colleague in a personal matter.

The dacha or country house was another of the trade executives' favorite venues for meetings and building up personal networks. Ambartsumyan said that "the most intensive period in my relationship with Roganov was from 1980 to August 1981. With a small group, we met [at the dacha] every Saturday and ate together."⁷² Executives had to dedicate a considerable amount of time to these informal relations in order to succeed in the shadow economy, which was pervasive in nature. Relations became closer and social capital increased with the frequency of these meetings.

Formal invitations to celebrate important events in the lives of the executives provided still more occasions to get together. At executives' birthday parties or the weddings of their children, they had the opportunity to impress their colleagues by displaying their power, and they could expect to receive gifts and bribes. The best restaurants in the capital—the Prague, for example—were favorite places to celebrate. These gatherings could be extravagant. When Sokolov celebrated his daughter's marriage in 1981, hosts and guests drank heavily and acted as if they owned the restaurant. They drew other customers' attention by their rowdiness, even though they were simply following a Russian tradition when they ended their toasts by throwing their glasses of vodka at the wall and on the floor.

In addition to inviting influential officials for pleasure weekends in the region surrounding Moscow, trade leaders took excursions on the Moskva River, even during working hours. High-ranking officials and executives, including Buchin, head of the Control Commission of the Moscow Party Committee; Uraltsev, the director of Glavka; and Bikanov, deputy director of the Dzerzhinski *kontora*, found time to meet as friends and enjoy life, as Ambartsumyan describes: "Bu-

chin, Uraltsev, Bikanov, and I, on the orders of Uraltsev, chartered a yacht, leaving from Klebnikov, a vacation area. We cooked some fish, beef, and chicken on a spit, and we drank heavily. On our way back, Uraltsev fell in the water and got completely soaked. We came back to Klebnikov, where a car was waiting for us.”⁷³

These pleasure jaunts were opportunities to gain the support of high-echelon officials through friendship instead of by offering bribes, which might be refused. Flattery, awards, and gifts were the means used to win the officials over.

Friendship and trust enhanced the network’s cohesion, strengthening links among corrupt trade executives and preparing the ground to recruit new ones. The network also fulfilled needs that had nothing to do with trade matters—for example, the need simply to spend time with friends whom one could trust, to talk things over and ask advice about personal problems, for example, with a divorce or with children. The trust developed in the network could even influence the choice of a marriage partner.

Other considerations influenced the workings of networks. Numerous executives and employees, especially those who had come back from the war in 1945 in a weakened state, worried about proper health care; this need for medical attention explains why many executives stayed on the job for long periods and accepted illegal money. Although illegal practices in stores had further negative effects on their health, their networks gave some of them the chance to receive better care.

Even though many staff members paid bribes to their superiors, some of them desired a minimum of involvement in corruption in order to diminish the amount of risk and the stress it generated. Corrupt executives preferred a network composed at least in part of honest and sincerely friendly colleagues. Some employees attempted to change their relationship with superiors and protectors so that it would be exclusively based on trust and friendship rather than on illegal dealings. Corrupt trade employees knew they were at risk: at any moment, they could be exposed and lose their money and their reputations. Some might be arrested. They knew that an anticorruption campaign would not result in the arrest of all the lawbreakers in the trade organizations because there were simply too many of them. They knew, however, that if they were arrested individually, they were powerless and that the network was their only hope.

During the Brezhnev era, the Kremlin decided that Moscow deserved to be named a “communist city,” and it became a model for the rest of the country.⁷⁴ Moscow’s Glavtorg and Glavka were presented as examples for other trade organizations, and their staffs developed close and harmonious relations with the Communist Party. For example, Gurgen Karakhanov, the Baumanski *kontora* director, received an award in September 1981 for his longtime work with the Baumanski Komsomol Organization, which provided communist youth education.

Trade leaders built up personal relationships with Communist Party officials so that the latter would unconditionally support Glavtorg and Glavka. Thus, city and district Party organizations praised and awarded trade officials and rarely criticized them. Efforts to reform the Moscow trade organizations had effectively ended with the removal of Khrushchev in 1964.

The Party's support of the Moscow trade organizations was due to more than just the involvement of its officials in graft. Grishin, the Moscow Party chief, knew that shortages and corruption did not occur as isolated phenomena in the capital, although he refused to accept that they were generalized.⁷⁵ However, he viewed the trade organizations through the eyes of the executive he trusted the most: Tregubov. Grishin believed that corruption was kept under control because of Tregubov's personal integrity. He also held the view, as did Tregubov, that nothing could be done to oppose corruption practiced by high-ranking officials, who included members of Brezhnev's and Foreign Minister Gromyko's families. Corruption, according to Grishin and Tregubov, depended on identifiable factors such as speculators from the south coming to empty the stores in Moscow, which were much better supplied.

Other Moscow Party officials shared their boss's positive view of the activities of the trade organizations, particularly if they had developed good relations with trade executives. They were pleased by the role trade executives played in the preparation of well-provisioned conferences and meetings. Moreover, they appreciated it when delicacies, considered gifts rather than bribes, were delivered to their apartments on holidays or when scarce products were reserved for them. Only personal relations based on discretion and trust could provide perks like these that did not bear an official seal of approval.

The excellent results achieved by the trade organizations, according to data from the Moscow soviet's Planning Commission, confirmed that store managers deserved to be models for the whole country. For all these reasons, Party officials placed elsewhere all blame for the persistent problems in the grocery stores.

The trade leaders also had contacts in the media who would defend their reputations as good managers. In several publications, it was claimed that directors would have been able to supply their stores better if customers and speculators did not come from all over the country to empty them. This affirmation was not entirely false, since stores, particularly grocery stores in the provinces, were not as well stocked as those in the capital. In this sense, Glavtorg appeared to be a victim of its own success. Certain analyses in the media denounced low salaries or inequalities in salary levels as justifications for the trade employees' tendency to work unconscientiously and even their embezzlement of socialist property. The press also attributed the shortages of food products in the stores to negligence rather than corruption.

Other sectors of society supported the trade organizations by making persuasive arguments. Certain scholars defended the trade employees by referring to social theories, for example, by pointing to the effects of urbanization as reasons for economic crimes in the trade organizations.⁷⁶ These interpretations of food supply problems were myriad and had some credibility. Along with journalists and scholars, dissidents had a tendency to exonerate or at least limit the responsibility of the Moscow trade organizations with regard to their shortcomings. The dissident Medvedev stated that the loss of food through negligence during its transportation from the villages to the cities was a major factor in creating scarcities in the grocery stores.⁷⁷

Party officials and members of the media and the intelligentsia had a trust-based relationship with important members of the trade staff. They were aware of the material advantages that could be gained from store directors and thus cultivated friendships with them. However, this trust was more apparent in Party officials than Party organizations or Soviet laws, which the trade staff officially endorsed but, in fact, did not respect. On one hand, trade leaders' supporters attempted to minimize and dissimulate violations of Soviet law. On the other hand, certain supporters sincerely believed in the integrity of their friends in the trade bodies. With the passing of time, this contradiction—respect for Soviet norms versus violation of them, or honesty and social justice on one hand versus the appetite for illegal material gains on the other—would only increase.

Soviet bureaucrats were subject to verification by certain control agencies, just as their counterparts are in the West. However, executives in the trade organizations, starting with Glavtorg president Tregubov, possessed enough strength to neutralize these controls, which were managed by law enforcement agencies, the municipal administration, and the Party under Brezhnev. With their considerable influence, Moscow trade leaders were rarely opposed in higher circles. The importance of trade executives was attested to by the following fact: after the 1980 Olympics, the Soviet government decided that many trade leaders would be presented with awards at the Moscow Soviet House. Petrikov revealed that Sokolov was opposed to this: "Sokolov said, 'Why should it be in the soviet? They should reward us in the Kremlin.' And it was in the Kremlin. Sokolov, with his Polaroid, strolled through the Kremlin as if he owned it."⁷⁸

The executives of the Moscow trade structures achieved considerable power because each of Mueller's three conditions for gaining bureaucratic power was present. Subject to no control, the executives had a monopoly over the distribution of goods and colluded with their superiors and suppliers. In this privileged position, the majority of them received considerable sums through bribe-taking. This explains how Glavtorg and Glavka arose as powerful forces in the 1980s and

could thus bargain from a position of power. A number of former trade executives were either Party officials or enjoyed wide support in the higher echelons of power. Since money and resources were given to many influential people, the trade executives had support throughout Moscow society. And, not surprisingly, due to the lack of control over them, no Moscow trade executives were prosecuted or lost their jobs between 1964 and 1981, despite the deep involvement of many of them in graft.

Regarding Weber's concept of authority types, the neopatrimonial leadership type predominates in the history of Russian bureaucracy, particularly in the trade organizations. In the 1970s, most trade executives had been put in place according to traditional criteria: bribe-giving, nepotism, and other types of favoritism. Those who appointed employees and supervised their activities were deeply involved in corruption, but some portion of the leadership necessarily comprised executives of the rational-legal type, who generally respected regulations in the trade sector. The charismatic type of executive was heavily represented in the Moscow trade network. Such leaders built their power upon the support they enjoyed in society from members of the intelligentsia and the nomenklatura, who appreciated receiving services and scarce goods from the trade executives in a manner that involved a minimum of risk; charismatic executives paid more attention to their needs than did traditional or rational-legal types of executives. However, these two types of leaders were not opposed to the charismatic executives because the bribes they gave and other offenses they committed were for the sake of their organizations rather than for personal benefit.

The trade organizations also featured premodern social capital. Personal relations were encouraged as a means of building trust and solidarity among trade staff members, which increased their capacity to consolidate the organization's interests and its resistance to hostile forces. Through such cooperation, trade leaders found new ways of bribe-taking that helped them accrue greater profits from corruption. Moreover, social capital was intended to decrease the risk that colleagues would inform the authorities about illegal activities. Mistrust of and opposition to the state constituted another element of the social capital prevailing in the trade network, and such attitudes encouraged the taking of resources from the state and the violation of its laws. The social atmosphere of the trade networks thus had a negative impact on relations between civil society and the state because it encouraged hostility between them.