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Title	The Political Economy of Russia's Farthest Borderland : A History of Sakhalin Customs between Capital Intentions and Local Realities, 1910 - 1950s
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Degree Grantor	北海道大学
Degree Name	博士(学術)
Dissertation Number	甲第15116号
Issue Date	2022-06-30
DOI	https://doi.org/10.14943/doctoral.k15116
Doc URL	https://hdl.handle.net/2115/90139
Type	doctoral thesis
File Information	ViktoriiA_Antonenko.pdf



**The Political Economy of Russia's Farthest Borderland: A History of
Sakhalin
Customs between Capital Intentions and Local Realities, 1910 - 1950s**

ロシアの最も遠い国境地帯の政治経済学：首都の意図と地方の現実
との間のサハリン税関史、1910 年から 1950 年代

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A thesis submitted for the degree of
Doctor of Philosophy
of Hokkaido University

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Introduction

As the understanding of Sakhalin history in general, a proper comprehension of Sakhalin customs history begins with closer acquaintance with the central policy and its application in the Russian Far East. In the middle of the 19th century, the free trade policy dominated Russian customs tariffs. As a result, foreign origin goods inundated Russian markets, providing high revenue from the customs duties for the State. However, from the end of the 1870s, in order to protect domestic industry development, the import duties started to rise gradually. By the end of century the Russian customs policy became strongly protectionist in nature, since “the adoption of the [customs] tariff in 1891 was not intended to compete in foreign markets, where European countries had reached a high level of economic development, but to introduce protective measures against economic expansion from outside”.¹ Along with protecting domestic industry development, the customs policy also had significant fiscal value. In 1897, increased customs duties became a substantial part of the revenue from indirect taxes of the State, second only to drinking duties. The customs revenue increased from 1884 to 1894 by 84%.² Also, since the bulk of Russian trade was conducted with European countries, the Russian customs policy was mostly oriented on the European markets. One of the main creators of the customs tariff of 1891 was D.I. Mendeleev. In his “The Explanatory tariff, or Study on the development of Russian industry in connection with its general customs tariff of 1891,” Mendeleev focused on the relations between the customs duties, grain exports to Europe, and imports of European industrial goods to Russia, disregarding the role of Asian markets for the country.³ Protectionist policy orientation remained until the end of the Imperial period, however, tempered by conventional bilateral agreements with European countries.

Even though the Russian Far East remained free trade zone until the end of the 19th century, the central customs policy was clearly reflected in the regional customs policy regulations. The initial reason for the duty-free foreign trade permission in the ports of the Priamur region in 1856 was the lack of a well-defined border with China, which would not allow Russia to create an effective customs control system in the area.⁴ Another important reason for the free trade in the region was the need to provide goods to the local population for its speedy settlement.⁵ However, with the gradual development of the region, along with the strengthening of protectionist tendencies in Russia starting from the beginning of the 1860s, a series of limitations significantly reduced the list of goods allowed for the duty-free trade.⁶ By 1888, almost all foreign analogs of Russian excisable goods, including alcohol, tobacco, and kerosene, were subjected to customs duties. After imposing numerous limitations on free trade,

¹ Соломеин А.Ю. История таможенного дела и таможенной политики России. СПб., 2011. С. 150.

² Кисловский Ю.Г. История таможенного дела и таможенной политики России. М., 2004. С. 275, 232.

³ Менделеев Д.И. Толковый тариф, или Исследование о развитии промышленности России в связи с ее общим таможенным тарифом 1891 года. М., 2005. С. 307-363.

⁴ N.A. Beliaeva, in her monograph about the gradual advance of protectionism in the Far East, describes the Ministry of Foreign Affairs position regarding the customs establishment in the region, which considered it premature. (Беляева Н.А. От порто-франко к таможене: Очерк региональной истории российского протекционизма. Владивосток, 2003. С. 12).

⁵ Даттан А.В. Исторический очерк развития Приамурской торговли. М., 1897. С. 51.

⁶ This process is described in detail in Beliaeva's monograph (Беляева. От порто-франко к таможене. С. 25-40).

the next logical step was for the State to abolish free port,⁷ on 10 June 1900, and establish customs control in the region's biggest harbors – Vladivostok and Nikolaevsk – on 23 May 1901.⁸ These major changes in the customs history of the Russian Far East became possible due mainly to the construction of the Trans-Siberian railway, connecting Russian European markets with the eastern outskirts of the country. The Minister of Finance of the Russian Empire, S. Yu. Witte, wrote in the report about his journey to the Far East in 1902: “Before the construction of the Great Siberian route and its last link, the Chinese Eastern Railway; Transbaikalia, and the Priamur, and Maritime regions lived their lives completely separate from the commercial and industrial interests of *Russia*...”⁹

On the other hand, the development of ice-free port in Dalnii, located at the southern tip of the Liaotung Peninsula, starting from the end of the 19th century, put the further economic advancement of Vladivostok in jeopardy. The southern part of the Chinese Liaotung Peninsula was leased by the Russians in 1897. The construction of a port there, which started a year later, was a part of the Witte ambitious plan to make it the new center of international trade. The new port also conveniently became the terminus of the Great Siberian Railway.¹⁰ Unlike Vladivostok, Dalnii remained the free trade territory¹¹ after the abolishment of the free port in the Far East in 1900. As a result, “the abolition of the free port along our borders and the simultaneous opening of access to foreign goods through Dalnii and Niuchzhyan¹² to Manchuria and their further penetration by smuggling into the entire Priamur region, forced Vladivostok, on the one hand, to lose the domestic markets for which it was the center and, on the other hand, closed to him foreign trade from its joints with Manchuria and Korea and excluded, thanks to the same, the possibility of developing industry, if not for his small markets, then for the markets of his neighbors Manchuria and Korea”.¹³

A number of steps were taken in order to improve the situation for Vladivostok. The Chinese Eastern Railway (CER) in 1903 established the “local tariff” for goods transported to Manchuria from Vladivostok and Dalnii.¹⁴ According to the tariff, the delivery of one pound of cargo on the Harbin-Dalnii railway line cost on average 8 kopecks more than on the

⁷ System of granting the right of duty-free import and export of goods, including foreign goods, in a certain territory. Free port is a translation of the Russian term “порто-франко,” which was used by the Imperial and Soviet officials to describe preferential conditions for the import and export of goods in the Russian Far East in the XIX-XX centuries. It is worth mentioning that Yukimura Sakon, describing the Priamur free port, uses the term 「無関税港」 (duty-free port), pointing out that the system of specific duty-free regulations in the region was established predominantly to ensure an efficient supply of the region. Thus, he distinguished it from the broader used “free port” term scope, related to promoting the transit trade in the specific territory. (左近幸村 (2020) 『海のロシア史』 名古屋大学出版会、p. 41).

⁸ Для пользы и процветания: из истории внешнеэкономических связей Российского Дальнего Востока со странами Азиатско-Тихоокеанского региона. 1856-1925 гг.: Документы и материалы. Владивосток, 2012. С. 142, 154.

⁹ Из доклада министра финансов С. Ю. Витте о поездке на Дальний Восток в 1902 г. (Для пользы. С. 155).

¹⁰ Masafumi Asada, “Making a Vancouver in the Far East: ‘The Trinity Transportation System’ of the Chinese Eastern Railway, 1869-1917,” in Kimitaka Matsuzato, ed., *Russia and Its Northeast Asian Neighbors: China, Japan, and Korea, 1858-1945* (Lanham: Lexington Books, 2017), pp. 69-70.

¹¹ Dalnii became free port in 1899 (Asada, p. 69).

¹² Yingkou

¹³ Extract from the petition of the Vladivostok Stock Exchange Committee, submitted to the Minister of Finance, on the consequences of the abolition of free port of 26 September 1902. (Для пользы и процветания. С. 160).

¹⁴ Беляева. От порто-франко к таможене. С. 103.

Vladivostok-Harbin route. However, the difference was due to the fact that Harbin was closer to Vladivostok than to Dalnii. In fact, the cost of transporting cargo per verst¹⁵ was slightly cheaper when transporting goods from Dalnii, giving the latter a further advantage.

In 1900, for the sake of Russian merchants involved in Manchurian trade, the transit of all goods to Manchuria by the CER via Vladivostok and Nikolaevsk was allowed, and Russian goods were transported with the excise tax on all excisable goods being returned, with the exception of alcohol and products from it, and duties for exported Russian textiles.¹⁶ This measure was suspended in 1902, because the Ministry of Finance considered that foreign goods could not be allowed to transit to Manchuria via Vladivostok without prejudice to the development of domestic trade. However, during his visit to Vladivostok in 1902, Witte, after receiving complaints from the local merchants, temporarily suspended his own decision in order for two ports to share the commercial market. After his visit to Vladivostok, Witte also spoke in favor of creating a special duty-free zone (*volnaia gavan*) in the Far Eastern port for the development of the region. The project plan was completed in 1903,¹⁷ however, due to the start of Russo-Japanese war and subsequent temporary restoration of the free port, the project lost its relevance. Despite the series of measures taken in order to let Vladivostok compete on equal footing with Dalnii, primarily due to the customs taxation of goods in Vladivostok, it remained in the inferior position to its counterpart until the start of the war, and upon gaining permission for the duty-free importation of goods into the Priamur region in 1904.

The main reason for the restoration of the free port in Vladivostok was related to the disruption of the existing trading routes, since with the outbreak of the Russo-Japanese war, the transportation of civilian goods by rail overall ceased, and Russian Far Eastern ports were blocked by the Japanese navy.¹⁸ This free trade decree in essence, was enforced in order to provide the region in isolation with commodity products, otherwise hardly available; therefore, it could not be considered as a thoughtful turn in the policy of the Central Government on the path to free trade in the region, but rather as a temporary necessary evil.

After the end of war and gradual restoration of trade flows in the Russian Far East, on 16 January 1909, the new order on the closure of the free port for the import of foreign goods to the Priamur General Government and the Trans-Baikal Region of the Irkutsk General Government was enforced.¹⁹ With this decree, the protectionist policy was restored in the region. Since, as part of the war's outcome, Dalnii was lost to Russia, the CER enhanced its partnership with Vladivostok, which resulted in the yearly increase in the amount of goods transiting (mainly, soy beans) from Manchuria via Vladivostok.²⁰ However, the benefit to the local merchants from the transit trade of Manchurian goods was minimal, since the majority of the exporting companies were located in Harbin.²¹ Moreover, the much cheaper Chinese

¹⁵ Russian unit of length, equals to 1066.8 meters

¹⁶ *Беляева*. От порто-франко к таможене. С. 106.

¹⁷ *Ibid*, p. 113.

¹⁸ *Ibid*, p. 116.

¹⁹ *Для пользы и процветания*. С. 326-330.

²⁰ In 1908-1914 80-90% of the Manchurian cargoes were transported to Vladivostok (*Романова Г.Н.* Экономические отношения России и Китая на Дальнем Востоке. XIX – начало XX в. М., 1987. С. 103).

²¹ *Asada*, p. 73.

agrarian products were crippling local agriculture, making the region economically dependent on its neighbor in the South.

The State and the industrialists of central Russia mostly profited from the customs control establishment in the region. N.A. Beliaeva pointed out, that during the discussion of the free port abolition in the Far East in the Russian Parliament in 1907, the supporters of the free port – mostly representatives of the Far Eastern and Siberian regions – complained that “such a crucial issue, important not only for the region, but for the entire State, was considered in isolation from the program for the economic development of the Far East.”²² Indeed, St. Petersburg was eager to unify the customs regulations in the country, mainly to connect the Far East with the Russian European markets.

If the Central Russian Government repeatedly neglected the interests of the vast Far Eastern region, it could not come as a surprise that economic welfare of Sakhalin was not on the agenda of the dignitaries in the capital. And while the infrastructural development, which made it possible to establish more effective transportation links between the region and Russian European markets, created the objective conditions for the establishment of customs in Vladivostok and Nikolaevsk at the turn of the 20th century,²³ Sakhalin remained remote, economically a virtually undeveloped territory, bearing the stigma of the former penal colony, where the vast majority of the scarce local population was employed in non-commodity agriculture and auxiliary crafts. The establishment of customs control on the island in 1910 was an attempt to raise the prestige of the Russian authority on the remote territory. While the majority of researchers considered the establishment of customs in Sakhalin as a logical continuation of the policy of protectionism in the region,²⁴ the main reason, in fact, was merely symbolic – the new institution in Sakhalin would become a representation of the State power in the remote territory. This step in the mind of the government was supposed to limit the illegal economic activities of the Japanese in the region.

Peculiarly, this decision was made in a time of active diplomatic rapprochement between the two countries, and a very short time after the ratification of the Russo-Japanese Treaty of Commerce and Navigation; as well as after the fishery convention, which provided extremely favorable conditions for the Japanese economic activities in the Russian Far East.²⁵ Indeed, for Russia the improvement of relations with Japan after the war was on one hand related to the desire to keep stability in its Far Eastern possessions, and on the other hand the danger of the

²² *Беляева. От порто-франко к таможене. С. 146.*

²³ Regardless of the economic development of the Far Eastern territory, the customs establishment became a basis for many of the disputes between the supporters of free trade and protectionism – local merchants and representatives of the industrialists of the European part of Russia. (*Беляева. От порто-франко к таможене. С. 116-119, 133-139.*)

²⁴ *Таможня на Тихом океане: документы и материалы. Вып. 3. Сахалинская таможня. Владивосток, 2005. С. 6; Кисловский. С. 254-255.*

²⁵ The fishery convention granted the Japanese significant customs privileges: “exemption from any duties on fish and seafood (in processed or unprocessed form) caught in the territorial waters of the Amur and Maritime regions and intended for export to Japan. Japanese subjects were allowed to go to the fishing areas they rented directly from Japan. On the way to the places of fishing, the vessels were allowed to transport, without any taxes or duties, from one place of fishing to another, items necessary for fishing, fish and seafood” (*Беляева Н.А. Таможенная политика России на Дальнем Востоке. Владивосток, 2012. С. 84.*)

internal revolutionary movement, as well as reorientation in international policy to the west.²⁶ Moreover, in November 1909, the United States of America took the initiative to neutralize the Manchurian railways, so China could purchase Russian and Japanese shares by means of an international loan, further unified Russia and Japan against this idea.²⁷ This convergence of two countries' interests occurred around the same period when the Council of Ministers in St. Petersburg was discussing measures to restrict the presence of Japanese ships in the Russian Far Eastern waters. The establishment of customs control in Sakhalin was initiated by the regional officials, who were fearful of the further military threats from Japan, and the economic expansion of the Far East region via immigration from neighboring Asian countries.²⁸ Despite the establishment of the customs institutions on the island, the free port system remained a transmitter of the lasting free trade course. The inability to fully provide the remote island with domestic goods, as well as the insignificant capacity of its domestic market, were incentives for the central government not to rush to spread protectionist policy to Sakhalin.

Could the establishment of the new customs institution realize the expectations of the central government? How did the establishment of the customs regime affect the local economy and society? What complications did northern Sakhalin customs employees had to overcome to adjust their work in free port conditions? The only publication that focuses on the activities of Aleksandrovsk customs, since its establishment in Sakhalin in 1910, was an introductory essay to the collection of documents about the Sakhalin customs history.²⁹ The authors describe the difficulties of the customs work, which were not uncommon for the Far Eastern customs officials. These issues were related to the unsettled lifestyle, problems with local infrastructure that prevented the effective implementation of customs formalities and personal hostility of the head of the island to the customs head. While the publication presented essential insights into the numerous difficulties that local customs officials had to face while performing their duties, the paradox of free port and customs regulation coexistence on the island was not sufficiently explored.

This research is dedicated to studying the application of the Central and regional governmental decisions, which were not always well thought out from the point of view of the interests of the island territory, regarding customs policy conduct by the local institution in Sakhalin and the consequences of these decisions, as well as analysis of the effectiveness of the center – periphery communication for the productive work of the local customs and reasons for the arising issues during the turbulent period in the island's customs history from the time of the institution's establishment in 1910 to the middle of the 1950s, when the transition period from Japanese Karafuto to the Soviet Sakhalin was over, and the customs was starting to function without significantly adjusting its work practices yearly. This period covers the drastic transformations in Sakhalin customs structure and functions related to the geopolitical and socio-economical changes in Russian and regional history.

²⁶ Peter Berton, *Russo-Japanese relations, 1905-1917. From enemies to allies*. (Routledge, 2011) , p.2.

²⁷ Berton, p.4.

²⁸ The proposition on the establishment of customs institutions in Aleksandrovsk, came from the Priamur Governor-General P.F. Unterberger, who actively advocated for the shielding the region from Asian influence.

²⁹ Таможня на Тихом океане. С. 5-13.

The first chapter describes the customs operations in the Imperial period. The next chapter “Soviet Sakhalin free port and the customs control application (1925 – 1930s)” is dedicated to study of the role of customs in northern Sakhalin in Soviet period. The first documents of the Soviet Government which legally defined the functions of customs institutions were published at the end of 1917.³⁰ However, the most important regulation determining the Soviet customs place in the structure of the international trade was the 22 April 1918 decree of the Council of People's Commissars of the RSFSR, “On the nationalization of foreign trade”.³¹ Virtually no one, except for the Special Commissioners of the Soviet state, could enter into commercial transactions with foreign governments or trading firms. In the Constitution of the RSFSR of 1918, the right to conclude customs and trade agreements was assigned to the jurisdiction of the All-Russian Congress of Soviets and the All-Russian Central Executive Committee. By this legal regulations, the State obtained complete control over the export-import operations. A turn from a market economy to the monopoly of foreign trade reduced the customs functions in the Soviet state to control and registration tasks.³² Accordingly, the place of the customs in the administrative structure of the State also changed. Based on the decree of the Council of People's Commissars of the RSFSR of 29 June 1918, the Department of Customs Duties was transferred from the jurisdiction of the People's Commissariat of Finance³³ to the People's Commissariat of Trade and Industry.

These drastic changes initially did not affect the Russian Far East. In a region engulfed in civil war, successive rulers tried to manage customs authorities and control customs revenues at their discretion;³⁴ their methods were largely based on the legislative norms of the Imperial period. The Far Eastern Republic (FER), which was created on 7 March 1920 at Verkhneudinsk in Transbaikalia, on the initiative of Soviet leaders in Moscow, mainly to avoid the large-scale Japanese intervention in the region,³⁵ was able to normalize the customs work there to some extent. 16 November 1920, the Department of Customs Duties was created within the Ministry of Finance of the Republic. Mimicking Moscow's decisions, on 9 December 1920, the Department was transferred to the Ministry of Rations and Trade of the Republic.³⁶

However, based on the 27 January 1921 Regulations on Customs Institutions, the work of the Republic's customs regime was largely based on the legal norms existing in the Imperial period. These regulations enabled the Government to transfer the Department of Customs Duties back to the Ministry of Finance's jurisdiction on 30 May 1921.³⁷ Overall, the Republic failed to create an independent customs policy. Initially, it was primarily based on the Customs

³⁰ By the Decree of the Council of People's Commissars of the RSFSR of 29 December 1917 “On the procedure for issuing permits for the import and export of goods” the permits for the export and import of goods from abroad were issued by the foreign trade department of the Commissariat of Trade and Industry. Goods exported and imported without the permission of this department were regarded as smuggling. (Кисловский. С. 275).

³¹ Кисловский. С. 276.

³² Ibid, p. 6.

³³ Since 1864 the main customs administration body – the Department of Customs Duties – was a subdivision of the Ministry of Finance of the Russian Empire

³⁴ Беляева. Таможенная политика России на Дальнем Востоке. С. 120.

³⁵ John J. Stephan, *The Russian Far East. A history* (California: Stanford University Press, 1994), p. 142.

³⁶ Беляева Н.А., Ляпустин С.Н, Лаврик Л.А. Таможенное дело в Дальневосточной республике. Владивосток, 2018. С. 12.

³⁷ Ibid, p. 14.

legislation of Imperial Russia, including adjustments made during WWI,³⁸ as well as the regulations regarding preferential importation of goods through the Chinese border.³⁹ Gradually, the local government, taking into account the peculiarities of the local economy, started to make some amendments (e.g. further expansion of benefits for China in 1921,⁴⁰ abolishment of the duty-free import of goods for state institutions and cooperative organizations by the 25 August 1921 law for the local industries protection⁴¹). On the basis of the Economic Union Agreement with the Republic concluded on 17 February 1921, the Russian Soviet Federative Socialist Republic (RSFSR) received some expanded trading privileges. According to the agreement, raw materials (furs, gold, tungsten, tin, lead), and all goods produced by Soviet enterprises located on the territory of the FER, were exported to Russia duty-free.⁴² The further work of the two states to create a customs union was not completed due to the demise of the Republic.

While the FER ceased to exist on 25 October 1922, and the territory of the Republic became a part of the RSFSR, the distribution of customs regulations on the territory of the former Republic took place gradually. The supply problems of the region, whose economy was significantly damaged during the Civil war and intervention, long-lasting trade connections with neighboring Asian countries (particularly with China), as well as a lack of a clear mechanism for including the region in the country's economic space made Soviet authorities cautious about extending the general norms for regulating the economy, including foreign trade, to the region. The commission of the People's Commissariat of Foreign Trade, which arrived in the region at the beginning of 1923, was tasked with the development of specific measures for the transition of the territory to the general Soviet system regulations on foreign trade.⁴³ Some attempts were made to adjust customs tariffs for the needs of the regional industry development. For example, the import duties on fishing gear were reduced, while fish and chum caviar were allowed to be exported duty-free.⁴⁴ However, the list of items allowed for duty-free import was significantly reduced compared to the prior Republican legislation.

Starting on 27 January 1923, by a resolution of the Far Eastern Revolutionary Committee (Dalrevkom), a territory of the former Far Eastern Republic was subjected to all decrees regulating customs work in the conditions of the State monopoly of foreign trade. The drastic turn to the new customs regulations led to the poor supply of the region by the domestic goods. This was against a backdrop of reduced imports, prices increase for essential goods, and a significant reduction in customs revenue in 1923-1924. As a result of these changes in the foreign trade, the local population massively resorted to the illegal trade on the Chinese

³⁸ In 1916, a ban was introduced on the import of luxury goods, according to a list approved by the Council of Ministers. (Беляева, Ляпустин, Лаврик. Таможенное дело в Дальневосточной республике. С. 22-23).

³⁹ Under the provisional rules of 1908, a tariff was in effect on the border with China, setting a duty of 5% on goods imported through the Manchurian customs, and 3 1/3% duties during the import through Manchuria railway station. (Беляева, Ляпустин, Лаврик. Таможенное дело в Дальневосточной республике. С. 22).

⁴⁰ Беляева, Ляпустин, Лаврик. Таможенное дело в Дальневосточной республике. С. 22.

⁴¹ Беляева Н.А. Таможенно-тарифное регулирование в Дальневосточной Республике (1920-1922) // Друзья А.В. (ред.) Россия и Китай: история и перспективы сотрудничества. Благовещенск, 2019. С. 21.

⁴² Ibid, p. 20-21.

⁴³ Беляева Н.А. Таможенное дело на Дальнем Востоке России в условиях перехода к монополии внешней торговли (1922–1925 гг.) // Вестник ДВО РАН. 2012. №4. С. 63.

⁴⁴ Ibid, p. 63-64.

border.⁴⁵ Relatedly, the supply plan of the Soviet Far East in the 1923/1924 operational year, approved by the Council of Labor and Defense in Moscow, was harshly criticized by the Dalrevkom (the Far Eastern Revolutionary Committee)⁴⁶ since it was not meeting the local industries and people needs.⁴⁷

Despite the spread of the monopoly of foreign trade to the region, Kamchatka remained the free port territory, even after the 27 January 1923 decree enforcement. The reasons for this were the remote location of the territory, the impossibility of its effective supply by domestic trade organizations, and the inability to protect from smuggling long Okhotsk-Kamchatka coast.

Even prior to the transition to the State monopoly of foreign trade, the customs services of the region were transferred to the jurisdiction of the People's Commissariat for Foreign Trade, merging with the general structure of the Soviet customs institutions. The Far Eastern Customs District was established in Chita in December 1922 and transferred to Khabarovsk – the administrative center of the Far Eastern region – in 1924. The following year, it was reorganized into the Far Eastern Department of the Main Directorate for Customs Control (DVO GTU), which would become a supervisor of the customs institutions in Soviet Sakhalin.

The customs regulations in the Soviet Far East were an attempt to find a balance between the implementation of a nationwide customs policy and the need to ensure the economic development of the territory. The local and central officials were guided in their decisions by the existing state of the economic growth as well as their experience in the preceding period. However, even this comprehensive approach led to significant supply problems in the region in the first years of the monopoly of foreign trade policy implementation.

The establishment of customs control in Sakhalin, on the other hand, was a result of the speculations of the regional officials regarding their capability to organize the effective supply of the northern part of the island. Since the territory was occupied by the Japanese for approximately five years (1920 – 1925), the Soviet officials had a rather vague idea of the Sakhalin market capacity and hoped that the relative closeness of the island to the mainland (in comparison to Kamchatka) would facilitate the delivery of goods there. When the Dalrevkom chose to establish customs in North Sakhalin in April 1925, the economic conditions of the territory were disregarded once again, similar to the Imperial period. The reason for the institution's establishment was a protection of the State monopoly of foreign trade on the island.

However, when the working practice demonstrated the inability of the Soviet organizations to effectively supply the territory, putting the local population on the verge of famine, the Dalrevkom, *disregarding* the direct orders from Moscow, declared Soviet Sakhalin a free port zone. Moreover, the Council of People's Commissars of the USSR – the highest executive authorities of the country – later confirmed the decision of the regional authorities. This particular attitude of the Central government towards the regional initiative was a part of the larger regional trend since as the researcher of Russian Far Eastern history, John J. Stephan,

⁴⁵ If in the 1922/1923 operational year, the value of the detained smuggled goods was 551,454 rubles, in the next 1923/1924 operational year, it raised to 1,245,079 rubles. (Для пользы и процветания. С. 475).

⁴⁶ Regional executive body in Khabarovsk

⁴⁷ Для пользы и процветания. С. 475-478.

put it: "...the Central Committee secretariat attempted to impose control over provincial Party organizations during the 1920s. But as a rule, central control decreased with distance from urban centers in general and from Moscow in particular. Dalkrai (Far Eastern region –V.A.) was farthest of all from Moscow...",⁴⁸ in other words, the interpretation of the Moscow's orders for the local benefit, as well as open criticism of the central decisions regarding the region by the regional leaders was not an exception approximately until the end of the 1920s. However, the emerging attention to the region from the Center notably increased after the Japanese invasion of Manchuria in 1931. As a result, initially successful attempts of the local leaders to retain power under the pretense of zealously following the directives of the central government were gradually crushed by the NKVD starting from the middle of the 1930s.⁴⁹ The course on the centralization in the customs policy was manifested in the abolition of the DVO GTU in 1938, subordinating Sakhalin customs directly to Moscow.

The Soviet customs on the island had to adapt to the rapid changes occurring since its establishment. How was the customs work affected by the economic policy on the island? What was the Soviet customs' role in the regional development? While the previous studies have covered the establishment and operations of customs institutions in Sakhalin,⁵⁰ and Soviet Sakhalin free port implementation,⁵¹ the history of Sakhalin customs operations in free port and monopoly of foreign trade conditions simultaneously in the 1920s-early 1940s has not yet been given due attention.

The next chapter, "The Soviet concession policy in North Sakhalin and the local customs challenges. (1925 – Early 1940s)," covers the same period as the previous one. However, it focuses on the customs monitoring over the island's Japanese oil and coal concessions activities. The customs on the island's East Coast were established specifically for the concession operations control. In its work, the intuition had to rely not only on the customs regulations but also on the Concession contracts, which could not clear all the subtleties in the customs work. Compared to the majority of the concessions in the Far East, the island's foreign enterprises were located close to the main settlements of Sakhalin (e.g., in the Okhotsk-Kamchatka district, the Japanese fisheries were scattered along the remote coastal points). Combined with the poor supply problem of the island by the Soviet organizations, this situation created the soil for

⁴⁸ Stephan, *The Russian Far East*, p. 173.

⁴⁹ See more about this process in Stephan, *The Russian Far East*, pp. 189-224.

⁵⁰ *Беляева. Таможенное дело на Дальнем Востоке России в условиях перехода к монополии внешней торговли. С. 62-70; Печерица В.Ф. Очерки истории дальневосточной таможни. Часть 1. 1899-1945. Владивосток, 2002. 168 с.*

In her article N.A. Beliaeva pays special attention to the subordination of the Sakhalin customs officers to the Nikolaevsk-on-Amur customs initially and the miscommunications between Sakhalin and mainland officials arousing from this situation. The author also mentions that the customs benefits for the different parts of the island created complications for the local customs work. However, this topic was not further developed in the article. (*Беляева. Таможенное дело на Дальнем Востоке России в условиях перехода к монополии внешней торговли. С. 68-69.*) V.F. Pecheritsa describes the difficulties that arose in the selection of customs officers, which caused the need to send workers from neighboring customs offices and analyzes the main functions of the customs in the first years since its establishment. On the other hand, the free port conditions were not mentioned by the author. (*Печерица. С. 118-120*).

⁵¹ In his article K.G. Karlin conducted detailed and thorough analyses of the reasons for establishment of the free port, and North Sakhalin supply mechanisms efficiency. (*Карлин К.Г. Порто-франко на Северном Сахалине // Сибирская заимка. 2000. №4 [Электронный ресурс]. Режим доступа: <http://zaimka.ru/soviet/karlin1.shtml> (дата обращения: 17.05.2021)*).

the illegal trade of duty-free concession goods. The legal justification of punitive measures to combat the smuggling of these goods has become one of the main problems of local customs during the foreign enterprises' operations on the island.

The last chapter of this research uncovers the peculiarities of Sakhalin customs work after WWII. After Sakhalin was absorbed into the USSR, the Soviet institution was established in the Southern part of the island. The customs system did not face significant transformations in the post-war period. The GTU remained the highest customs institution, and the newly established Sakhalin customs became subordinated directly to it. However, similar to the time of Soviet customs establishment in the northern part of the island, the information in possession of the Soviet authorities about the economic development of the former Japanese territory was insufficient. The reason for establishing the customs on the island – the protection of the State monopoly of foreign trade – remained unchanged. The newly arrived on the island customs officials were assigned the standard set of functions. However, the active migration of the foreigners to and from the island (Japanese returnees, Korean workers) and the lack of sustainable sea routes for transporting goods to and from the island created challenges for effective customs work.

Overall, the first two chapters are dedicated to the research of the local customs dealing with the consequences of the ill-conceived customs policy on the island that didn't consider the economic condition of the territory. Chapters three and four demonstrate the application of the customs work to the specific events and processes in Sakhalin history, such as foreign concessions activities and the Japanese repatriation.

This research is largely based on the Russian primary materials: the Russian State Historical Archive of the Far East (RGIA DV) in Vladivostok, the State Historical Archive of Sakhalin Region (GIASO) in Yuzhno-Sakhalinsk, the Russian State Archive of the Economy (RGAE) in Moscow, and the Russian State Historical Archive (RGIA) in St. Petersburg, as well as Russian, English, and Japanese secondary sources.

Chapter 1

The customs in Sakhalin before the Japanese occupation: the central ambitions and the local tribulations (1910-1920)

Introduction

Sakhalin island (from 1905, North Sakhalin) remained one of the few free trade zones throughout the history of the Russian Empire. Nonetheless, in 1910, the customs office was founded in the island's administrative center, Aleksandrovsk. Surprisingly, this apparent contradiction has yet to be extensively researched in previous studies. The authors of the publications about the economic development of the island either openly admitted a lack of information about the customs role in northern Sakhalin⁵² or didn't pay much attention to the institution's history in general.⁵³ The research of Russian customs history has essentially considered the establishment of the customs operations in Sakhalin to be the continuation of the protectionist policy of the Russian government; when the new institution was incorporated into the general Far Eastern customs space.⁵⁴ In these publications, the remaining free port role of the region remained unexplored. Apart from the published collection of documents,⁵⁵ the information about the customs history in Sakhalin, in the Imperial period, remains scarce.

This chapter aims to understand the consequences of the central policy decisions about the establishment of customs in Sakhalin, despite its free port conditions, on the peculiarities of institution's operations here, and the role of the institution in the island's development. Also, the author explores the possible differences between the local and central authorities' views of the institution. In pursuit of these goals, it is essential to understand the reasons for the customs establishment in the free-trade territory, the application of a customs regime in Sakhalin, and changes, if any, in how the customs office functioned during the turbulent events of the 1910s in Russian and world history.

The reasons for establishing the new customs regime in the Russian Empire were generally related to the protection of the domestic industry and potential fiscal interests. The economic development analysis of the island covered in the first section could shed some light on the reasoning and decision making about the process of opening customs operations in Sakhalin. In turn, researching the central government's policies towards the island development, that are presented here, could be helpful in understanding of the state of Sakhalin's economy at the time. The next section is devoted to studying the reasons for establishing customs in Sakhalin and examining the reflection of these reasons in the customs activities. In section three explores the customs work peculiarities within the free port conditions, as well as the relations of the institution with the local society. The last section is dedicated to researching

⁵² *Sakhalin* (London: published by H.M. Stationery office, 1920), p. 39.

⁵³ Обзор Сахалинской области за 1910 год. Александровский, 1911. 16, IX с.; Леонов П.А., Панькин И.В., Белоусов И.Е. Область на островах: краткий очерк истории, развития экономики и культуры, деятельности партийной организации Сахалинской области. М., 1979. 350 с.; Бок Зи Коу, Высоков М.С. и др. Экономика Сахалина. Южно-Сахалинск, 2003. 308 с., etc.

⁵⁴ Таможня на Тихом океане. С. 6, Кисловский. С. 254-255, 259, 261, etc.

⁵⁵ Таможня на Тихом океане, 184 с.; Для пользы и процветания, 592 с., etc.

the last years of the Imperial customs history in Sakhalin and specific features of its work at that time.

I. Sakhalin before the customs establishment

I.1 Economic development of Sakhalin and its administrative role in the region

From the first failed attempts of the free colonization of Sakhalin in the 1850s-early 1860s, the island was initially seen by the central government as the extension of the geopolitical interests in the Far East, and, potentially, a new economic hub. However, with the ultimate failure of economic ventures of Russian capitalists in the island; mainly, due to the lack of financial support from the government, and, partially, lack of the initiative or ingenuity of Russian entrepreneurs, St. Petersburg concentrated on the means of administrative authority over Sakhalin, largely neglecting the island's economic development. For this reason, the establishment of a penal colony was the endorsed government strategy to secure the island's territory for the Empire.⁵⁶ Nonetheless, the local officials and entrepreneurs had optimistic estimates for the future of the island, and even the existence of the penal colony generally wasn't considered to be an impediment for its economic development. The authors of the publications about Sakhalin of the 1870s-1880s optimistically considered that a territory rich in natural resources had the potential to repeat the economic successes of well-developed Sydney and Melbourne, which were also initially established as penal colonies.⁵⁷ However, the failed examples of the promising coal and fishing industries in the late XIX to the beginning of the XX century proved these predictions wrong. Consequently, later publications about Sakhalin criticized the penal colony role assigned to Sakhalin by the government since it significantly limited island economic development opportunities.⁵⁸ The status of Sakhalin as a penal colony reflected in the local management structure contributed to this situation. From 1879 Sakhalin as a penal colony became subordinated to the General Directorate of Prisons, which regulated the corresponding aspects of the island's life.⁵⁹ In 1895 the General Prison Office was transferred from the Ministry of the Internal Affairs to the Ministry of Justice. Since then, the various aspects of the island were regulated by two ministries simultaneously until the colony

⁵⁶ *Галлямова Л.И.* Освоение Сахалина в оценке российских исследователей второй половины XIX - начала XX в. // Вестник ДВО РАН. 2006. №3. С. 157.

⁵⁷ In her article, L.A. Galliamova analyzed the papers of Butkovskii - founder of a joint-stock company "Sakhalin" engaged in the development of mineral resources in the region, who considered that convicts' labor could contribute to the economic development of the island, based on the experience of Sydney and Melbourne (*Галлямова, С. 158*); a mining engineer working on Sakhalin A.P. Keppen adhered to the similar position: with the use of the convicts labor the region had a great potential for the industrial development of the region, as example of Australia showed. (*Галлямова, С. 158*)

⁵⁸ *Панов А.А.* Сахалин, как колония: очерки колонизации и современного положения Сахалина. М., 1905. С. 4.

⁵⁹ Some of the researches considered that the General Prison Office was regulating every aspect of Sakhalin life (*Гридяева М.В.* Остров Сахалин во второй половине XIX – начале XX века: административное устройство и управление. Южно-Сахалинск, 2008. С. 16). Moreover, the mere existence of the Penal Colony was usually a prime factor determining decisions of the central and local administration. The alcohol trade regulations analyzes provided in the next chapter could be an example of it.

abolishment in 1906, which complicated already existing problems related to the staff shortages and remoteness from the central administration.⁶⁰

Even before the penal colony abolishment, Sakhalin's natural resources were minimally exploited by Russian entrepreneurs.⁶¹ Eisuke Kaminaga points out the gap between the established administrative control, expressed particularly in the regulation of the island's fisheries, and the actual situation where the Sakhalin fisheries were actively exploited by foreign, predominantly Japanese, fishermen.⁶² By the end of 19th century out of 193 fishing plots on Sakhalin, 128 were rented by the Japanese, and out of the remaining 65 – 21 plots were registered under Russian citizens' names, while actually being used by the Japanese.⁶³ The same tendency continued in the next century.⁶⁴ The government regulations, imposed on the Sakhalin fisheries in the late 19th to early 20th centuries, aimed to support the Russian entrepreneurs through the comparative taxation system and other measures. They were dictated by the protectionist tendencies in the financial policy in general, as well as a desire to reduce the Japanese economic presence in the region, which failed to stimulate the domestic fishing industry in the area.⁶⁵ Fishing required considerable funds, which local Russian entrepreneurs did not have. Consequently, before the Russo-Japanese War, the number of Japanese workers involved in the production of marine resources near the Sakhalin shore significantly exceeded the number of Russian workers.⁶⁶ After the Russo-Japanese war, the Russian government continued to use legislation to attempt to limit the Japanese presence in Russian waters. Based on the 28 July 1907 Russo-Japanese Fishery Convention: Chaivo, Nyivo and Nabil bays were closed for foreign exploitation on the island's eastern coast.⁶⁷ However, the widespread practice of the Japanese to utilize fishing plots formally registered under Russian industrialists' names helped them bypass the existing restrictions via a legal backdoor.⁶⁸ On the other hand, the same document also exempted the Japanese from paying of the duties for bio-resources caught in the territorial waters of the Priamur and Maritime

⁶⁰ Высоков М.С., Василевский А.А., Костанов А.И., Ищенко М.И. История Сахалина и Курильских островов с древнейших времен до начала XXI столетия. Южно-Сахалинск, 2008. С. 361; Гридяева. Остров Сахалин во второй половине XIX – начале XX века С. 27, 32-35, etc.)

⁶¹ One of the first authors who paid attention to the potential of the fishing industry for Sakhalin was N.V. Sliunin, who, on behalf of the Ministry of State Property, collected materials on the hunting and fishing industry in the Sakhalin region and the Commander Islands in 1892-1893. He connected the poor conditions of otherwise having great potential for economic development of the region Russian fishery on Sakhalin with the lack of attention to it from the Central Government. (Галлямова. С. 159-160).

⁶² 神長英輔 「開かれた海の富と流刑植民地：日露関係直前のサハリン島漁業」原暉之編著『日露戦争とサハリン島』北海道大学出版会、2011年、p. 67.

⁶³ Алепо А.В., Алепо Н.А. Японо-российские отношения в сахалинской промысловой акватории во второй половине XIX – начале XX вв. // Известия Восточного института. 2006. №13. С. 73.

⁶⁴ In 1900 and 1901 out of 81 fishing plots leased by Russians, the majority was exploited by the Japanese (Панов. Сахалин как колония. С. 43).

⁶⁵ For more information about the history of the Russian fishery lawmaking, see 神長英輔, pp. 83-86; John J. Stephan, *Sakhalin. A history* (Oxford: Clarendon Press, 1971), pp. 76-77.

⁶⁶ Stephan, *Sakhalin*, p. 76.

⁶⁷ Мандрик А.Т. История рыбной промышленности российского Дальнего Востока: 50-е гг. XVII в. – 20-е гг. XX в. Владивосток, 1994. С. 51.

⁶⁸ Ibid, p. 166.

regions, which created serious competition and additional challenges for the domestic industry.⁶⁹

The complex problems, such as the lack of sufficient infrastructure,⁷⁰ labor shortage, an undeveloped transportation system, and the policies of the central administration, which were created to prevent the expansion of foreign capital into the island, resulted in the stagnation of the local coal industry.⁷¹ To eliminate the penetration of foreign capital into the Sakhalin market, a law that was implemented on the 17 June 1901, banned the establishment of private mines on the 100 verst long coastal strip of Sakhalin.⁷² However, the island's width was no more than 160 verst,⁷³ making the island off-limits for private capital investment into the coal industry. In the 1908 annual report, Sakhalin military general A.M. Valuev stated that due to the expiration of the lease term for the Due coal mines, the industry development was suspended, and advocated for the foreign capital in the coal industry as an essential measure to remedy the situation.⁷⁴ However, foreign capital was not allowed to enter the industry till the end of the Imperial period.

Overall, before establishing the customs control on Sakhalin, the central government didn't make active attempts to stimulate the Sakhalin economy. The administrative meaning of the island after the abolishment of the penal colony there had diminished as well. A.V. Remnev points out that the main reason northern Sakhalin remained as an independent region, with a governor, after the 1909 administrative reform, was related to political prestige. This is because the rank of the island's officials had to formally correspond to the positions of the head of the administration of the Japanese part of the island. While the Ministry of Internal Affairs initially considered annexing the Russian part of the island to the Maritime region.⁷⁵ Thus, to the central government, the overall development of Sakhalin was secondary. With this distinct attitude of the Russian authorities towards the Sakhalin development, the establishment of customs on the island could be seen either as a continuation of the administrative control

⁶⁹ Беляева. Таможенная политика России на Дальнем Востоке. С. 84.

⁷⁰ See more about the issues of the renovation of the Aleksandrovsk pier and construction of harbor on Sakhalin in Троицкая Н.А. Александровская пристань // Краеведческий бюллетень. 1996. №2. С. 22-29. The author points out the numerous attempts of the Sakhalin administration to draw the attention of central authorities to the problem of a lack of port facilities - a brake on the development of the island economy. However, all the related projects were declined delayed or the attempts of their realization became ineffectual.

⁷¹ 天野尚樹「サハリン石炭と東北アジア海域史」左近幸村編著『近代東北アジアの誕生 — 跨境史への試み』北海道大学出版会、2011年、pp. 85, 100. The coal industry in Sakhalin started to develop, right after the discovery of the coal fields there by the officers of the Amur expedition, led by G.I. Nevelskoi in the beginning of the 1850s. The rapid start of the coal mining was mostly related to the lack of other discovered coal deposits in the Russian Far East at that time. Initially, coal was mined by the navy ship crews, but in order to increase production, from the beginning of the 1860s, the administration of the region began to use the labor of exiles. The private lease of the Sakhalin mines by Russian entrepreneurs in the 1870s did not affect the composition of the labor force in the industry. The convicts continued to mine Sakhalin coal until the military operations on Sakhalin as part of the Russo-Japanese War started in 1905. After the war, rapidly replacing each other Russian industrialists, employed the local population, as well as foreign, mostly, Chinese workers. From 1906-1920, Sakhalin industrialists and administration failed to extract the amount of coal which would exceed the pre-war level. (Бок, Высоков и др. Экономика Сахалина. С. 30-33, 42-43).

⁷² Бок, Высоков и др. Экономика Сахалина. С. 33; 天野「サハリン石炭と東北アジア海域史」, p. 100.

⁷³ Verst - Russian distance unit, equal to the 1066.9 meters

⁷⁴ The State Historical Archive of the Sakhalin Region (GIASO) f. 20-и, op. 1, d. 29, ll. 10, 16-17, 19.

⁷⁵ Ремнев А.В. Россия Дальнего Востока. Имперская география власти XIX – начала XX веков. Омск, 2004. С. 491-492.

bolstering policy, an attempt to protect Russian markets within the dominating protectionist policy of the State, or both.

I.2 The process of the establishment of excise duties on alcohol as an indicator of the central government's regional development priorities

Shortly after the establishment of the free port system in the Russian Far East, since 1862, the gradual imposition of import duties on foreign goods, the analogs of which were subject to excise duties in Russia (alcohol, tobacco, sugar, etc.) started. The exemptions from duty-free trade have been enshrined in article 1421 of the 1892 Customs Charter, which imposed significant limitations on the free port.⁷⁶ Finally, the free port status of the region was abolished on 16 January 1909.⁷⁷ This measure was a continuation of the long lasting protectionist policies of the Russian Empire. On the other hand, an unlimited free port system was extended to the newly annexed territory of Sakhalin upon signing of the St. Petersburg Treaty in 1875.⁷⁸ The reasons for the establishment and prolongation of the free port system on the island had to do with the lack of an industrial or agricultural base to provide residents with the necessary goods, as well as the remoteness of the island from the European markets of Russia. For this reasons, the free port system on Sakhalin remained "pure" until the end of the Imperial period, the only limitation for this system was introduced in 1909, which was an excise duty on alcohol. The timing and the reasons for this decision could be used as an example of the center's general attitude towards the island economic development.

The alcohol trade on Sakhalin was conducted in a certain way, mainly influenced by the penal colony's existence on the island since 1869. While the free port was established here to provide the population of the remote territory of the Empire access to essential supplies, the local Sakhalin administration, taking into account the composition of the island's population, imposed several restrictions on inner spirits trade. The limitation on the import of alcohol to the island was declared back in 1878 by Sakhalin's administration to limit the population, mainly consisting of former or current convict criminals, from excess consumption of alcoholic beverages. Based on the regulations established on 16 September 1881, by the Head Office of Eastern Siberia and the Ministry of Finance, the alcohol trade was forbidden in the placements of military teams and convicts.⁷⁹ The local officials and free inhabitants' importation of alcohol to the island was allowed exclusively by the local administration's permission. The unpermitted import of alcohol to the island was considered smuggling. However, due to the significant length of the island's borders and limited resources of the local administration, the illegal

⁷⁶ *Беляева*. Таможенная политика России на Дальнем Востоке. С. 16-17.

⁷⁷ The free port system was abolished for the ports south of the Amur River Estuary. However, Russian northern ports, including Sakhalin Island, retained the privileges of the free trade. (*Для пользы и процветания*. С. 326, 328).

⁷⁸ From 1855, Sakhalin was a joint possession of Russia and Japan, on the basis of the Treaty of Shimoda (signed on 7 February 1855). However, the successful colonization of the islands by the Russians, mainly due to the establishment of the penal colony there in 1869, and the switching of the diplomatic focus of the Japanese government from Sakhalin to Korea and Formosa led to the abolishment of Japanese rights to Sakhalin based on the Treaty of St. Petersburg of 7 May 1875. (*Высоков и др.* История Сахалина и Курильских островов. С. 354-359; *Stephan, Sakhalin*, pp. 53-64.)

⁷⁹ The Russian State Historical Archives of the Far East (RGIA DV) f. 702, op.1, d. 482, pp. 31-32.

importation of alcohol to the island was hard to prevent. To bolster the control over the alcohol importation, it was prohibited for individuals by order of the head of Sakhalin Island on 27 October 1884. People who wanted to get spirits for private consumption had to seek the permission of the island's authority and purchase it at the Sakhalin Colonization Fund⁸⁰ – the only organization which received the right to import alcohol to the island. While the initial goal of this measure was to protect the local population from the excessive consumption of alcohol, the monopoly on the alcohol trade generated substantial income for the Colonization (from 1896 Economic) Fund. The increasing scale of alcohol sales to the eligible Sakhalin residents developed into the resale of alcohol to the convicts and the spread of the illegal trade of alcohol through the sales in small shops and taverns.

With the end of the Priamur free port on 10 June 1900, Sakhalin remained in a privileged position: imported goods were allowed to be duty-free, if foreign goods entered the island through mainland Russian ports, then the duty already paid for the goods was returned.⁸¹ Based on this regulation, the foreign goods, including excise items, were allowed to enter Sakhalin Island, as well as the ports of the Maritime region, lying north of the mouth of the Amur River, duty-free. To make the Russian goods more affordable for the local population and for them to compete on equal footing with the foreign analogs, the Committee of Ministers' regulation on the temporary abolition of excise tax on Russian-made items brought to Sakhalin Island was enforced on 25 January 1902, as an addition to the free port system.⁸² The following reduction of the price for a bucket⁸³ of 40% alcohol from 15 to 9 rubles⁸⁴ led to the sharp increase in the volume of alcohol sales by the Fund. However, since the people who didn't have legal access to the Fund's alcohol were purchasing it illegally at higher prices, the main profiteers of the excise tax abolishment became the individuals engaged in the illegal sale of alcohol.

To improve the spirits distribution on the island, the Manager of Excise Duties in the Priamur and Maritime regions suggested, in a report to the Main Directorate of Unassessed Taxes and State Sale of Alcoholic Beverages (*Glavnoe Upravlenie Neokladnykh Sborov i Kazennoi Prodazhi Pitei*) of 19 May 1903, that the best way to maximize the State's profits and reduce the illegal trade of alcohol on Sakhalin was to carry out the preparations for the state monopoly on the alcohol trade there.⁸⁵ At the initial stage, it was possible to allow commercial organizations of the island to trade in alcohol. Still, the prices and sales locations had to be regulated by the Sakhalin administration. Upon the arrival of alcohol to the island, it was supposed to be sent to the Economic Fund warehouses. Then, under the control of the exciseman, it could be distributed to the places of sale. This project was designed to generate

⁸⁰ Trade enterprise founded in 1882 by the Sakhalin administration. In 1896 the enterprise was restructured into the Sakhalin Economic Fund. It was created to regulate prices on the island and make the essential consumer goods affordable for the local inhabitants. However, due to the numerous misapplications of the Fund's profits by the local administration and not efficiently conducted operations the only source of profit for the Fund quickly became alcohol trade. (RGIA DV f. 702, op. 1, d. 482, p. 31; *Гридяева М.В. Дело о Сахалинском колонизационном фонде // Вестник Сахалинского музея. 2013. №20. С. 66-73*).

⁸¹ The Russian State Historical Archive (RGIA) f. 1276, op. 4, d. 271, l. 2.

⁸² RGIA DV f. 702, op. 1, d. 482, l. 30.

⁸³ Russian measure of volume equals to about 12,3 liters

⁸⁴ RGIA DV f. 702, op.1, d. 482, l.32.

⁸⁵ To sell alcohol from the state owned warehouses in a glass bottles

profit out of spirits sales for the treasury. Remarkably, disregarding the apparent advantages of this plan, the Priamur Governor-General, in agreement with the Ministry of Finance, decided to let the Sakhalin Economic Fund continue its monopoly on the sale of alcohol on the island in order to prevent abuse in the import and trade of alcoholic beverages.⁸⁶ By making this decision, officials were guided by the distinct composition of the local population, prioritizing administrative control over the financial benefits.

After the penal colony abolishment on Sakhalin in April 1906, local private traders started to petition the Governor of Sakhalin to allow the free trade of alcohol on the island, which, according to the opinion of the official, could also put an end to the illegal sale of alcohol.⁸⁷ Moreover, the Manager of Excise Duties in the Priamur and Maritime regions clarified that based on article 634 of the 1901 Excise Duty Charter, in areas where the state controlled the sale of alcoholic beverages, and where the sale of wine and products from it had not been introduced, it was the subject of free trade.⁸⁸ Therefore, there were no legal grounds for the existing limitations on the sale of alcohol. Accordingly, in December 1906, the Ministers of Finance and Internal Affairs recognized that it was possible to allow wholesale alcohol trade on a general basis on Sakhalin, while the decisions of the Sakhalin Governor restricted the retail trade.⁸⁹ The retail sales in the country was delegated to the district rural societies, the opening of drinking establishments was allowed only in the largest settlements of the island with a special discretion in each individual case. The Sakhalin Economic Fund was supposed to remain as a guarantee to maintain affordable prices for the general population.

However, contrary to the fears of the island officials, the removal of restrictions on the sale of alcohol led to stiff competition among the local traders, resulting in a swift price reduction for the already cheap excise-free alcohol. Only four months after the start of the free alcohol trade on the island, the price for the bucket of spirit in the local warehouses was reduced to three rubles. At the same time, vodka was available for staggering ten kopeks (1/10 of the ruble) for the bottle, appearing more accessible than a bottle of milk, which generally sold for about 12 kopeks.⁹⁰ This situation enabled Sakhalin Governor A. M. Valuev to ask the Priamur Governor-General for the urgent introduction of an excise tax on alcohol on the island. This measure could effectively contribute to an increase in the cost of alcohol and, accordingly, a decrease in alcohol consumption, severely damaging the Sakhalin economy. The Governor, in his 1907 annual report, pointed out that the reduction in the alcohol cost led to the augmentation of alcohol consumption within the local workers, devastating the already straggling Sakhalin economy. He lamented: "The *artel* (association – V.A.) of Russian workers surly celebrates (by drunkenness) all our numerous holidays, and in the days after them, workers of important specialties (for example machinists) often skip [the work] and thus slow down the toil of the rest of the people who have come to work. As a result, the working week

⁸⁶ RGIA DV f. 702, op.2, d. 449, l. 30.

⁸⁷ Ibid, l. 22.

⁸⁸ Report from the Manager of Excise Duties in the Priamur and Maritime regions to the Primur Governor-General (4 September 1906; RGIA DV f. 702, op.2, d. 449, l. 59.)

⁸⁹ RGIA DV f. 702, op.2, d. 449, l. 69.

⁹⁰ Data from the report of Sakhalin Governor to the Priamur Governor-General of 18 April 1907 (RGIA DV f. 702, op. 2, d. 449, l. 90).

often turns into four days for a Russian worker”.⁹¹ He insisted that the prompt introduction of excise tax on alcohol was crucial for Sakhalin development. This proposition was supported by the Manager of Excise Duties in the Priamur and Maritime regions as the only possibility to solve the problem, adding to it the prohibition of foreign origin alcohol import to the island, thus, limiting the free port system – the mechanism used for the trade through the Manchurian boarder.⁹² However, while developing the measures to reduce the alcohol trade on Sakhalin, In July 1907 the Office of the Priamur General-Governor took into consideration paragraph 1 of 1 May 1904 law, according to which foreign goods were admitted to the Priamur region duty-free through the ports lying at the mouth of the Amur river, to the south of it, and along the land border with Manchuria, and were only subject to excise duty if goods of domestic origin from the same category were taxed. So, the Office suggested initiating a petition to the Finance Minister to extend this law to Sakhalin, in which way spirits on the island will be subjected to excise tax, and to cancel the Regulation of the Committee of Ministers of 25 January 1902, about the temporary abolition of excise duty. However, since the question about the free port in the Priamur region was already in discussion in Saint Petersburg, any inquiries about Sakhalin free port were considered “ill-timed”.⁹³

Meanwhile, in the Far Eastern arena, island’s alcohol distribution brought up extra challenges. Smuggling of the cheap, excise-free Sakhalin alcohol to the mainland, primarily through Nikolaevsk, enabled the Head of the Main Directorate of Unassessed Taxes and State Sale of Alcoholic Beverages to ask the Manager of Excise Duties in the Priamur and Maritime regions to report to the Priamur Governor-General about the urgent necessity of alcoholic beverage excise taxation on Sakhalin. The scale of the illegal alcohol trade was estimated based on the sharp reduction in the receipt of excise tax from wholesale alcohol warehouses in Nikolaevsk, with the beginning of navigation in 1907, and a sharp increase in the importation of alcohol to Sakhalin (from 2389 bakets of 40% alcohol in 1906 to 10461 bakets in 1907).⁹⁴

Overall, despite the repeated requests of the Sakhalin Governor and other regional and central officials to establish excise duties on alcohol, and its obvious benefits for the treasury, the final decision was made only after the enforcement of the law about the closure of the free port for the import of foreign goods to the Priamur region began on 16 January 1909. Based on the new law established on 13 February 1909, alcohol and spirits imported to Sakhalin Island, regardless of the place of production (in Russia or abroad), were subjected to the payment of an excise tax in accordance with the procedure established by the Ministry of Finance.⁹⁵ By this ordinance, the Sakhalin free port system was limited for the first and only time in its history.

The strict alcohol trade regulations on Sakhalin, during the penal colony period, approved and confirmed by the central authorities even to the detriment of the treasury, were related to the prevalence of a criminal element in the island’s population. However, after the permission of alcohol free trade, the local authorities, not supported by the Center anymore,

⁹¹ The State Historical Archive of Sakhalin Region (GIASO), f. 20-и, op. 1, d. 28, ll. 5-8.

⁹² *Беляева Н.А.* От порто-франко к таможене. С. 82.

⁹³ RGIA DV f. 702, op. 2, d. 449, l. 93.

⁹⁴ Data from the report of the Manager of Excise Duties in the Priamur and Maritime regions to the member of the Priamur Governor-General’s office K. A. Lakshevits of 5 September 1908 (RGIA DV f. 702, op. 2, d. 449, l. 105).

⁹⁵ RGIA DV f. 702, op. 2, d. 449, l. 115.

were powerless to stop the spread of drunkenness among the Sakhalin inhabitants, which negatively impacted the already weak local economy. The desire of the regional officials to limit the spread of excise-free alcohol to the mainland, probably, became the leading reason for the establishment of alcohol excise-tax on the island, since the previous requests of the Sakhalin officials remained unanswered.⁹⁶ Even after the abolition of the penal colony, the attitude of the central authorities towards Sakhalin did not evolve.

II. Reasons for the establishment of customs control and reflection of these reasons in the customs work

II.1 Reasons for the establishment of customs control

When the customs system finally came to the Russian Far East in 1901, it came as an adjunct to the abolition of the free port system⁹⁷ that had reigned there since the middle of the 19th century. In contrast, customs authorities were established on Sakhalin in 1910 without ending the free trade zone there, which would continue until the end of the Tsarist regime.⁹⁸ The assessment of the reasons of customs establishment in the island in comparison to the other Russian Far Eastern places could be useful in clarification of this obvious contradiction.

The main reason for the establishment of the customs in the Russian Far East was related to the raising economic importance of Vladivostok as terminal point of the Great Siberian Railway. Along with Nikolaevsk (another Far Eastern harbor), it was chosen as a starting point to introduce the customs system to the region. The customs were established in these Far Eastern ports on 23 May 1901.⁹⁹ The customs offices in Vladivostok and other Far Eastern transport hubs (Kiakhta, Sretensk, etc.) were situated close to the region's main roads and, consequently, to the participants of the international economic activity (China, Japan, and Korea).¹⁰⁰ The central government finally abolished the free port on 16 January 1909¹⁰¹ in an attempt to reduce the foreign, in particular Japanese, commercial influence in the region, while simultaneously promoting the rise of Vladivostok as a regional economic center.¹⁰²

⁹⁶ Unterberger claimed in his essay about the Priamur region, that excise tax on alcoholic beverages was introduced on Sakhalin at the request of the head of the Priamur region, namely, Unterberger himself. However, he didn't elaborate on the reasons of this decision, and mentions it relatedly to the abolishment of the Sakhalin Fund, due to the inability to compete with the private trading after the monopoly on alcohol trade was canceled. (Унтербергер П.Ф. Приамурский край. 1906-1910 гг. СПб., 1912. С. 216).

⁹⁷ the system of granting the right of duty-free import and export of foreign goods in a certain territory

⁹⁸ Kamchatka received similar treatment in 1910, but will not be discussed here.

⁹⁹ The temporary customs control in Vladivostok and Nikolaevsk was established back in 4 June 1899, as a preparatory measure for the free port system abolishment in 10 June 1900. After the beginning of the Russo-Japanese war in order to let the neutral states' ships to go through the Japanese blockade, the free port was restored in the region. (Stephan, *The Russian Far East*, p. 90; Для пользы и процветания. С. 10, 141, 142, 154, 207).

¹⁰⁰ Беляева Н.А. Таможенная политика России на Дальнем Востоке. С. 116.

¹⁰¹ The free port system was abolished for the ports of south of the Amur mouth, at the Amur mouth, and along the land border of the Amur General Governorship... However, Russian northern ports, including Sakhalin Island, retained the privileges of the free trade. (Для пользы и процветания. С. 326, 328).

¹⁰² 左近幸村「帝政期のロシア極東における「自由港」の意味」『東アジア近代史』第十六号、2013年、p. 15. The economic role of Vladivostok especially increased in the region after the loss of Dalnii, when it became the hub port for the Chinese Eastern Railway (Asada, p. 73).

On the other hand, the main reason for establishing the small customs posts in the Priamur region was to combat smuggling.¹⁰³ The new posts were strategically placed close to the Manchurian, Mongolian, and Korean borders, as well as on the Pacific coast.¹⁰⁴ The Priamur customs district was established on 2 May 1909, according to the State law “Concerning the organization of customs control in the Priamur Governorate-General and the Trans-Baikal and Yakutsk Regions and the Irkutsk Governorate of the Irkutsk Governor-General.”¹⁰⁵ The new customs structure was primarily constructed to prevent smuggled goods from entering Russia through its Eastern border.

The customs control was finally established on Sakhalin on 15 November 1910,¹⁰⁶ at the direction of the Council of Ministers of the Russian Empire dictated on 11 May 1910.¹⁰⁷ The reasons for the customs’ establishment on Sakhalin were highlighted in some published sources related to the customs history of Russia. An example is in the introductory essay to the collection of documents about the Sakhalin customs history.¹⁰⁸ In that essay, N.A. Beliaeva and N.A. Troitskaia considered that the establishment of the customs house on Sakhalin was related to the necessity of disseminating customs regulations in this remote territory for its inclusion in the Empire’s customs territory, regardless of the continuation of the free port regime on Sakhalin.¹⁰⁹ However, the authors failed to explain the timing of this decision, as well as the reason for the customs post establishment in Aleksandrovsk. A researcher of the Russian customs history, U.G. Kislovskii, also suggested that the establishment of the customs posts in Aleksandrovsk and Petropavlovsk was a logical continuation of the inclusion of the Russian outskirts in the customs regulation zone. In turn, this led to the development of a group of big industrial enterprises in the Far East (information about the mechanism of this development, and names of the enterprises involved, were not mentioned specifically); this also held important symbolic value – the representation of the remote island as a part of the Russian Empire.¹¹⁰ However, the author didn’t focus on the role of the remaining free ports, on Sakhalin and Kamchatka, in the process of inclusion of the outskirts of the Empire in the universal customs system.

Another researcher of Russian customs history, K.I. Bokov, points out that primarily economic reasons led to the establishment of the customs institutions on Sakhalin: “...During

¹⁰³ Дальневосточная контрабанда как историческое явление. Борьба с контрабандой на Дальнем Востоке России во второй половине XIX – первой трети XX века. М., 2019. С. 55-56.

One of the facts that speak in favor of this theory is the lack of fiscal interest in the creation of the customs institutions: in the beginning of the 20th century “almost the entire sum of customs fees collected in the Priamur general-governorship for local consumption goods was spent on their [customs] maintenance”(in *ibid*, p. 55).

¹⁰⁴ The serious problem for the effective fight against smuggling was the remaining from the 1860s 50-verst duty free zone on the Chinese border. After the free port abolition in 1909, the domestic goods, especially alcohol were transported to Manchuria with the return of duty and excise, for subsequent smuggling into Russia. Even with the abolition of preferential trade in the 50-verst area by the Russian government in 1913, the insufficient protection of the Russian-Japanese border by the customs was one of the main reasons for the continued illegal import of goods from China. (*Беляева. От порто-франко к таможне. С. 95, 97-98*).

¹⁰⁵ Дальневосточная контрабанда как историческое явление, С. 57-58.

¹⁰⁶ Для пользы и процветания, С. 339-340.

¹⁰⁷ *Ibid*, pp. 337-338.

¹⁰⁸ Таможня на Тихом океане. 184 с.

¹⁰⁹ *Ibid*, p. 6.

¹¹⁰ *Кисловский. С. 254-255, 259, 261.*

this period (the start of the 20th century – V. A.), foreign trade activity increased on the Kamchatka Peninsula and Sakhalin, which required the organization of customs control over export-import operations, the establishment of customs, its staff and resources”.¹¹¹ At the same time, he emphasized that the prime reason for establishing new customs institutions in Siberia and the Far East at the beginning of the 20th century was the fight against smuggling. While the authors’ points of view bring some new prospective to the discussion, the seeming contradiction between the introduction of the customs in Sakhalin and remaining free trade there needed some further clarification, which could be provided by the analyzes of the related archival documents.

The initiative for establishing the customs on Sakhalin came from the Priamur Governor-General P.F. Unterberger,¹¹² who expressed it in a letter from 17 December 1908, addressed to the Trade and Industry Minister.¹¹³ The main reason for the necessity establishing the customs institutions, the official stated, was related to the increasing influx of Japanese in the Maritime region after the Russo-Japanese War and their growing economic influence in the area: “the Japanese... not only destroy our natural resources, but also take root in the country, subjugate the local population, which is at an extremely low stage of development, to their cultural and economic influence”.¹¹⁴ The regulations regarding the international navigation in the waters of the Russian Empire were reflected in the Russian legislation, as well as in the international treaties. Based on paragraph 139 of the 1904 Customs charter, the arrival of ships from abroad was allowed to the ports with the customs institutions in it. And, based on paragraph 2 of the 1907 Treaty of Commerce and Navigation between Russia and Japan, the Japanese were granted the right “to enter with their own ships and cargo in all those places, ports and rivers of other country (Russia), which are now open, or will henceforth be open for foreign trade”.¹¹⁵ However, none of the territories to the north of the Amur River mouth, including Sakhalin Island, were formally open for the free trade. The official explained that the free access to the Pacific coast of the foreign vessels so far was possible due to the virtual lack of supervision of the navigation in the region and overall lack of interest of the authorities to the situation there since such case “did not pose any serious danger in previous years.”¹¹⁶

However, novel conditions necessitated the implementation of the corresponding regulations: “At present, the circumstances have changed: on the one hand, the activities of foreigners in the North have reached the scale that is clearly threatening our interests; on the other, our means of supervision, although far from sufficient, nonetheless, compared to what it

¹¹¹ Боков К.И. Становление и развитие таможенного дела и таможенного законодательства в России в XIX – начале XX века. М., 2014. С. 104.

¹¹² P.F. Unterberger (1842-1921) –military governor of the Maritime region (1888-1897), governor of Nizhny Novgorod (1897-1905), military chieftain of the Ussuriysk Cossack army, governor-general of the Priamur region (1905-1910). Author of monographs about economics and statistics of the Far East: "Primorskaya Oblast. 1856-1898" (St. Petersburg, 1900), "Priamurskii Krai. 1906-1910" (St. Petersburg, 1912). Ardent supporter of the active colonization of the Priamur region by the Russians, the protection of the natural resources from poachers, and the prevention of Asian influence in the region. (see more in Ремнев, С. 450-453; Шулатов Я.А. На пути к сотрудничеству: российско-японские отношения в 1905-1914 гг. Хабаровск, 2008. С. 157-158).

¹¹³ RGIA DV f. 702, op. 2, d. 221, ll. 89-92.

¹¹⁴ Ibid, l.89.

¹¹⁵ Ibid, l.90.

¹¹⁶ Ibid, l.90.

was, intensified significantly.”¹¹⁷ Therefore, with the precise definition of ports open for foreign trade on the Russian East coast and Sakhalin, other places of the region will be recognized as unconditionally closed for the foreign and coastal navigation carried out by foreign ships, and for foreign trade in general. Thus, the establishment of customs controls would contribute to the bolstering of political prestige of the Russian Far East in the eyes of the foreigners, mainly Japanese, by the regimentation of foreign trade. The timeframe of the establishment of customs controls corresponded to the gradual strengthening of protective measures to combat the smuggling of natural resources in the region.¹¹⁸

Unterberger suggested that the two sites initially open for the foreign trade in the region should be Petropavlovsk, located in the southeastern part of the Kamchatka Peninsula and Aleksandrovsk, located on the west coast of Sakhalin Island. The reason behind this decision was related to the administrative capacity of these places, since Aleksandrovsk was the residence of the military governor of Sakhalin, and Petropavlovsk was going to become the center of the Kamchatka region.¹¹⁹ The author of the document realized, that new customs regime would lack the means to actively fight smuggling on the vast Russian Pacific coastline. On the other hand, the new institutions would be the symbols of the Russian control over the region since “such a measure would be of fundamental importance in the sense of establishing and declaring our rights”.¹²⁰ Gradually, the new territories of the region could be open for the foreign trade “as needed”, with the establishment of the required government bodies.

During the discussion of Unterberger’s proposition in the Council of Ministers on 18 April 1909,¹²¹ the dignitaries were united, agreeing with the Governor-General’s position, in admitting the necessity of port closure in the Maritime region (north to the mouth of the Amur River) to the foreign vessels, except certain harbors. This was due to the desire to limit the presence of Japanese boats, and, consequently, the Japanese economic influence, in the region.

The flow of the discussion on the method of this system’s implementation, brought to light two peculiar points. The first was related to Unterberger’s approach towards the custom establishment on Sakhalin and Kamchatka, supported by the representatives of key ministries (Ministries of Internal Affairs, Justice, Foreign Affairs, and Trade and Industry). It described the establishment of the customs control as a symbol of the State authority in the region, aiming to reduce Japanese poaching here while the territories with the newly established customs offices would remain free trade zones. This mixture of protectionist and free trade policies proved to be a great challenge for the effective customs operations in Sakhalin – a matter that will be discussed in the following sections. The second was the general lack of interest in the consequences for the economic development of Sakhalin or Kamchatka created by the new measures. The only exception was the concern raised by the Finance Ministry (the governing body of the Department of Customs Duties) about regional supply chains where they intersect

¹¹⁷ Ibid, l.90.

¹¹⁸ See more about this process in *Дальневосточная контрабанда как историческое явление*, С. 100-119.

¹¹⁹ On 17 June 1909, in accordance with the law "On the administrative reorganization of the Maritime region and the island of Sakhalin", the Sakhalin and Kamchatka regions were separated from the Maritime region. The Kamchatka region includes the Petropavlovsk, Okhotsk, Gizhiginsky, Anadyr districts and the Commander Islands, separated from the Maritime region.

¹²⁰ RGIA DV f. 702, op.2, d. 221, l.90.

¹²¹ *Особые журналы Совета министров Российской империи. 1909–1917 гг.* 1909 год. М., 2000. С. 139-141.

with the necessity of Russian ships loaded with foreign goods entering at newly opened customs posts, "...the implementation of the proposition, declared by the majority of the members of the conference, could cause severe practical difficulties in supplying the indicated region with foreign goods, since the rule under discussion generally prohibits the importation of foreign goods to places outside the location of customs, regardless of the vessel's origin. And, therefore, as soon as the area is closed, due to the absence of customs posts, for the foreign goods imported on foreign flag ships, this also excludes the import of these goods by Russian subjects".¹²² However, an interpretation of the 1907 Treaty of Commerce and Navigation between Russia and Japan, by the other members of the meeting, clarified that Russian ships are equal in rights with Japanese ships only in ports open for foreign trade. The implementation of this measure, however, had grave consequences for the Sakhalin coal industry. With the ban on relatively more affordable Japanese cabotage,¹²³ the cost of Sakhalin coal increased significantly, which led to its displacement from the market by coal from the Maritime region.¹²⁴

Overall, neither of the usual customs rationales, practical measures of cross-border flows control and encouragement of economic development, was discussed by the dignitaries. The reasons for the Sakhalin customs establishment had more to do with the national prestige manifestation, rather than with the traditional Imperial approach towards the conduct of the customs policy.¹²⁵ The establishment of the new institution was seen as a simple exertion of Russian authority, vis-à-vis the Japanese who had occupied southern Sakhalin, and other Japanese sailing the full breadth of Russia's expansive northern waters.

II.2 Practical implementation of the anti-smuggling measures in Sakhalin conditions

Customs control was finally established on Sakhalin on 15 November 1910,¹²⁶ at the direction of the Council of Ministers of the Russian Empire on 11 May 1910.¹²⁷ According to this document, the establishment of the customs control on Sakhalin and Kamchatka was "to streamline navigation in our northern waters and put an end to the shameless plundering of our fishing riches of various kinds by the foreign industrialists."¹²⁸ While discussing the importance of the institution's establishment within the Council of Ministers, dignitaries admitted that Sakhalin customs would face serious complications arranging the anti-smuggling measures. However, the mere fact of the establishment of the new institution, as a

¹²² Особые журналы Совета министров Российской империи. С. 140.

¹²³ Coastal shipping

¹²⁴ The cost of transportation of 1 ton of coal from Sakhalin to Vladivostok increased from 2 rubles in 1910 to 3,8 rubles in 1911 (Бок, Высоков и др. Экономика Сахалина. С. 44).

¹²⁵ The pronounced protectionist customs policy of the Russian Empire manifested itself in the Customs Tariffs and regulations starting from the end of the XIX century until the Revolution. The main priorities of the State, conducting this policy, were fiscal interest, development of the domestic industries and shielding the existing industry from foreign competition. (Vincent Barnett. *The Revolutionary Russian Economy, 1890-1940* (Routledge: London and New York, 2004), pp. 28, 30-31).

¹²⁶ Для пользы и процветания. С. 339-340.

¹²⁷ Ibid, pp. 337-338.

¹²⁸ Ibid, p. 337.

manifestation of the strengthened State control, was considered as a factor that could hold back the spread of poaching and smuggling in the region.

Predictably, the newly established customs institution lacked the human and technical resources to effectively combat smuggling outside the boundaries of Aleksandrovsk. In the 27 January 1911 report to the head of the Priamur customs district, several months after the start of customs operations in northern Sakhalin, the manager of Aleksandrovsk customs, R.E. Belunskii¹²⁹ voiced his concerns, “As for the Aleksandrovsk customs post, with its existing state, in the absence of any transportation means and a vast area requiring unconditional supervision over it, it (the customs post) is *powerless to carry out the main tasks* that caused the need to establish customs supervision on Sakhalin Island.”¹³⁰

Apart from the financial inability to equip the institution with an effective anti-smuggling apparatus, such as effective means of transportation over water and land (horses, boats, etc.), legal limitations prevented customs officials from introducing effective anti-smuggling measures as well. According to article 8 of the 1907 Fishing Convention, Japanese fishing vessels were granted the right to sail from Japan directly to their rented fishing grounds within the Priamur and Maritime regions, including Russian part of Sakhalin Island.¹³¹ Therefore, lacking sea transportation means Sakhalin customs authorities were not able to inspect numerous Japanese fishing boats sailing in Russian waters.

While Unterberger and other dignitaries hoped that the establishment of the customs regime on Sakhalin and Kamchatka alone would contribute to the reduction in the number of smugglers, the Priamur Customs District head, in a report to the Department of Customs Duties on 13 July 1911, explained that the inability to establish firm protection of the coasts and waters of the Sakhalin region by the Russian authorities encouraged the poachers to operate freely: “local administrative authorities, lacking the necessary ships or other means of transportation, are completely powerless to induce any of the countless ‘*guests*’ to respect the decrees of our government ... our waters, being almost completely open, are a convenient arena for the activities of all predators and exploiters who risk little. Given this state of affairs, the [Aleksandrovsk] customs post is an institution only for purpose of supervising Russian coastal ships”.¹³²

The statistics shows that in the first years of the customs operations on Sakhalin, a number of smuggling cases, as well as the value of confiscated goods, was rather insignificant. (see Table 1). However, apart from the hard-to-detect poaching in Sakhalin waters, other prerequisites for smuggling appeared here after the institution’s establishment.

¹²⁹ Richard Eduardovich Belunskii was born 13 June 1879. Originated from the nobility of the Vilnius province of the Russian Empire. After graduating from a real school, he studied from 1902 to 1903 at the Emperor Nicholas I Institute of Civil Engineers. In 1906-1909 he worked as an employee of Batumi customs. From 1909 he worked in the Far Eastern customs posts as a manager. He married Cossack Mariia Rodionovna Fedorovskaia 28 January 1909. From 14 February 1910 he was promoted to the provincial secretary with seniority. By the order of the Department of Customs Duties of 10 September 1910, he was appointed manager of the Aleksandrovsk customs post from 24 August 1910. He transferred to Khabarovsk customs in 1913. (Таможня на Тихом океане. С. 23-26).

¹³⁰ Таможня на Тихом океане. С. 33.

¹³¹ Беляева. Таможенная политика России на Дальнем Востоке. С. 110.

¹³² Таможня на Тихом океане. С. 61. Indeed, the Aleksandrovsk customs statistics shows that the number of overseas vessels was insignificant compared to the number of coastal vessels. (see Table 2)

Table 1. Fight against smuggling in Sakhalin (RGIA DV, f. 1446, op. 2, d. 64, ll. 1-4; f. 1304, op. 1, d. 138, ll. 42-43, 47).

	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920
Number of cases	-	-	1	1	-	3	46	11	14	1
On a sum of			25,94 rubles	35 rubles		3715 rubles	No less than 496 rubles	3356 rubles	15602 rubles	
Fines			26 rubles	6 rubles		No less than 1246 rubles				
Subjects of smuggling			Opium	Opium		Alcohol	Alcohol, fabric(1)	Alcohol	Alcohol, other goods (4)	

Regardless of the existing free trade system on Sakhalin, based on the 12 July 1911 order of the Priamur customs district head, Aleksandrovsk customs had to start duties collection from foreign goods that were transported to the mainland from Sakhalin on 1 August 1911. In response to this order enforcement, the transportation of the foreign origin goods from Aleksandrovsk to the mainland ended abruptly. Instead, these goods had been redirected to the Volunteer Fleet ships' place of call, Pilevo. Pilevo was a small village with about ten people inhabitants, on the West coast of Sakhalin, close to the Japanese border. According to the customs data, the volume of the foreign origin goods that were exported to Pilevo vastly exceeded the needs of the local population: from August 1 to the end of the year, 453 pood¹³³ of foreign origin goods (253 pood of German and Japanese beer, 112 pood of German sugar, and 88 pood of various goods) were transported there.¹³⁴ Based on these factors, the customs manager suggested establishing the customs post in Pilevo during the navigation to prevent the foreign goods smuggling and control and statistics of the coastal vessels' cargoes. However, his suggestion remained unanswered by the higher authorities.

¹³³ Pood - a unit of mass approximately equal to 16.38 kilograms

¹³⁴ Таможня на Тихом океане. С. 90-92. However, since the legal import of goods in Vladivostok port in 1911 reached 23 316 955 pood, share of illegal goods transported from Sakhalin was insignificantly small. (Для пользы и процветания, С. 357).

Another potential Sakhalin smuggling distribution point, besides Pilevo was located on the mainland, a place called Lazarev Cape. The cargoes that traveled from Aleksandrovsk to the areas north from it, such as Pogibi or Viakhty, were re-transported to the island traveling through the Lazarev Cape. The cargo had to be transported to Sakhalin settlements via the mainland due to the lack of Sakhalin coastal vessels. The cargo bound for Pogibi or Viakhty was loaded onto regular steamships traveling to the mainland, to Lazarev Cape. The cargo bound for northern Sakhalin settlements was then re-shipped by boats through the Tatar strait back to the island.¹³⁵

On 9 January 1912, the Priamur customs district head ordered the Nikolaevsk customs to establish customs control on the cape.¹³⁶ Since the only way to receive the goods for the inhabitants of Pogibi or Viakhhty was through the mainland, the Priamur customs district head concluded in August 1911, that the new post should be established for the interests of these people.¹³⁷ The customs post inspectors had to oversee the unloading of goods for the mentioned points on the mainland and the transshipment of these goods to Sakhalin. With the beginning of the post operations, the Aleksandrovsk Customs Manager was instructed by the Priamur customs district head to supply all cargos, shipped from Aleksandrovsk via Cape Lazarev to Pogibi or Viakhty, with cabotage lists on the official form addressed to the customs supervision at Cape Lazarev. The Aleksandrovsk Customs Manager was also to monitor the timely return of these statements to Aleksandrovsk with the special marks made by the customs post officials at Cape Lazarev, in accordance to the costal shipment rules of 23 April 1905.¹³⁸ Apart from the goods marked in the documents as duty-paid goods or not subject to duty goods, no other cargo from Sakhalin to Cape Lakharev should have been unloaded.¹³⁹

While establishment of the new customs post was aiming to prevent the illegal dissemination of the duty-free goods on the mainland, the reason for the lack of the customs post in Pilevo, the other potential smuggling distribution point, remained unclear. The possible explanation for this could be related to the nearby Japanese border, which could explain the unwillingness of the Russian officials to create a circumstance for the potential incidents leading to an increase in tension between the two countries. The lack of the customs institution close to the Russo-Japanese border in Karafuto could be the testament to the similar approach of the Far Eastern neighbor.¹⁴⁰

One of the first cases of smuggling, registered on Sakhalin on 10 June 1913, was related to the opium confiscation. While on duty at the Aleksandrovsk pier, the customs inspectors found approximately 13 funt¹⁴¹ of opium, concealed inside the clothing of a Chinese citizen, who disembarked of a ship from the mainland. Based on the testament of the perpetrator, he

¹³⁵ RGIA DV f. 1446, op. 2, d. 61, l. 54.

¹³⁶ Таможня на Тихом океане. С. 94.

¹³⁷ RGIA DV f. 702, op. 1, d. 800, l. 117.

¹³⁸ RGIA DV f. 1446, op. 2, d. 61, l. 53.

¹³⁹ Ibid, l. 127.

¹⁴⁰ The Karafuto customs institutions – branches of Hakodate customs – were located in the southern harbors of the region: Otomari and Maoka (JACAR(アジア歴史資料センター)Ref.A03021369000、御署名原本・大正十一年・勅令第二十二号・大正六年勅令第五十九号(税関支署ノ名称位置及管轄区域ノ件)中追加(国立公文書館)

¹⁴¹ Russian unit of measurement of mass equals to 409.51718 grams

purchased the drug, which had originally been exported from Harbin, in Vladivostok. Based on the 1045, 1061, and 1065 articles of the 1904 Customs charter his actions were interpreted as smuggling, the opium was confiscated, and he was fined 26 rubles (2 rubles per ounce of opium).¹⁴² The relatively small quantities of the confiscated drug, alone with the testament of the detainees demonstrated the lack of wide usage of opium among the population; likely, the contraband was, imported for private consumption.

The main object of smuggling in the second half of the 1910s, based on the Aleksandrovsk customs statistics, was alcohol. The other smuggled items, which were found on board or during the customs inspections, were the subject of duties or excise duties on the mainland (tobacco, kerosene, fabrics, etc.) The wide dissemination of illegal spirits was related to the prohibition of alcohol trade in Russia due to the start of WWI in 1914. Along with the start of the military mobilization of the population, from 19 July 1914 the alcohol trade was banned, and according to the Imperial decree of 22 August 1914 the ban on the alcohol and vodka sale for local consumption in the empire was extended until the end of war.¹⁴³ Mainly, the smuggled alcohol, which often originated in Japan, was smuggled through the Russo-Japanese land boarder and transported to Aleksandrovsk and other settlements on small boats owned by the local inhabitants. Since there were no customs posts close to the border or available routes of communication from Aleksandrovsk, the detection of the smuggled alcohol was a difficult task for the customs officials. Despite the common awareness of this problem among the ranks of the customs officials,¹⁴⁴ the first batch of illegally imported alcohol was detected by the customs officials on Sakhalin only two years after the enforcement of the alcohol trade ban. The smuggling on the island was detected mostly by receiving information from primary source informants or during routine patrols by customs or police. In September 1916, in order to check the information about the possible smuggling of alcohol, the custom manager dispatched one of the inspectors to the shore near Aleksandrovsk. The report of the customs inspector provides the information about the atmosphere in which customs conducted its fight against unlawful actions taken by locals: "I, Kharchenko, just managed to go down to the shore near the brick factory and hide in the bushes, when I heard the splash of oars, and soon a boat with several people on it appeared. Pulling [the boat] closer to the shore, [they] began to carry boxes and hide them in the bushes near me. Letting them unload all the boxes, and when one of the unknown persons began to take out the last box, I ran up to him and managed to detain him.... and the rest [of the people] managed to escape by boat. The detainee turned out to be a well-known to me alcohol smuggler Shevchenko. Since I had detained nine boxes [of spirits], and the other [customs] inspector... was still at the pier, I had to wait for help with the smuggler and the spirits. At that time, two hundred [meters] away, I noticed that another boat was approaching and, in order to be able to detain it, I let Shevchenko go get the money, upon his offer to bring me a bribe of 100 rubles... in the

¹⁴² Таможня на Тихом океане. С. 110-112.

¹⁴³ *Барина Е.П.* Антиалкогольная политика правительства в оценках российских предпринимателей в 1914-1916 гг. // Вестник Самарского Государственного Университета. 2012. №2. С. 95; RGIA DV f. 1304, op. 2, d. 69, l. 3.

¹⁴⁴ In May 1915 the Khabarovsk Customs Area Inspector informed the Custom Duties Department in St. Petersburg, that the prohibition of alcoholic beverages trade caused a huge influx of contraband alcohol into the territory under the inspector's jurisdiction. (RGIA DV f. 1304, op. 2, d. 49, l. 390).

expectation that when he brings the money, the inspector will come to my aid and we will bring the alcohol smuggler to the office.

But, due to the noise, made during the arrest of Shevchenko, the approaching boat, started to quickly move away, and when there was an opportunity to pursue another boat, after Shevchenko left, it disappeared from sight. I loaded the nine detained boxes onto a passing cart with sides and delivered it to the office.

When summoned later, Shevchenko refused to testify and to sign [the protocol].”¹⁴⁵ The confiscated alcohol was identified as Japanese-made on the bases of the expertise of Aleksandrovsk customs. According to articles 1045, 1054, and 1065 of the 1910 Customs Charter, the alcohol was confiscated, and Shevchenko was fined 1246 rubles.¹⁴⁶

The sharp reduction in the number of alcohol smuggling cases in 1918, compared to the previous year (see Table 1) was related to the permission, given by the local administration, to sell alcohol at the end of January 1918.¹⁴⁷ The local population purchased a large supply of alcohol stored since the beginning of the war in the merchants’ warehouses.

While the Japanese origin alcohol was identified by the customs officials as the main subject of smuggling, in reports to Khabarovsk, the managers repeatedly admitted that customs attempts to fight smuggling “comparatively poorly achieved their intended goal.”¹⁴⁸ The main reasons for it were “poor road conditions from outside Aleksandrovsk to the border along the western coast of the island, due to natural conditions, a lack of customs office owned boats, the distance from the post to the land border, and terrible snowstorms in winter”.¹⁴⁹ In order to solve the problem, the customs manager repeatedly and unsuccessfully continued to propose the establishment of a customs post in Pilevo and a staff increase.

Essentially, as proclaimed by the Council of Ministers, the establishment of the customs office in Sakhalin, while couldn’t be checked precisely, most likely did not achieve a reduction in poaching and smuggling in northern Russian waters. On the other hand, the customs practice identified the key improvements, which could have contributed to the effective fight against smuggling on the island (additional customs posts, means of transportation, staff increases, etc.). However, the higher authorities made little effort to realize these measures. With the initially symbolic meaning of the customs institution, the practical realization of one of the core customs functions – fight against smuggling – was problematic, which was reflected in the statistics of customs seizures and fines.

III. Aleksandrovsk customs operations in the free port conditions

III.1 The Sakhalin economy development and the customs

As presented in the previous sections, the reason for establishing the customs on the island had little to do with the economic development of North Sakhalin—a free trade territory.

¹⁴⁵ RGIA DV f. 1446, op.2, d. 132, l. 1.

¹⁴⁶ Ibid, ll. 4-5.

¹⁴⁷ RGIA DV f. 1304, op.1, d. 138, l. 7.

¹⁴⁸ From the report of Aleksandrovsk customs manager to the Khabarovsk Customs Area Inspector of 20 August 1918 (Таможня на Тихом океане. С. 154).

¹⁴⁹ From the report of Aleksandrovsk customs manager about fight against smuggling in the second half of 1919 to the Khabarovsk Customs Area Inspector of 5 February 1920 (RGIA DV f. 1304, op. 1, d. 262, l. 127).

The customs were assigned a symbolic role of the Imperial power representative on the remote Sakhalin. On the other hand, as the state institution, Aleksandrovsk customs had to perform duties assigned to it by law. They included ships and cargo inspections, duties collection from foreign goods transported to the mainland (from 1 August 1911), statistics collection, fight against smuggling, etc.

Before establishing the customs in Aleksandrovsk, even with the free port on the island, trade of foreign goods was not widespread of Sakhalin. In the 27 January 1911 report to the Priamur Customs District, the Aleksandrovsk customs manager pointed out: "The free port contributes comparatively little to the well-being of the island; foreign goods find themselves an insignificant number of consumers; the circle of the latter is limited mainly to the bureaucratic world, which orders clothing mainly from Germany; it is fair to say, that the first necessities, such as sugar, flour, etc., were delivered by steamers coming from abroad, but they were of little interest to Sakhalin residents since they were sold at almost the same prices as Russian goods: one could buy 1 pood (1 bag) of American flour weighing 15 pounds [for] 3 rubles and Russian varieties [of flour] at the same price are available; German sugar is a little cheaper than Russian sugar, but the latter is better... At present, there are two [places of] trade with foreign goods in the Aleksandrovsk posad: in one, various Japanese goods prevail, and in the other, Shanghai dry goods; in total, there are 397 stores on Sakhalin."¹⁵⁰

The free port was established on Sakhalin mainly to provide essential supplies for the island since it was distanced from the European markets of Russia. However, with the advancement of transportation technology and reach, particularly railways, from the end of the 19th century, the Russian tax-free goods found their way to Sakhalin primarily through Vladivostok. The customs statistics show that overseas vessels were significantly inferior to the coastal vessels, which predominantly delivered Russian-origin goods from the mainland. (see Table 2)

Table 2. Turnover of Aleksandrovsk port (RGIA DV, f. 1446, op. 2, d. 49, ll. 40, 52-53.)

	1911	1912	1913	1914	1915	1917	1918	1919	1920
Cabotage *	43	32	32	33	31				
Import (poods)	125727	129788	193727	140702	109525				
Export (pood)	475980	459488	266743	1053068	26787				
Overseas vessels	2	4	3	3					1
Import	41690	7910	241025	44829			3169		3720

¹⁵⁰ Таможня на Тихом океане. С. 32-33.

(pood)									
Export (pood)	-		-	-					
Value of import (rubles)	185931	672690	204157				89295	672690	204157
Value of export (rubles)	332147	107944	773386				164000	107944	773386
Coal export (pood)	469480	448195		1043239	13482		352620		3720

*primarily ships from the Far Eastern ports (Vladivostok and Nikolaevsk), during the researched period, the only known case of big cabotage ship calling in Aleksandrovsk was in 1911, ship from Odessa delivered 2259 pood of various cargos.

In the first years of the customs operations, the institution faced a number of problems. In addition to the lack of capable personnel¹⁵¹ and strained working and living conditions¹⁵² the inspections conduct practice revealed significant problems with the paperwork. The lack or unsatisfying quality of the required documentation on the incoming vessels left the institution with the necessity to fix the locally occurring problems first, during the early years of the customs office's operations. For example, in August 1911, during the inspection of Japanese ship with the cargo for the oil enterprise F.F. Kleie and Co. Enterprises, located on the eastern coast of Sakhalin, the skipper simply didn't have some of the required documentation, enabling the local customs officials to spend several days monitoring the completion of the ship and cargo documentation in Aleksandrovsk.¹⁵³ Frequently, it was difficult to determine the amount of taxes and fees on goods, and keep up the statistics, while inspecting the foreign vessels. In the report from 30 April 1912 to the Priamur Customs District Head, the Aleksandrovsk customs manager noted that, "number of goods are shown in the foreign units of weight and in gross only, at the same time, information about the packaging, as well as the quality of goods is absent completely; in many cases, the products are named by their Japanese name... that makes it difficult to accurately recognize the quality of the goods or how it used. In many cases,

¹⁵¹ In a region with the population of less than 10000 people it was problematic to find good employees. If in 1910 the population of Sakhalin was about 8.8 thousand people, in 1917 it decreased to 7.3 thousand people.

(Рыбаковский Л.Л. Население Дальнего Востока за 150 лет. М., 1990. С. 64) In the 1911 one of the customs employees got involved in unlawful actions. Based on the materials collected by the Sakhalin police, the customs inspector Mishin broke into the apartment of a Chinese citizen Man-Kui, where, allegedly on behalf of the police, he conducted a search of opium, taking 2 smoking pipes and 21 rubles from Man-Kui by force. (RGIA DV f. 1446, op.2, d. 25, l. 5). Based on the Aleksandrovsk customs employee actions, the head of the Priamur Customs District decided to send Mishin to court and dismissed him from service from 12 December 1911. (RGIA DV f. 1446, op. 2, d. 25, l. 4).

¹⁵² Until the Japanese occupation of the island, the customs officials worked and lived in properties rented from Sakhalin residents.

¹⁵³ Таможня на Тихом океане. С. 78-79; RGIA DV, f. 1446, op. 2, d.26, l. 161.

a preliminary examination is required...".¹⁵⁴ Apart from the documentation problems, the undeveloped infrastructure of Aleksandrovsk pier, led to the further complications for the customs officials. The customs manager noted: "The cargo items taken from the steamers are loaded onto barges without any sorting, from which they arrive in the same form into the dark, cramped pier warehouse. It is impossible to establish any bearable order in this place, since, due to lack of space, one batch of goods has to be blocked or simply piled up on another one; [items] that do not fit in the warehouses are left on the pier and covered with a tarpaulin. The existing [cargo workers] association, not being in any way subordinate to the customs supervision, and concerned only on the delivery of the cargo to the recipients, 'sorts' it only by the [cargo] owners and then distributes it simultaneously to several recipients from different gates of the warehouse. The distribution of the cargo is carried out within five days, sometimes longer. With such procedures, it is absolutely impossible, as practice has shown, to keep track of cargo items, and, moreover, to compare numbers and stamps with documents".¹⁵⁵ With long-established cargo procedures on the island, the ships, as well as pier administrators, customs officials had no choice but to adapt to the new conditions.

The island's slow economic development contributed to the small trading volume.¹⁵⁶ After the penal colony was abolished, the Sakhalin economy, deprived of cheap labor by convicts, fell into decay. The local population decreased, since people were striving to escape the island for "a better life" on the mainland. In the researched period, the goods that were transported from the mainland, mainly through Vladivostok, consisted of manufactory equipment, haberdashery, grocery items, and alcohol. The export from Sakhalin consisted of coal, chum salmon caviar, agricultural goods, fish, and pelts, which were transported to Vladivostok, while cattle were transported mainly to Nikolaevsk.¹⁵⁷ Despite the fact that Sakhalin livestock was one of the few categories of goods that were transported to the mainland every year, the local administration didn't create favorable conditions for the further development for the commercial cattle breeding on the island. The island's cattle market was extremely narrow. The merchants, who transported livestock to the mainland set low purchase prices. Moreover, by the decision of the Governor of the island, from February 1916 the transportation of the livestock from the island became forbidden.¹⁵⁸ These steps that discouraged the local peasants from trade could be one of the precautions taken by the local administration to keep the island's resources in the face of ongoing war.

The coal industry, which had great prospects, upon the mineral's discovery on the island, was developing slowly and inconsistently. Despite the considerable area of expensive coal deposits on the island, in 1910, the small scale coal mining was taking place only in Due, a

¹⁵⁴ RGIA DV f. 1446, op.2, d. 39, l. 6.

¹⁵⁵ Report of Aleksandrovsk customs manager to the head of the Priamur Customs District of 31 October 1912 about the conflict of the customs inspector with the skipper of "Kishinev" steamboat (RGIA DV f. 1446, op. 2, d. 38, l. 3).

¹⁵⁶ In 1911 the turnover of Aleksandrovsk port was 643 397 pood of cargo, while the turnover of the rapidly developing Vladivostok port the year earlier was 158 723 500 pood. (*Наумов Ю.А. История хозяйственного освоения Дальнего Востока России. Находка*, 2013. С. 45).

¹⁵⁷ RGIA DV f. 1446, op. 2, d. 49, l. 111, RGIA DV f. 1446, op. 2, d.142, ll. 1-2, etc.

¹⁵⁸ *Ищенко М.И. Русские старожилы Сахалина. Вторая половина XIX – начало XX вв. Южно-Сахалинск*, 2007. С. 226-227.

settlement south of Aleksandrovsk. Through the years prior to the Japanese occupation of the northern part of the island, several companies and entrepreneurs tried their hand at mining. Among them were "The trading house mining engineer V.A.Kuznetsov and Co", and entrepreneurs S. I. Renkevich, A. V. Dattan, A.A. Ericson.¹⁵⁹ A deplorable state of the industry was explained by the insufficient investments, leading to the poor state of the mines equipment, and lack of convenient harbors.¹⁶⁰ The Due pier was inconveniently located and equipped, with a small number of conveyances, which made loading process here extremely time-consuming. The coal loading time often ranged from 3 weeks to a month for one boat. In the absence of a bay protecting ships from strong winds, the Aleksandrovsk harbor location was very inconvenient. The ships usually anchored at 1.5 - 2 verst from the coast in order to retreat to the far more convenient De-Kastri bay, which was located on the mainland, in case of worsening weather conditions. Despite the unfavorable conditions, coal was the dominant export item, which accounted for most of the overall northern Sakhalin export volume. (Table 2) Despite the sharp increase of amount of mined coal in 1913,¹⁶¹ and, relatedly, the export volume increases, the objective reasons for this sharp increase were seemingly absent, since unproductive surface coal mining was practiced on the only mine in Due for both 1912 and 1913. The high transportation costs remained a serious obstacle to the development of Sakhalin coal trade.

With the start of customs operations on the island, based on the articles 140 and 141 of the 1904 Customs Charter, ships coming to pick up coal were inspected in Aleksandrovsk before traveling for Due. Based on the articles 211-217, and 686 of the same document, upon the end of the loading, the coal mines administration would notify the customs officials, and the customs would either request that the ship head to Aleksandrovsk during the day or, if the request was made in the evening or at night, sent the customs official to Due for the boat inspection before the departure.¹⁶²

Based on article 6 of the 16 January 1909 law, Sakhalin coal was exported duty free from the Priamur region. Consequently, based on the circular letter of the Priamur customs district head of 9 June 1911, the special monitoring of the loading process was considered to be unnecessary. Therefore, after the inspection of the empty ship in Aleksandrovsk, it was relocated to Due for coal loading unaccompanied by customs inspectors.¹⁶³ As a result of this decision the customs didn't have access to the precise statistics of the coal exported from the island and had to rely on the Mines Administration for this data.

Since the customs establishment, Sakhalin coal was mainly transported to the Russian ports on the Russian coastal vessels. However, by the end of the 1910s, dramatic events in Russian history began to influence the work of the remote institution. Until the Japanese occupation of the island, the institution's operations were largely conducted based on the

¹⁵⁹ Бок, Высоков и др. Экономика Сахалина. С. 42-43

¹⁶⁰ Обзор Сахалинской области за 1914 год. Александровский, 1916. С. 53.

¹⁶¹ The coal mining increased from 1 534.3 thousand pood in 1912 to 2 049 thousand pood in 1913. 1913 became the best year of northern Sakhalin coal industry after the penal colony abolition. (Обзор Сахалинской области за 1912 год. Александровский, 1913, С. 24-25; Обзор Сахалинской области за 1913 год. Александровский, 1914. С.23; Бок, Высоков и др. Экономика Сахалина. С. 42-43).

¹⁶² Таможня на Тихом океане. С. 87-89.

¹⁶³ Ibid, p. 47.

Imperial legislation, except for the special decrees of the numerous successive Far Eastern governments, which, however, didn't viably affect the customs work. With the lack of local coastal vessels, Sakhalin coal was transported by the Japanese vessels, moreover, local entrepreneurs sent fuel to Japan for sale. From June 1919 the permission for the coal export abroad could be granted only by the Far Eastern authorities.¹⁶⁴ While the sources provide information that in June-September 1919, at least 4660 ton of coal was exported from the island, the exact amount and accurate destination of the exported coal was not possible to establish.

By the time of the customs establishment in Aleksandrovsk, the oil industry in the island was starting to get off the ground, as northern Sakhalin had become open for private mining in 1909.¹⁶⁵ Relatedly, the oil enterprise, F.F. Kleie and Co.'s, activities became the main reason for the establishment of the customs post in Chaivo on the Sakhalin eastern coast. The first ship, with the employees and supplies for the enterprise, came to the Chaivo bay back on 31 May 1909, before the start of customs operations on 15 November 1910. It was a Norwegian chartered steamer. Since then, until the custom establishment, another three ships came to the island's east coast.¹⁶⁶ Since the start of the customs operations, the ships, bound for the East coast of Sakhalin, where the oil company was located, had to get there via Aleksandrovsk in order to undergo customs formalities. During the first navigation of Aleksandrovsk customs in 1911, only one ship bound for Chaivo, a Japanese steamer named "Jingi-Maru" that carried 24345 pood of cargo, came to Aleksandrovsk for the customs inspection.¹⁶⁷ At the beginning of 1911, F.F. Kleie filed a telegraph complaint with the Minister of Finance about the need for the company's ships to enter Aleksandrovsk for customs inspection before entering Chaivo, while foreign ships were supposedly exempted from calling at Aleksandrovsk. A copy of this telegram was forwarded to the head of the Priamur customs district on 27 June 1911. In response, on 13 July 1911, the official reported that neither Russian nor foreign ships were exempted from preliminary entry into Aleksandrovsk. However, the foreign ships, which had to spend an extra 6-8 days on route adjustments and customs formalities, were ignoring this procedure and approaching the unguarded eastern coast of Sakhalin directly, where they carried out trade operations.¹⁶⁸ On the other hand, as the Aleksandrovsk customs data until 1911 showed, ships with the supplies for the oil enterprise was the only type of ships which came to Sakhalin East Coast, except for the Japanese fishing vessels that were exempt from the customs formalities.

¹⁶⁴ RGIA DV f. 1446, op. 1, d. 70, l. 25.

¹⁶⁵ Oil in the northern part of Sakhalin was initially discovered by the indigenous people of the island. The nivkh people shared the discovery with the merchant A. E. Ivanov, who, in 1880, petitioned to the Amur Governor-General A. N. Korf for the allotment of land on Sakhalin for oil exploration and production. No practical action had been taken on this application due to his passing. While from the end of 1880s until the beginning of the 20th century, several expeditions to study the potential of Sakhalin oil were sent to the island. The oil fields in the Eastern part of Sakhalin discovered during this expedition became the subject of applications to the regional administration for the development of these deposits by dozens of different people. However, not many were in a hurry to fulfill their obligations under these applications. Unlike many, F.F. Kleie Enterprises started to actively pursue the oil development project of the island, starting from 1909. (*Шалкус Г.А. У истоков Сахалинской нефти // Краеведческий бюллетень. 2000. №4. С.35-52*).

¹⁶⁶ From the report of the Mine engineer Borisov of 1911 (RGIA DV f. 702, op. 2, d. 282, l. 45).

¹⁶⁷ RGIA DV f. 1251, op. 1, d. 174, l. 168.

¹⁶⁸ RGIA DV f. 1446, op. 2, d. 26, l. 307.

Therefore, the customs manager considered the establishment of the customs post in Chaivo premature, due to the small number of steamers arriving there yearly.¹⁶⁹ The official was concerned that the prospective place for the customs post was lacking nearby supply sources, and, overall, was unsuitable for living.

Nonetheless, the majority of the Far Eastern officials were united in their desire to establish control over the unprotected island's eastern coast. The head of the Priamur customs district, considered to involve more guard vessels to increase the efficiency of foreign ships monitoring on the East Coast, and suggested to dispatch some of Aleksandrovsk customs officials to the East coast for the temporarily customs control establishment. He shared his considerations with the head of the Department of Customs Duties in 13 July 1911 letter.¹⁷⁰ In August 1911, the eastern coast of Sakhalin was visited by the Sakhalin governor, who, upon his return from the trip, filed a petition with the Priamur Customs District for the establishment of a customs post in Chaivo Bay.¹⁷¹ His request was based on the assumption that new institution will contribute to the Sakhalin oil industry development. The same issue attracted attention of the Priamur Governor-General, who told the head of the Priamur customs district that he considered the establishment of a customs post in Chaivo Bay, "a matter of paramount importance."¹⁷²

On 8 February 1912 the Finance Minister, in agreement with the Foreign Affairs Ministry and the Priamur Governor-General, decided to open customs post in Chaivo, based on the request of the F.F. Kleie and Co. Enterprises in 13 July 1911.¹⁷³ The Priamur customs head in Vladivostok informed the Aleksandrovsk customs office that the new Chaivo customs post head and two inspectors would travel to Sakhalin from Vladivostok on 1 April 1912.¹⁷⁴

Due to the remoteness of the new post, the Chaivo customs head, Lavrinovich, who arrived in Aleksandrovsk in the beginning of May 1912, was able to reach his destination only on 15 June 1912 with the start of the navigation on the East Coast.¹⁷⁵ In the virtually uninhibited location, difficulties for the customs officials quickly emerged. The customs officials had to live either in a company's infirmary or in a tent.¹⁷⁶ In 1912 the last Japanese ship for the oil company was going to arrive in Chaivo almost at the end of the navigation period – in the end of September. Another ship for the oil company, which was scheduled to arrive 28 September 1912 was going to take the customs employees to the mainland, however, upon the end of inspection, there were no other transportation means available at that time of the year. In case of the late arrival of the Japanese ship "Matsuyama-Maru", the head of the Priamur Customs district S.N. Latkin, as an exception, allowed the ship to go to Chaivo directly, on the condition that all the necessary documents would be delivered to Aleksandrovsk customs.¹⁷⁷ In order to prevent the similar situations in a future, Latkin requested the company to notify the

¹⁶⁹ Таможня на Тихом океане. С. 82.

¹⁷⁰ RGIA DV ф. 702, о.1, д.800, л.137.

¹⁷¹ RGIA DV ф. 702, оп. 1, д. 800, л. 136.

¹⁷² RGIA DV ф. 1304, оп. 3, д. 123, л. 29.

¹⁷³ RGIA DV ф. 1446, оп. 2, д. 42, л. 4.

¹⁷⁴ Ibid, л. 7.

¹⁷⁵ Ibid, л. 25.

¹⁷⁶ RGIA DV ф. 1304, оп. 3, д. 123, лл. 1, 3, 9, 19.

¹⁷⁷ RGIA DV ф. 702, оп. 2, д. 243, лл. 350-351.

customs district about the ship's arrival in advance. According to the reason of its establishment, Chaivo's customs officials were mostly occupied with the inspections of the ships, coming with the supplies for the oil company. In the 1913 navigation, only three ships with 16,197 pood of cargoe, for the oil enterprise, came to Chaivo.¹⁷⁸ The Aleksandrovsk customs manager considered that the volume of customs post operations in a future was directly connected to the development of the oil industry on the island. Apart from Kleie Enterprises, other companies attempted commercial oil production on the island from 1912-1913.¹⁷⁹ However, by 1914, due to the significant financial losses, the operational activities of these companies on the island were terminated, which led to the de-facto termination of the Chaivo customs post's activities.

While the opening of the customs didn't significantly change the goods turnover in Sakhalin, the appearance of the new institution on the island led to the necessity of adaptation to new conditions, both for the customs department itself and for the individuals and organizations whose activities were related to cargo operations in Aleksandrovsk. At the same time, the overall stagnation of the island's economy before the Japanese occupation led to little change in the customs activities, despite the dramatic events happening in Russian and world history. The only significant exception was the establishment of the customs operations on the East Coast to revive the island's economy. However, the failures of the local entrepreneurs to commercialize Sakhalin oil put an end to the widening of the territory under customs control.

III.2 The customs and regional officials

Based on Volume 6 of the Code of Laws of the Russian Empire and Article 75 of the 1904 Customs Charter, the regional customs, subordinated to higher customs authorities, were not considered subordinate to the regional administration. Moreover, on the basis of Article 77 of the same Charter, these institutions had the right to demand legal assistance during the performance of their official duties.¹⁸⁰ However, Sakhalin society, up to the highest ranked officials, viewed the customs as an artificial addition to the settled island's economic life in a free trade zone. Especially in the beginning of Sakhalin's customs operations, the local inhabitants saw the customs as an obstruction for the productive freight operations and, therefore, an obstacle to the island's economic development.

While, based on the obtained materials, the vocal critics of the inefficiency of the customs formalities were predominantly officials on Sakhalin, the most vehement opponents of the customs operations, and customs control itself, were representatives of the various business circles in Vladivostok. From the start of the institution's activities in 1901, and even after the free port was abolished in the region for the first time, they criticized the institution for the excessive duration of customs inspection procedures, lack of knowledge of local conditions by officials who arrived from the European customs offices, an inadequate number of customs staff, a lack of proper conditions for storing and inspecting goods, etc.¹⁸¹ During the

¹⁷⁸ RGIA DV f. 1304, op. 3, d. 123, ll. 157-158.

¹⁷⁹ *Шалкус. У истоков Сахалинской нефти. С.50-51*; RGIA DV f. 1446, op. 2, d. 160, l. 8.

¹⁸⁰ RGIA DV f. 702, o.1, d. 800, l. 90-91.

¹⁸¹ *Беляева. От порто-франко к таможене. С. 69.*

discussion about the re-cancellation of the free port in Vladivostok, in 1906, one of the main arguments of the free trade proponents in Vladivostok was related to the negative role of customs, which was considered as an impediment to the trade development in the region.¹⁸²

On Sakhalin, incomparably less economically developed than Vladivostok,¹⁸³ the local officials didn't openly criticize the Emperor's approved establishment of the customs; however, they repeatedly expressed their dissatisfaction with the institution's work methods; basically, repeating the claims of Vladivostok entrepreneurs. From the start of the customs operations on Sakhalin, the local Governor, D.D. Grigoriev, demonstrated a strong desire to control the customs actions. This, combined with the general hostility towards the institution, periodically escalated to threats. Sakhalin's governor—a proponent of local industrial development—¹⁸⁴looked at the customs inspections as an obstacle for pier loading/unloading operations, which were already complicated by the insufficient infrastructure of the Aleksandrovsk. In a report, written on 22 April 1911, the customs manager, R. E. Belunskii, pointed out that from the first encounter with the newly appointed Sakhalin Governor, the island's head, started to demonstrate his authority by finding fault with appearance and attitude of the manager and demanding to stop hindrance of night cargo operations. Belunskii explained that the customs actions never led to any obstructions of the operations with cargo, and suggested that the negative attitude was caused by "the endless intrigues that, since my arrival on Sakhalin, did not cease to haunt me as a representative of the customs department ... at the same time I must report that most of the local society is hostile to the establishment of a customs post on the island".¹⁸⁵ In a telegram from the Governor to the Priamur Governor-General of the same day, the official seemingly disbelieved the customs manager since in the document he stated that Belunskii "...does not allow unloading the steamer at night, which makes unloading impossible".¹⁸⁶ Moreover, he informed the Governor-General, that he *gave an order* to the customs official to conduct round-the-clock ship's unloading operations. The Priamur Customs District official, in his instruction letter to Belunskii, encouraged customs authorities to contribute to the implementation of prompt cargo operations, including working through the night, on the basis of pre-submitted applications of shipping agents.¹⁸⁷

The local administration tried to use various methods to demonstrate its authority over the customs office. In September 1911 Sakhalin Governor requested Belunskii to provide the notes about the customs operations on the island, including the official's suggestions regarding the institution's prospective work improvements.¹⁸⁸ Upon receiving the permission from the Priamur customs district, with the notification that the general customs work organization was not a duty of the local customs office, the manager sent his first report to the Governor. In the

¹⁸² Беляева. От порто-франко к таможене. С. 136.

¹⁸³ In 1910, the year of the customs establishment, there were only two factories on the Russian part of the island (a distillery and a brewery), the trade was limited by the products for local consumption marketing, and insignificant exports of the cattle and pelts to the mainland (Обзор Сахалинской области за 1910 год. Александровский, 1911. С. 9).

¹⁸⁴ Губернаторы Сахалина. Южно-Сахалинск, 2000. С. 76-77.

¹⁸⁵ From the report of the Aleksandrovsk customs manager R. Belunskii to the head of the Priamur Customs District about conflict with Sakhalin Governor (Таможня на Тихом океане. С. 37).

¹⁸⁶ Таможня на Тихом океане. С. 35.

¹⁸⁷ RGIA DV f. 1446, op. 2, d. 15, l. 125.

¹⁸⁸ RGIA DV f. 1446, op.2, d. 51, l. 38

document he shared the customs statistics, life and work difficulties, and emphasized the inability to effectively fight against smuggling anywhere but in the Aleksandrovsk district.¹⁸⁹ In the years that followed, the customs office continued to inform the Governor about the achievements and difficulties in the institution's work upon the request of the official. However, this was done in a more concise form, when compared to reports for the higher customs authorities.

Since the customs didn't have its own boats or ships, in order to implement customs inspections onboard of ships in Aleksandrovsk roadstead, the governor allowed the institution to use the state-owned boat. However, the working practice demonstrated "complete dependence of the post's officials on random chance and the discretion of individuals"¹⁹⁰ regarding use of the boat. The vessel schedule was regulated by a police officer, so the customs officials had to adjust, and often spend hours waiting for the boat while on the shore or on board. Moreover, the local administration didn't miss the chance to remind the customs about their generosity regarding the boat usage.

Apart from the local administration, other officials were dissatisfied with the customs work. In a 7 May 1911 report to the Priamur customs district head, the Aleksandrovsk customs manager described the confrontational relations with the Russian Volunteer Fleet agent in Aleksandrovsk, Mazirov. He insisted that the customs officials' methods of conducting the inspections on board of the ship, established by Aleksandrovsk customs head, were not appropriate, and they should be conducted in the pier warehouse instead. Moreover, Mazirov shared his opinions about the customs work slips with the Governor, and, apparently, found him sympathetic, since not long after the conversation with the agent, the head customs official was summoned to the island's head. The Governor instructed Belunskii about his duties as a customs official, while criticizing the lack of productivity in the customs work. The Governor suggested that, since the customs procedures slowed down the boats unloading, based on the agent's complaint, the police inspector would determine the place and time of the customs inspections, and customs officials could verify the cargoes statistics with the police as well. To demonstrate the groundlessness of the agent's complaints, the manager of the customs post suggested that the governor could personally verify the effectiveness of the established order for customs inspections. To examine the customs authority's actions, a commission consisting of the Sakhalin Vice Governor, the head of the Aleksandrovsk district, a police inspector, and a pier caretaker were assembled. The commission found that the customs inspection methodology was the optimal procedure, taking into consideration the local infrastructure. The pier warehouse was, "cramped, and comparatively a lot of cargo arrives with the first and last steamers [in the navigation period], so that only part of these cargoes, and even more valuable ones, can barely fit into it, while the other part of cargo, things that can safely get wet, is folded right on the pier. It also often happened that the goods, according to the same bill of lading, were stacked in warehouse with goods from other bills of lading; or goods from the same bill of lading are scattered in different places around the warehouse.

¹⁸⁹ Ibid, II. 39-40.

¹⁹⁰ RGIA DV f. 1446, op. 2, d. 21, l. 16.

Because of these issues, again, there is no possibility on the spot, in the warehouse, to check the unloaded from the ship cargo.”¹⁹¹

Following these events, the customs manager asked the Priamur supervisor for the guidance: “what should I do with the orders of the Governor, which clearly contradict the Customs Charter and discredit my authority as a manager?”¹⁹² Also, the manager asked to contact the Volunteer Fleet management to instruct its Sakhalin agent to follow the legitimate orders of the customs officials.¹⁹³ To mitigate the conflict, the Priamur customs district head had to seek help from the Priamur Governor-General. In a May 1911 letter he asked the Governor-General to clarify to the Sakhalin Governor that, legally, customs institutions had a right to act independently from local authorities, and, moreover, expect assistance from them when needed.¹⁹⁴ In a letter to the customs office, the Priamur customs district head emphasized afresh «do not delay the freight operations by any means necessary, promote widespread access to the goods, and allow the unloading and loading of steamers even at night on a bases of pre-submitted statements from shipping agents to the customs post».¹⁹⁵ Based on the Customs District head’s report, the office of the Governor-General contacted the Sakhalin Governor in June 1911.¹⁹⁶ The official was instructed to communicate his wishes regarding the improvement of the customs work on Sakhalin directly to the head of the Priamur customs district in order to avoid further misunderstandings with the local customs office. The following July, the Governor contacted the customs district office, criticizing the inability of the customs office to control foreign vessels movement near Sakhalin shores, and its actions causing “a constraint” of Russian trade and navigation in the region.¹⁹⁷ Addressing these issues in a report to the Priamur General-Governor, the Customs District Head mentioned that he was “at a loss” from claims of the head of the island and his actions towards the local customs. He clarified that the “...illegal incursion of Japanese ships in any coastal points of Sakhalin for commercial purposes, their study of the coastal line, etc., of course, cannot be blamed on the customs department, since measures to guard [against it] were not...entrusted to the customs post in Aleksandrovsk, but is entirely under the purview of the general administration and those departments that had the Coast Guard ships at their disposal”.¹⁹⁸ The official confirmed the role of the customs office as a representative of Imperial authority, symbolizing its administrative power in the region. The Customs District Head also pointed out that the insignificant number of the Russian coastal vessels in the Far East, which enabled the local inhabitants, including officials, to use Japanese boats or regular Russian ships, also had nothing to do with the customs activities. On the other hand, the official considered that actions and attitudes of the local Sakhalin administration towards the customs could be biased, since on one occasion, the Governor was taking side of the ship’s owner, blaming the customs for the

¹⁹¹ From the 1911 report of Aleksandrovsk customs (Таможня на Тихом океане. С. 92-93).

¹⁹² Таможня на Тихом океане. С. 42.

¹⁹³ RGIA DV f. 702, op.1, d. 800, l. 95.

¹⁹⁴ Ibid, l. 90-91.

¹⁹⁵ Ibid, l. 91.

¹⁹⁶ Ibid, l. 96.

¹⁹⁷ Таможня на Тихом океане. С. 55-56.

¹⁹⁸ Ibid, p. 63-64.

incorrect fines imposition, while neglecting the customs official's version of events.¹⁹⁹ The Customs District Head called the complaints of Sakhalin's Head, about the customs alleged disregard of special conditions for cargo operations monitoring, "unfounded and unfair".²⁰⁰ Sakhalin customs officials, based on the Customs District information, never rejected any correctly written request for the cargo operations in the night time or during holidays.

Overall, with the assistance of the Priamur Governor-General, the confrontation between the customs and Sakhalin Governor was mitigated. Starting from autumn 1911, the correspondence between the island's two institutions became more constructive. On the other hand, the conflicts of customs officials with other officials occurred sporadically during the following years.

The Aleksandrovsk customs manager, in a 31 October 1912 report to the head of the Priamur customs district, described the conflict between the customs officials and the Volunteer fleet's steamer "Kishinev"'s skipper, which occurred during the unloading of the boat in Aleksandrovsk. During the procedure, based on the skipper's testimony, the customs inspector not only slowed down the unloading process due to his incompetence, but was also rude to the skipper. The customs manager explained that the procedure for checking goods by customs officials, while on board, was established in 1911, due to the lack of suitable warehouses on the Aleksandrovsk pier. Since then, the involved customs inspector, S. Raspopov, monitored the loading/unloading of around 90 ships this particular way, which made him one of the experienced employees of the post. While characterizing Raspopov as "a competent executive, and certainly humble" employee, the customs head regarded the allegations of the skipper as "an ugly trick of a person who wants to wriggle out of an awkward position."²⁰¹ The customs manager explained the delay in the unloading process by the breakdown of one of the two state-owned barges, as well as the uncoordinated work of the dock workers and the ship's crew.

In 1916, the post office parcel attendant who traveled from Aleksandrovsk to De Kastri (a settlement on the mainland), in a response to the customs manager's inquiry, refused to identify the contents of unmarked packages on board of the ship: "the official replied: 'the parcels going to De Kastri,' and turned his back on me".²⁰² Since similar cases of goods detected on board by the customs officials, for which duty and excise have not been paid, had occurred under prior customs practices, the customs official had to ask the chief of the Postal and Telegraph Office about the cargo contents. In order to do so, he asked the manager of the pier to postpone dispatch of the boat for the duration of the inquiry. When the parcel attendant was informed about the delay in dispatch, he promptly presented the accompanying

¹⁹⁹ 29 May 1911, a schooner, which belonged to the navigator P. Dubrov, was in violation of the customs legislation. Without obtaining permission from the customs, he left the Aleksandrovsk roadstead. In response to this action, the owner of the ship was fined by the decision of the head of the Priamur customs district. Dubrov, trying to challenge the decision of the post, filed a complaint with the Department of Customs Duties in St. Petersburg. However, the Department considered the fact of the pecuniary penalty imposition correct. (RGIA DV f. 1446, op. 2, d. 4, ll. 1,6,11,25,30).

²⁰⁰ Таможня на Тихом океане. С. 66-68.

²⁰¹ RGIA DV f. 1446, op. 2, d. 38, l. 3.

²⁰² From the report of Aleksandrovsk customs manager to the Khabarovsk Customs Area head of 1 November 1916 (RGIA DV f. 1446, op. 2, d. 131, ll. 5-6).

documents for the cargo to the manager, while vocally demonstrating dissatisfaction with the delay of the boat.

Regardless of the short delay of ten minutes, both of the involved postal officials sent official complaints on the actions of the Aleksandrovskaia customs manager to the Khabarovsk customs district. They also pointed out that delaying of boats was a regular occurrence due to the tardiness of customs officials, and informed the customs authorities on the cases when the customs inspectors were conducting customs duties at the pier while drunk. In order to defend his actions and protect the ranks of Aleksandrovskaia post from a "false testimony" the manager attached to the report the testimony of the agent of the volunteer fleet and the keeper of the Aleksandrovskaia pier confirming the version of events presented by the customs official.

Initially, the reasoning behind establishing the customs in Sakhalin was contrary to the island's economic interests. While the fiscal interest was worthy enough excuse for the hurdles with the customs operations in Vladivostok, the business circles and officials in Sakhalin fell victim to the geopolitical interests of the Empire in the region of free trade. And, in turn, the local customs employees had to deal with the biasedness and nitpicking of the local officials, despite their best efforts to adjust the customs work to the local conditions. Only the intervention of the higher authorities was able to dissolve the situation, while leaving some space for the recurrent skirmishes.

IV. The end of the Imperial customs in Sakhalin

The Russian Revolution and the following Civil war led to drastic but peaceful changes in Sakhalin's political life, however they had little influence on the social and economic situation there.²⁰³ Starting from 1912, the Aleksandrovskaia customs manager was inalterably subordinate to the Khabarovsk Customs Inspector.²⁰⁴ After the revolution, the 16 January 1909 law and the 1910 Customs Tariff remained the leading legal grounds for the customs work, except for the special decrees of the Far Eastern successive governments, received through the inspector in Khabarovsk.²⁰⁵ However, with the limited importation of foreign-origin goods and virtually nonexistent exports, these regulations did not make significant adjustments to the customs work, with the exception of the coal export regulations.

On the other hand, the foreign intervention in the Russian Far East escalated in the occupation of North Sakhalin, played a major role at the end of the Imperial chapter in the Sakhalin customs history. Japanese troops had occupied North Sakhalin in April 1920, and by the summer and early autumn of 1920, the state of affairs of customs outpost manager S.A. Sendul'skii²⁰⁶ rapidly deteriorated. In his reports to the Khabarovsk Customs Inspector he

²⁰³ *Высоков и др.* История Сахалина и Курильских островов. С. 382-396.

²⁰⁴ *Беляева.* Таможенная политика России на Дальнем Востоке. С. 121.

²⁰⁵ For example, based on the Council of People's Commissars decree of 29 December 1917 the movement of goods across the Russian border was allowed only under condition that the commodity owner presented in each individual case the permission of the Foreign Trade Department of the Commissariat of Trade and Industry. In the absence of this document, the goods were recognized as smuggling. (RGIA DV f. 1446, op. 2, d. 155, l. 43).

²⁰⁶ Sendul'skii began his work in the customs department in 1909 as a clerk in the Radzivilovsk customs (on the border with Austria-Hungary). He was transferred to the Far East voluntarily in January 1911. He was appointed as a clerk of Pogranichnaia customs where he was in charge of confiscation paper work. In April 1912, he was

described the situation, when not just customs, but a majority of Russian officials not only couldn't fulfill their official duties (by the decree №1 of 26 August 1920 of Japanese military administration all Russian authority in northern Sakhalin was abolished),²⁰⁷ but also their basic needs could not be satisfied. Describing the situation, Sendulskii wrote: "Now the care of all employees, including employees of the customs outpost, is where to find shelter, where to go and what to do next".²⁰⁸ Due to the lack of financial support from the Russian government and unresolved issues, concerning abolition of the customs outpost by the Russian government, Sendulskii couldn't leave Sakhalin in the first month of the Japanese occupation.²⁰⁹ In the beginning of October 1920 Sendulskii received a copy of instruction of the Public Finance Department of the Maritime Regional Zemstvo Administration from the Khabarovsk customs inspector dated 30 September 1920. In this document the manager of the post and three of his employees would remain on northern Sakhalin until the final clarification of the territory possession issue. No specific activity, except for observation was assigned to the post officials.²¹⁰ In September 1920 the Japanese administration banned the departure of Sakhalin officials to the mainland.²¹¹ The Public Finance Department, on 30 September 1920, ordered Japanese yen to be sent as salary payment to Aleksandrovsk post officials for the period from August 1920 to March 1921 (before the opening of navigation),²¹² however, these funds were not received by the manager.²¹³ Based on the document of the customs of 6 September 1924, Sendulskii began to receive a salary from the Japanese administration from October 1922 (90 yen, from October 1924 it increased to 100 yen), which was insufficient funds to sustain the manager and his family. Consequently, he had to spend government money (384.5 yen), which were on the balance sheet of the outpost for his personal needs. However, according to Protopopov, who served in the Japanese military-administrative department of North Sakhalin, former Russian officials, including Sendulskii, began receiving a salary from the Japanese military administration (100 yen per month) from October 1920.²¹⁴

In a letter dated 12 June 1921 Sendulskii informed Khabarovsk Customs for the security purposes he destroyed the inventory list of the outpost. According to the receipt of the Japanese officer Nakano of 23 April 1920, the Japanese requisitioned 7 sabers and 4 "Smith and Wesson" revolvers with ammunition, of the customs office property. Some of the post property

appointed as an assistant manager to the customs outpost of Ust-Urov on the Argun River in Transbaikalia. On 1 January 1913, he was appointed as a manager of the post at the Sgibnevo bowery on the Amur, and in September was transferred to Mikhailovo-Semenovsk, where he was a manager of the post until 1 June 1916. In May 1917 he was appointed as a manager of the outpost in Aleksandrovsk, where he arrived in June of the same year. Over the past two years of the Japanese occupation, he served as an assistant of Aleksandrovsk non-classical secondary school teacher and from 1 January 1924 was appointed by the Japanese authorities as an adviser of the Aleksandrovsk city department. Afraid to be arrested by Soviet authorities he left Sakhalin with his family (wife, two children, mother-in-law, wife's brother) for Harbin in April 1925. (RGIA DV f. P-4506, op. 3, d. 7, l. 27.)

²⁰⁷ RGIA DV f. P-85, op. 1, d. 69, l. 41.

²⁰⁸ Report of Aleksandrovsk customs manager to Khabarovsk Customs Inspector from 20 July 1920 (RGIA DV f. P-85, op. 1, d. 69, l. 41.)

²⁰⁹ RGIA DV f. P-85, op. 1, d. 69, ll. 21, 41.

²¹⁰ RGIA DV f. P-2470, op. 1, d. 203, l. 63; *Ляпустин С.Н., Беляева Н.А. Организация борьбы с контрабандой в условиях Гражданской войны и интервенции на Дальнем Востоке. Владивосток, 2014. С. 43.*

²¹¹ RGIA DV f. P-85, op. 1, d. 69, l. 42.

²¹² RGIA DV f. P-2470, op. 1, d. 203, l. 64.

²¹³ Ibid, l. 65.

²¹⁴ Ibid, l. 44.

was sold by the former manager (copies of the acts of 6 September 1924 and points no. 4,5,6,7 of a statement of 8 September 1924).²¹⁵ Fearing reprisals of the Soviets, Sendulskii left Sakhalin with the Japanese in April 1925. Upon leaving the island, the manager left customs money to the new head of Aleksandrovsk customs, 40 000 rubles of which was money of the former Omsk government and thus no longer recognized by the Soviet Union.²¹⁶

While the operations of other Russian Far Eastern customs gradually and relatively smoothly transitioned from the Far Eastern Republic to the Soviet jurisdiction,²¹⁷ with the arrival of the Japanese to the northern Sakhalin, Aleksandrovsk customs operations virtually stopped in 1920. In the absence of the customs officials on the northern part of the island by the time of the establishment of the Soviet authorities there, the new customs employees were enabled to navigate the peculiarities of the institution's work independently.

Conclusion

The discussion in the Council of Ministers about establishing the new customs institution in North Sakhalin was mainly related to the bolstering of the prestige of the Empire in the eyes of the Japanese in an attempt to stop their economic expansion in the Russian Far East. Relatedly, the possible effects of the new institution's activities on the economic development of Sakhalin were not at the center of the dispute. Moreover, the island's economic development was never a priority for the central authorities, who left it at the mercy of local entrepreneurs, hoping for their ingenuity to be the primary driver of development there. This approach put the new institution in a tough position. The local authorities and society saw the customs as an obstacle on the way of economic development of the territory, complicating with numerous quibbles the already challenging work of the institution, forced to adapt to the long-standing free trade regime and the undeveloped infrastructure of the region.

During the decade of the customs operations in Sakhalin, in the eyes of the central authorities, the initially assigned role of the mere symbol of Imperial power on the outskirts of the Empire remained invariable for the institution. Numerous attempts of the local customs officials to bolster their strengths in the fight against smuggling (requests about staff increase, means of transportation purchase, and expansion of the customs posts location)—one of the main reasons for the institution's establishment in the first place—remained unanswered. Aleksandrovsk and its suburbs remained the only area that, taking into account the existing possibilities, could be controlled by the island customs, leaving a plethora of loopholes for local smugglers. During the dramatic events of the Civil war and Intervention in the Russian Far East, the free trade in Sakhalin remained, leaving the customs practices essentially unchanged.

The Japanese occupation of the island abruptly put an end to Aleksandrovsk's customs activities; the institution was inactive in effect for the next five years. The Soviet customs officials, who would arrive on the island in 1925, would have to self-adapt the work of the new institution to the local conditions. Their activities will be analyzed in the next chapter.

²¹⁵ RGIA DV f. P-2470, op. 1, d. 203, l. 44; *Ляпустин, Беляева*. Организация борьбы с контрабандой. С. 44.

²¹⁶ RGIA DV f. P-2443, op.1, d. 28, l. 2; f. P-2470, op. 1, d. 203, l. 51.

²¹⁷ *Беляева*. Таможенная политика России на Дальнем Востоке. С. 120-121.

Chapter 2

Soviet Sakhalin free port and the customs control application (1925 – 1930s)

Introduction

One of the essential characteristics of the formation of the new customs system in the Russian Far East under the successive governments during the turbulent years of the Civil War and Intervention was the continuity of the customs work since the structure and functions of the regional customs were largely carried over from pre-revolutionary Russia.²¹⁸ While the establishment of the Soviet rule and subsequent extension of the monopoly of foreign trade to the territory of the Russian Far East significantly changed the functions of the Soviet institutions there, the existing customs institutions, which evolved under the new circumstances, have been functioning uninterrupted. On the other hand, after five years of the Japanese occupation, customs institutions in Soviet Sakhalin had to be created together with the whole new, local, administrative apparatus. The highest administrative body in Sakhalin in 1925-1929 was Sakhalin Revolutionary Committee (Sakhrevkom), which was subordinate to the Far Eastern Revolutionary Committee in Khabarovsk. After the election of the members of the District Executive Committee members in January 1929, Sakhrevkom transferred its duties to the new authority.

While the Soviet power unified the regional customs institutions under the monopoly of foreign trade, the free port establishment once again distinguished Sakhalin from the mainland part of the Russian Far East. The reasons for the free port establishment were similar to those in the Imperial period. It was related to the failed attempt, under the general customs regulations, to organize the sufficient supply of food and commodities for the local population and industries.²¹⁹ However, the effect of this decision on the local customs functions and the connection to the evolution of the free port with the region's economic development was not sufficiently researched. This chapter is dedicated to researching specific features of the customs activities in northern Sakhalin, carried out under the monopoly of foreign trade of the Soviet state and, simultaneously, in the free port conditions.

Researchers (Soviet and foreign) have paid little attention to the Soviet period of the history of the Far Eastern customs, let alone the history of Sakhalin customs institutions, due to the fact that a turn from market economy to the monopoly of foreign trade reduced the customs functions in the Soviet state to control and registration.²²⁰ The most recent publications by Russian authors who cover Soviet Sakhalin customs history could be divided

²¹⁸ *Беляева Н.А.* Документы фонда управления таможенных сборов в РГИА ДВ: новые источники по истории Дальневосточной республики // Добротушенко Е.В. (ответств. ред.) ДВР и завершающий этап гражданской войны в Сибири и на Дальнем Востоке. Чита, 2020. С. 18; Дальневосточная контрабанда как историческое явление, С. 143.

²¹⁹ *Карлин; Щеглов В. В.* Из истории порто-франко на Северном Сахалине // Тлеков С.С. (ответств. ред.) Сахалинская молодежь и наука: Материалы 1-ой межвузовской научно-практической конференции студентов и молодых ученых Сахалинской области. (11–12 марта 1997г.) Южно-Сахалинск. 1997. Вып. 1. С. 45–48.

²²⁰ *Кисловский. С. 6.*

into two blocks: general publications about the history of customs (Russian or Far Eastern)²²¹ and publications covering special aspects of the institutions' work.²²² V.F. Pecheritsa in his book analyzed the changes in the structure of the customs department with the State monopoly on implementation of foreign trade and the place of Sakhalin customs in this structure.²²³ S.N. Liapustin and N.A. Beliaeva, based on archival sources which were first introduced into scientific circulation, depicted the features and functions of Aleksandrovska customs outpost during the Japanese occupation of North Sakhalin. They had calculated the amount of damage to the Russian budget that arose as a result of natural resource wealth exported by the Japanese during the same period.²²⁴ Although there are statistical materials in these publications, information about the activities of Sakhalin customs is rather insignificant and inaccuracies are found throughout texts.²²⁵ Publication about the Soviet customs history in the Far East, while lacking information about Sakhalin, provides analyses of certain aspects of the customs operations in the region, helping to put the island's customs operations into perspective.²²⁶

The economic role of North Sakhalin for the Soviet government and implementation of the State economic policy in Sakhalin will be discussed in the first section of the chapter. The following section analyzes the supply mechanisms related to the free port establishment and reasons for establishing the customs regime on the island. The customs functions under the free port conditions will be analyzed in the following section. Finally, the last section is dedicated to the research of efforts of the Soviet authorities, including customs role, to reduce the share of the foreign goods imported to Sakhalin.

I. The assessment of economic potential of northern Sakhalin by the Soviet authorities and economic development of the region

The destiny of the occupied North Sakhalin was determined during the Soviet-Japanese negotiations.²²⁷ The island had significant political, military, and economic potential for the

²²¹ Кисловский, 592 с.; Печерица, 168 с.; Беляева. Таможенная политика России на Дальнем Востоке, 164 с., etc.

²²² Дальневосточная контрабанда как историческое явление. 296 с.; Ляпустин С.Н. Борьба с контрабандой биоресурсов на Дальнем Востоке России в 20-е годы XX века // Вестник Дальневосточного отделения Российской академии наук. 2012. №1(161) С. 34-41.

²²³ Печерица. С. 108-140.

²²⁴ Ляпустин С. Н. Организация борьбы с контрабандой в условиях Гражданской войны и интервенции на Дальнем Востоке. Владивосток, 2014. С. 42-44.

²²⁵ The author notes that on 16 May 1925 Aleksandrovska customs had started its operations and also that two customs posts in Rybnovsk and Okha districts began to operate. (Печерица. С. 119.) Although this information is available, Okha customs had only started its operations on July 1926 (RGIA DV f. P-4506, op. 1, d. 2, l. 25) There is no mentioning of the Rybnovsk post in obtained archival sources.

²²⁶ Дальневосточная контрабанда как историческое явление. С. 152-192. The monograph covers the formation of the anti-smuggling policy of the Soviet state in the Far East, covering the problems that local officials had to face with the monopoly of foreign trade establishment in the region.

²²⁷ On 3 July 1920 the Japanese government officially declared the occupation of North Sakhalin (Высоков и др. История Сахалина и Курильских островов. С. 401.) The Japanese government justified the occupation with a reference to the Nikolaevsk massacre and the necessity to protect its nationals working in the oilfields. (Stephan, *Sakhalin*, p. 100.)

Japanese.²²⁸ Throughout the years of occupation, the primary financial interest of the Japanese was in the island's natural resources such as oil, coal, and timber. Since the Japanese oil production couldn't satisfy the national economic demand, conveniently located northern Sakhalin oil deposits attracted the interest of authorities and private investors. The exact statistic of yearly oil extraction and exportation is not well presented in published sources; however, indirect data led some researchers to conclude that the Japanese were rather energetic in production activities in North Sakhalin.²²⁹ For example, in 1921 Okha field had produced 380 tons of oil, 1,080 tons in 1922, and 1,210 tons in 1924.²³⁰

On the other hand, the Soviet Government was not certain about the merits of the remote territory. During the negotiation progress with the Japanese, Moscow even considered selling the northern part of the island. Instructing A.A. Ioffe,²³¹ who was unofficially discussing the options regarding the further development of the Russo-Japanese relations with the Japanese officials, the Politburo considered in May 1923 that the suggestion of purchase of northern Sakhalin made by the Japanese earlier could be discussed if the interested parties would agree on a price.²³² However, some of the Party leaders appreciated the political as well as strategic value of the island. G.V. Chicherin²³³ pointed out to Stalin that the North Sakhalin had played a more critical role than Vladivostok since it covered up Amur mouth, guarding the river navigation.²³⁴ Finally, the concessions establishment was considered as leverage for the diplomatic negotiations to be able to sign the treaty with Japan and to end North Sakhalin occupation. The Japanese government pledged to withdraw its troops from North Sakhalin before 15 May 1925 with the signing of the Beijing Treaty on 20 January 1925. The agreement was signed on the condition that Japanese coal and oil concessions would be established on the Soviet part of the island.²³⁵

Initially, the economic potential of Sakhalin for the country's economic development was not taken into serious consideration by the Soviet authorities. When the negotiations with the Japanese were taking place, both L.M. Karakhan²³⁶ and Chicherin pointed out that Sakhalin oil was insignificant for the Soviet industrial development.²³⁷ On January 13, only several days before the Beijing Treaty was signed, Chicherin wrote to Karakhan: "Whether we give Japan a

²²⁸ 村上隆『北樺太石油コンセッション 1925－1944』北海道大学図書刊行会出版、2004年、p. 98; Stephan, *Sakhalin*, p.98.

²²⁹ Stephan, *Sakhalin*, pp. 100-101; Шалкус Г. А. История становления и развития нефтяной промышленности на Сахалине: 1879-1945 гг.: дис... канд. ист. наук. Владивосток, 2004. С. 67-68; 土屋嘉徳『戦前のサハリン油田開発: 「北樺太石油会社」 顛末記』朝日新聞社書籍編集部 (出版サーベス)、2005年、p. 48-49.

²³⁰ Шалкус, История становления и развития. С. 68.

²³¹ From 1922 Ambassador Extraordinary to China and Japan

²³² The Soviet authorities considered 1 billion yen the reasonable price, while the Japanese counterparts suggested the start price at 100 million yen. (ВКП(б), Коминтерн и Япония. 1917-1941 гг. М., 2001. С.10).

²³³ From 1918 the People's Commissar of Foreign Affairs

²³⁴ Хромов С.С. Иностранные концессии в СССР. Часть 1. М., 2006. С. 77.

²³⁵ Высоков и др. История Сахалина и Курильских островов. С. 405-406.

²³⁶ From 1918 deputy of the People's Commissar of Foreign Affairs, headed the Russian-Japanese negotiations in China.

²³⁷ Переписка И. В. Сталина и Г. В. Чичерина с полпредом СССР в Китае Л. М. Караханом: документы, август 1923 г. – 1926 г. М., 2008. С.419, 421.

little more or fewer deposits is a minor question, because it is all the same for our industry, this separate oil has very little value".²³⁸

The general assessment, by the central authorities, of the Far Eastern region's economic potential was also not optimistic. In 1925 Gosplan²³⁹ of the USSR prepared reports about the country's new administrative division and prospects for the regional economic growth. In the report about the perspectives of the Far East, the central authorities considered natural resource exploitation the base for the region's economic development. The initial economic goal for the region was connected with the reconstruction of the fishing industry, timber industry, and transport. The further economic development required substantial financial investments and time to achieve export of the off-the-shelf items.²⁴⁰ The region in its present state was not considered a stronghold of the Soviet State in the East. The local assessment of the regional development perspectives was more enthusiastic. The Dalrevkom²⁴¹ considered the potential of the local industrial development superior to the potential of agriculture. The economic and political advancements of the Far East were dependent on the relations with neighboring states. The focus on economic development, colonization, political relations lay in Primorye and Priamur areas and their interactions with Manchuria. At the same time, Sakhalin and Kamchatka have been put on flanks of the regional progress.²⁴² The reason why role of Sakhalin was vague, and the island was barely mentioned in both reports, was related to the fact that the economic potential of Sakhalin was largely unknown by the central and regional authorities.

A point of view common in the historiography depicts the prompt start of North Sakhalin industrial colonization, which began right after the withdrawal of Japanese troops from the territory.²⁴³ However, the statistic shows that the successes of the local industries in the 1920s were more than modest.²⁴⁴ V.Ia. Aboltin²⁴⁵ in his memoirs about the first years of Soviet Sakhalin described the life of local people: "Most of the Russian population is engaged in agriculture and animal husbandry. Fishing is also an important income item, and for individual households - hunting ... Fur trade and hunting, as well as horse-drawn carriages, are subsidiary occupations of the inhabitants. Only a few specialist hunters are engaged in this business as the main one. A small number of Russians also work in coal mines and oil fields".²⁴⁶ These words

²³⁸ Переписка И. В. Сталина и Г. В. Чичерина. С. 421.

²³⁹ The State Planning Commission to design economic plans. Since the planning movement was gaining momentum during NEP, Gosplan grew in importance in the 1920s (Barnett, p. 70-71).

²⁴⁰ Дубинина Н.И. О проектах социально-экономического развития советского Дальнего Востока в 1920-30-е гг. //Таможенная политика России на Дальнем Востоке. 2011. № 4. С. 113-114.

²⁴¹ The highest administrative body of the Far East in 1925

²⁴² Для пользы и процветания. С. 545-546; Дубинина. С. 114-115.

²⁴³ Бок, Высоков и др. Экономика Сахалина. С. 48; Stephan, *Sakhalin*, pp. 125-126.

²⁴⁴ For example, from 1925 to 1929 the volume of mined coal by the Soviet Enterprises was 61.3 thousand ton (Бок, Высоков и др. Экономика Сахалина. С. 54), while the Japanese coal concession only during 1928/1929 operational year mined 115.5 thousand ton of coal (Темюева М.В. История формирования и развития угольной промышленности на Сахалине: Середина XIX в. - 1945 г.: дис... канд. ист. наук. Южно-Сахалинск, 2003. С. 210).

²⁴⁵ Head of the Plenipotentiary Commission of the Central Executive Committee of the USSR for the admission of Northern Sakhalin after the Japanese occupation. After the Japanese left Sakhalin, he headed the management of the organization of the economy on Sakhalin, which was carried out by the Agency of the People's Commissariat for Foreign Affairs of the USSR until 1927.

²⁴⁶ Аболтин В.Я. Остров сокровищ: северный Сахалин. Сборник документов и материалов. М., 2016. С. 87-88.

would be hardly any different from the description of life of Sakhalin inhabitants during the Imperial period. He also refers to the opinion of the local officials (who remain anonymous) about Sakhalin natural resources development as “impracticable and utopian”, since the Soviet State was rich with natural resources scattered in various, not so remote places.²⁴⁷ The moderate pace of the region’s colonization was an extra testament to the lack of focus of the Center to the island’s development.²⁴⁸ Desperate people, seeing no prospects for a comfortable life on Sakhalin, were leaving the island. The customs manager K. Buzanov wrote to his supervisor in Khabarovsk on 24 September 1925: “...during the navigation of 1925, 72 people arrived from the mainland to Sakhalin, they were mainly employees and 427 people left Sakhalin for the mainland, of which 102 were Russians and 325 were Chinese and Koreans. It must be assumed that in the future, due to unemployment and lack of a means of subsistence, both workers and peasants will continue to leave Sakhalin for the mainland in large numbers”.²⁴⁹

In order to estimate the economic potential of the region in the first years since the Soviet power was established in northern Sakhalin the number of the scientific expeditions²⁵⁰ were researching various natural resources of the island. Probably, the successes of these expeditions,²⁵¹ stimulated Moscow’s decision to allocate considerable resources for the economic development of the region in 1928 with the start of the first Five-Year Plan implementation. On the Decree of the Council of People's Commissars of the RSFSR about the development of the Far East of 22 February 1928, the central authorities considered to utilize the economic potential of the region. Some specific plans for the Soviet Sakhalin development were presented in the document, including the continuation of the exploration of the coal deposits and establishment of the mining and oil enterprises, as well as the “equipping” of Aleksandrovsk port.²⁵² These important projects, upon their implementation, could have the potential to revive the northern Sakhalin economy. However, in the eyes of Moscow, the territory still lacked distinctive individual traits. It was perceived as a distant periphery of the country and its development program was paralleling the one for Kamchatka as in the Imperial period: “Sakhalin and Kamchatka, the most remote parts of the Union, and cut off not only from the all-Union, but also from the regional economic and cultural centers, and, at the same

²⁴⁷ Аболтин. С. 193-194.

²⁴⁸ According to the All-Union Census of 17 December 1926 the population of Soviet Sakhalin was estimated at 11,866 people, where the number of Soviet newcomers, who relocated to Sakhalin starting from May, was only about 1,500 people. (Аболтин. С. 87-98). This likely due to the insufficient benefits allocated to Sakhalin newcomers and problems with the organization of the relocation campaign in the 1920s see Бурякин А.Н. Переселенческая политика советского государства как метод освоения территории Северного Сахалина: 1925-1945 годы // Социология власти. 2010. №5. С. 106-107).

²⁴⁹ RGIA DV f. P-2470, op. 1, d. 205, l. 162.

²⁵⁰ Mining and geological expedition led by N.A. Khudyakov for the exploration of oil reserves (1925-1926), the resettlement expedition of the People's Commissariat of Agriculture under the leadership of A.A. Krasnyuk for the exploration of the land fund, mining and geological expedition A.N. Krishtofovich (1927-1928) in coal exploration. (Бок, Высоков и др. Экономика Сахалина. С. 48-49).

²⁵¹ For example, during the A.N. Krishtofovich expedition, projected coal reserves were increased several times. (Бок, Высоков и др. Экономика Сахалина. С. 49).

²⁵² Собрание узаконений и распоряжений рабоче-крестьянского правительства РСФСР. М., 1928, С. 168, 169, 172.

time, possessing large natural wealth, must be given sufficient attention”.²⁵³ According to this approach, the extraction of natural resources on an industrial scale became the main vector of the development of Soviet Sakhalin economy until the end of WWII.

With the funds received for the Five-Year Plan implementation, Sakhalin economy started to grow. In order to support the development of the island, thousands of people were relocated to Sakhalin. In 1929 the region’s population reached a mark of 26.5 thousand and, by 1932 this figure increased to 75 thousand people.²⁵⁴ The main industries that developed in the 30s and early 40s on Sakhalin were oil, coal, fishing, and timber. The oil industry development in Sakhalin (Trust Sakhalin oil was established on 10 August 1928) was an important step towards the uncovering of the economic potential of the territory. In 1928 Trust received 7 million rubles for the purchase of equipment and materials. 30% of all purchases were made abroad (mostly, in Japan and USA).²⁵⁵ Due to the failure of implementing a plan to import equipment and supplies in the first years of its activity, the Trust became economically dependent on the Japanese oil concession.²⁵⁶ However, the Soviet enterprise had been developing gradually, and in 1932 the amount of oil produced by the trust exceeded concession figures. Oil production had also been increasing yearly.²⁵⁷ Most of the produced oil was exported to Japan. After the Japanese invaded Manchuria, 10 percent of total national investment (compared to 5 percent during the previous Five-Year Plan) was relocated to the Far East to support the development of the industrial base of the region during the Second Five-Year Plan (1933-1937).²⁵⁸ Sakhalin oil, which was mainly exported to Japan until the beginning of the 1930s, during the years of the Second Five-Year Plan, started to get shipped to the mainland, and from 1938 the sales of Sakhalin oil to the concession stopped completely. The completion of the pipeline from Okha to the mainland in 1942 enabled the transportation of the Sakhalin “black gold” all year round.²⁵⁹ Sakhalin oil became precious resource for the Far Eastern economy swift development in the 1930s-1940s.

The coal industry development had not been rapid enough to outpace the Japanese concessions activities. In 1927 the first coal enterprise – “State Rogatinsk coal mines” – started its operations. Nonetheless, coal mining was insignificant and amounted to about 10 tons yearly until the end of the 1920s. In the 1930s, the start of the development of new mining operations, such as at Arkovo and Makarievka took place. Technical improvements, and discovery of new coal deposits, helped to raise coal production rates. In 1941, North Sakhalin coal production reached its peak during the period under review, when 644 thousand tons of coal was mined.²⁶⁰ Sakhalin coal was mostly exported to Japan and China.²⁶¹ The transportation of coal was complicated by the lack of convenient harbors, enabling the ships to seek shelter in the mainland bays of the Tatar Strait during the bad weather conditions. Regardless of the fact,

²⁵³ Собрание узаконений и распоряжений рабоче-крестьянского правительства РСФСР. С. 172.

²⁵⁴ *Высоков и др.* История Сахалина и Курильских островов. С. 408-409.

²⁵⁵ *Шалкус*, История становления и развития. С. 148.

²⁵⁶ *Ibid*, С. 149.

²⁵⁷ *Ремизовский В. И.* Страницы истории Сахалинской нефти // *Revue des Études Slaves*. 1999. №71. С. 115.

²⁵⁸ *Stephan, The Russian Far East*, pp. 189-190.

²⁵⁹ *Бок, Высоков и др.* Экономика Сахалина. С. 54.

²⁶⁰ *Ibid*, p. 54.

²⁶¹ *Тетюева*. С. 130, 137.

that the Soviet authorities in Moscow paid attention to the development of the Russian part of the island infrastructure, making plans followed by unsuccessful attempts to build a port in Aleksandrovsk in the 1930s. The unsatisfactory state of Aleksandrovsk pier, which was meant to enable loading/unloading operations on the roadside, remained in poor condition until the end of the Second World War.²⁶²

One of the main fishing areas of northern Sakhalin was the waters of Sakhalin's northwestern coast adjacent to the Amur estuary. The Sakhalin State Fish Trust (established in 1932) built 19 factories for the extraction and processing of fish. The equipment for the canneries of the trust was purchased in the USA.²⁶³ One of the first large enterprises of the timber industry on Sakhalin was Agnevsk lespromhoz (forestry enterprise). The products of the enterprise were mainly exported as well.²⁶⁴

While in the beginning, the pace of the economic growth of Soviet Sakhalin was rather slow, with the new investments the region's economy started to grow. The foreign origin goods played crucial role for the island's developing industries. Despite the overall economic growth, some of the problems, existing since the Imperial period, such as the lack of convenient harbor, hindered the region's economic progress.

The effective supply of goods and commodities to the island, which was cut off from the mainland for 4 - 5 months every year, was critical for the region's development. The problems that faced the Soviet authorities responsible for the providing the region with the necessary goods and equipment, and role of the customs in the supply mechanism of the island, will be discussed in the following section.

II. Discussion about the supply mechanisms of Soviet Sakhalin and reasons for the customs establishment

After the last Japanese troops were withdrawn from North Sakhalin, Soviet administration was established there on 15 May 1925. Even prior to this event, the Soviet officials in the Far East started to demonstrate their concerns regarding the possible supply problem of the territory. A.K. Flegontov, head of the Far Eastern Customs Department, predicting possible problems with the Sakhalin supply situation, explored the possibility of establishment of a free port in Sakhalin.²⁶⁵ However, while considering this possibility, he proved to be a proponent of extension of all provisions on the state monopoly of foreign trade and customs tariffs, with exceptions approved for the Far East. Together with P.M. Skvortsov,

²⁶² Тварковский Л.С., Остаев А.Е. Из истории угольной промышленности северного Сахалина в 1905-1945 гг. // Вестник Сахалинского музея. 1998. №5. С. 240-241. Even with the start of the mechanization of loading/unloading process in Aleksandrovsk port in 1941, the lack of spare parts and necessary equipment led to downtime, and an increase in the cost of annual repairs of equipment and berths (Антоненко В.М. История Александровского-на-Сахалине порта в годы Великой Отечественной войны (по материалам ГИА СО) // Драгунова Л.В. и др. (ред.) Уроки Второй мировой войны и современность. Материалы II международной научной конференции, посвященной 70-летию окончания Второй мировой войны. Владивосток, 2016. С. 274-275, 278.)

²⁶³ Высоков и др. История Сахалина и Курильских островов. С. 411-412.

²⁶⁴ Ibid, p. 412.

²⁶⁵ Letter from A.K. Flegontov to the Sakhalin Revolutionary Committee staff. March 1925. (RGIA DV f. P-2443, op.1, d. 62, l. 2.)

the Deputy Authorized of the People's Commissariat of Foreign Trade (NKVT), they considered that since Sakhalin is located geographically closer to the rest of the Far East than Kamchatka, the supply of northern part of the island would be easier to organize. Therefore, the privileges of the latter should be reduced, compared to Kamchatka,²⁶⁶ and limited to the duty free import of supplies for mining and fishing, matching the benefits for the Maritime region.²⁶⁷ The other Far Eastern authorities seemed to be in accord with the local NKVT officials, since by the decision of the Far Eastern Revolutionary Committee (Dalrevkom) the foreign trade monopoly was spread on the Soviet Sakhalin territory starting from 10 April 1925.²⁶⁸ It was stated that, "to extend to the territory of Soviet Sakhalin a decree and orders of the state monopoly of foreign trade and customs tariffs on European trade and export trade with exemptions established for a foreign import and export through the ports of the Pacific Ocean and for the fishing industry in the Maritime Region".²⁶⁹ By this decision, the import of goods to northern Sakhalin could be carried out only with the permission of Soviet government agencies, and the duties and other taxes for the imported goods should be paid according to the customs legislation. Regardless of the somewhat optimistic view of the Sakhalin supply situation by the regional officials, the increase in smuggling volume became an impetus for the establishment of monopoly of foreign trade in the Far East two years earlier. The distance from the European part of the country with the industrial centers there, as well as high import duties and excises prompted the significant price increase on consumer goods. For example, in 1923 the tea price in the region rose 10 times.²⁷⁰ The possibility of the similar issues in Sakhalin was not properly addressed during the Far Eastern Revolutionary Committee meeting on 10 April 1925.

In order to protect the established monopoly of foreign trade, the opening of customs in Aleksandrovsk was also declared by the Dalrevkom order on April 10. Therefore, even though Japanese concessions played an important role in the development of Sakhalin and arguably a crucial role in Soviet history,²⁷¹ the establishment of customs control in North Sakhalin had not been directly connected to the concessions activities. After the decision about establishment of Aleksandrovsk customs was made on 10 April 1925, the Far Eastern Department of the Main Directorate for Customs Control (DVO GTU) in its report (dated 18 April 1925) to the Main Directorate for Customs Control (GTU), highlighted reasons why establishment of customs control in the region was a necessity.²⁷² The protection of the state monopoly of foreign trade couldn't be reached only with the distribution of the formal provisions and customs tariffs on the territory of North Sakhalin. Contraband might enter the territory from the sea and from southern part of the island. This situation necessitated a branding of previously imported foreign goods to distinguish them from possible future smuggling. The implementation of this

²⁶⁶ Камчатка remained free port territory

²⁶⁷ Таможня на Тихом океане. С. 156-157.

²⁶⁸ Для пользы и процветания. С. 485.

²⁶⁹ RGIA DV f. P- 2443, op. 1, d. 62, l. 59.

²⁷⁰ Дальневосточная контрабанда как историческое явление. С. 169-170.

²⁷¹ V.V. Bulatov named Sakhalin concessions "a serious (if not the main) factor in containing Japan from a military invasion of the Soviet Far East during World War II" (Булатов В.В. Японские концессии на северном Сахалине как инструмент советской внешней политики // Власть. 2008. №11. С. 124.)

²⁷² Letter from the head of the DVO GTU to the GTU (18 April 1925) (RGIA DV f. P-2443, op. 1, d. 62, l. 59).

activity and the establishment of customs supervision over “the movement of vessels” were the two main reasons given for the establishment of the customs office in Aleksandrovsk.

During the period of activities of the Plenipotentiary Commission of the USSR Central Executive Committee on receiving North Sakhalin territory from the Japanese, for a short period of time the customs staff was able to interact with the Japanese administration. The first head of the institution K. D. Buzanov, along with his colleagues arrived in North Sakhalin on April 26. The customs officials received former customs post materials, including some documents and one horse.²⁷³

Based on the report of Buzanov, former head of Aleksandrovsk customs Sendulskii had left Sakhalin with the Japanese in April 1925. Upon leaving the island, Sendulskii left money to the head of Aleksandrovsk customs, 40 000 rubles in the currency of the former Omsk government and thus no longer recognized by the Soviet Union.²⁷⁴ The local newspaper, “Soviet Sakhalin” (from 1 May 1925) published an article named “Rare honesty”, which was covering these events. The tone of the article was saturated with sarcasm: “The former head of Aleksandrovsk customs, citizen (grazhdanin) Sendulskii, leaving the borders of the Soviet Union, for reasons he knew better than others, found it necessary to “hand over” the affairs of the department entrusted to him.” Citizen sent a package with documents and an accompanying note stating, “the report is sent with 40,000 rubles attachment” to the Soviet customs post. Citizen stated, “Look, Soviet people, as being your political enemy, I still consider it necessary to observe the “succession!” What a nobility! He even transfers the money ... Everything would be fine, but ... the money is banknotes of the Siberian Government (r.i.p.!), which ceased to exist 6 years ago. To save and transfer money that has not had any value for a long time is at least ridiculous. But maybe citizen Sindulskii decided to play a trick? Against this speaks the serious tone of other documents. If this is a desire to leave a loophole in case of returning to the USSR, then this is political blackmail designed for people with senile brains...”²⁷⁵

At the meeting of the Sakhalin Revolutionary Committee, which was held on 5 June 1925, it was decided, that based on the decree of the All-Russian Central Executive Committee and the Council of People's Commissars of 15 December 1921 (paragraph 1) everyone, who had fled abroad from Sakhalin, including Sendulskii, would lose their USSR citizenship with all ensuing consequences.²⁷⁶

Despite the fact that some of the documents and property of the former Aleksandrovsk customs post had been received by Soviet officials, due to the forced inaction of customs during the Japanese occupation, the lack of real estate and the establishment of a new political regime and economic system, the Soviet economy on North Sakhalin had to be developed once again

²⁷³ RGIA DV f. P-2443, op. 1, d. 28, l. 95.

²⁷⁴ RGIA DV f. P-2443, op.1, d. 28, l. 2; f. P-2470, op. 1, d. 203, l. 51.

²⁷⁵ Кир-ов, “Редкая честность”, *Советский Сахалин*, 1 Мая, 1925, №1, л.5.

²⁷⁶ (Protocol No.8) RGIA DV f. P-2422, op. 1, d. 595, l. 50.

from scratch,²⁷⁷ the customs had to start its operations there anew. The customs in Aleksandrovsk officially started to operate on 16 May 1925.²⁷⁸

The institution was subordinated to the Commissioner of the NKVT in North Sakhalin, the DVO GTU, and the district customs inspector in accordance with the rules of the 1924 Customs Statute of the USSR.²⁷⁹ During the first months of its operations, Aleksandrovsk customs was subordinated to Nikolaevsk on Amur regional customs;²⁸⁰ however, at a meeting of the Sakhalin Revolutionary Committee of 29 September 1925 it was determined that Sakhalin was a separate district and that operations, carried out by the customs in Sakhalin had specific aspects different from Nikolaevsk customs. Additionally, experience had shown that poor communications with Sakhalin prevented Nikolaevsk on Amur's customs office, from managing the island's institution.²⁸¹ Based on the recommendation of Sakhalin authorities, the DVO GTU decided to handle Aleksandrovsk customs as a separate district, subordinated directly to the Far Eastern regional customs authorities.²⁸² With the accession of North Sakhalin to the USSR, the task of protecting state economic interests in the region arose, including fighting against the smuggling of foreign origin goods.

The Far Eastern officials initially considered supplying the region's via the Russian Far East a possibility, which would eliminate for the possibility of a serious smuggling threat. However, with the better grasp of reality on Sakhalin, since the establishment of the Soviet reign there, the optimistic opinion regarding the Sakhalin supply started to shift. The local-level Sakhalin revolutionary committee had a clear understanding that they had to compete with Japanese influence on Sakhalin, since there were accounts of Sakhalin inhabitants who felt inclined to think about the Japanese occupation with nostalgia.²⁸³ In order to prevent *yaponizatsia* (Japanese influence), the Soviet authorities had to establish power and bolster prestige in the eyes of the local population and the Japanese. It was extremely hard to do, since during the period of occupation, the local population, which had been enjoying the advantages of free trade, had access to goods of foreign origin, which were mostly cheaper than the Soviet goods.²⁸⁴ During the interinstitutional meeting at the Presidium of the Far Eastern Revolutionary Committee about the discussion of the monopoly of foreign trade on Sakhalin held on 1 June 1925, I.B. Katsva, the Far Eastern commissioner of the People's Commissariat of Internal Trade admitted that "... practically, it is currently impossible to maintain the existing monopoly of foreign trade on Sakhalin.

²⁷⁷ From the report of the Sakhalin District Revolutionary Committee E.V. Lebedev (21 January 1929) (Социалистическое строительство на Сахалине. 1925-1945. Южно-Сахалинск, 1967. С. 139). Though, during the period of intervention, the Japanese were able to improve region's infrastructure, building railways, power station, radio station, telegraph, etc. (Для пользы и процветания. С. 490).

²⁷⁸ RGIA DV f. P-4506, op. 1, d. 2, l. 3; Победа Советской власти на северном Сахалине (1917-1925 гг.) Южно-Сахалинск, 1959. С. 261; *Печерица*. С. 119.

²⁷⁹ Таможенный устав Союза ССР (Утвержден ЦИК Союза ССР 12.12.1924 г.) / Законы России [Электронный ресурс] <http://www.consultant.ru/cons/cgi/online.cgi?req=doc&base=ESU&n=5991#jdmSEvS8jybt8lO71>

²⁸⁰ *Печерица*, С. 119.

²⁸¹ *Печерица*, С. 119-120; RGIA DV f. P-2443, op. 1, d. 28, l. 87.

²⁸² RGIA DV f. P-2443, op. 1, d. 28, l. 76.

²⁸³ *Щеглов В. В.* Эволюция государственной политики формирования населения Сахалинской области (1925-1999) : дис... канд. ист. наук. Южно-Сахалинск, 1999. С. 34, 38.

²⁸⁴ *Карлин*

During their stay on Sakhalin, in order to appease and win over the population, the Japanese provided valuable modern infrastructure to raise the quality of life (railway, power station, radio station, telegraph, forest nurseries, higher quality schools, etc.) All this, of course, was done to benefit the Japanese. And the population of the Sakhalin Island became used to a higher standard of living under the Japanese. There was even the added bonus of not needing to pay any fees or taxes.

With the advent of Soviet power to Sakhalin, even though in the first year we exempted the population from almost all existing taxes, we are not be able to provide similar benefits, but in the future we will have to apply to them the same general policies that in general we conduct throughout the Union, and the Sakhalin population cannot have an exception.

Regarding the existing prices for goods, there is a big difference between us (mainland part of the Far East –V.A.) and Sakhalin. Here's an example for you: good cigarettes, a box of 250 pieces, cost 75 cents on Sakhalin, the same cigarettes will cost 6-7 times more here, as well as many other consumer goods.

Our products cannot be sold at this price, and here, too, the population will see some difficulty with the advent of Soviet power.

It is very difficult to fight smuggling on Sakhalin, firstly, because Sakhalin Island is surrounded by maritime borders in terms of its territorial location, and secondly, products and all kinds of goods will be imported to the concessions available there without the supervision of customs authorities, and without any control by the foreign trade authorities²⁸⁵.²⁸⁶ Neglecting to mention the supply problem in relation to the dangers of the spread of smuggling, instead, the head of the DVO GTU, A.K. Flegontov, expressed his concerns regarding the introduction of a free port system. He argued that a free port in Sakhalin would cause serious complications for the customs officials: "... upon opening a free port on Sakhalin, it will be necessary to consider all departing and arriving passengers as foreign residents, and the regulations existing in the People's Commissariat of Foreign Affairs and in the Customs departments will be applied to them..."²⁸⁷ P.M. Skvortsov, the Deputy Authorized of the NKVT, optimistically considered that the concession contract will allow restricting the access of concession goods to Sakhalin market. And, in order to supply the territory it was necessary to establish a specific range of goods for duty-free importation to Sakhalin. Overall, members of the meeting decided to leave the monopoly of foreign trade in Sakhalin intact; however, acknowledging "the lack of trade and ties between Sakhalin and the USSR,"²⁸⁸ they considered it possible to provide benefits in the form of the necessary goods imported with a reduced duty and duty-free. It was decided to establish a list of goods for preferential importation during the next meeting, on the basis of information about local needs in consumer goods, which would be received from the Sakhalin Revolutionary Committee. While the Far Eastern authorities admitted that they couldn't establish an effective mechanism for supplying northern Sakhalin, they were willing to make only partial concessions, expressing concern that the unlimited free port establishment in the

²⁸⁵ About methods of control over the concession goods by customs see Chapter 3.

²⁸⁶ From the minutes of the meeting on the introduction of a monopoly of foreign trade and the trading apparatus on Sakhalin Island (1 June 1925) (Для пользы и процветания. С. 490-491).

²⁸⁷ Для пользы и процветания. С. 491.

²⁸⁸ Ibid, p. 492.

region could become a reason for the bureaucratic complications for the Soviet officials involved.

Meanwhile, the local population in Sakhalin had to face the consequences of the issue of the difficulty keeping the territory properly supplied. The isolation of Sakhalin from the developed industrial centers of the country caused a lack of reliable communications and therefore high transportation costs (the cost of goods imported from the mainland was 75%-100% higher in North Sakhalin). Based on the materials of the Rabkrin inspection (Workers' and Peasants' Inspectorate), which operated in Sakhalin in the summer of 1926, the cost of a consumer basket (rye flour, 2 types of wheat flour, lard, butter, melted butter, and sugar) rose from 7.66 rubles during Japanese occupation to 9.5 rubles in July 1925.²⁸⁹ Based on the analyses of Sakhalin free port system according to the Sakhalin free port researcher K.G. Karlin, the situation was graver in the remote districts of Sakhalin where prices were traditionally higher than in Aleksandrovsk. Also, the Inspectorate didn't take the cost of scarce goods into account, such as sugar and rice.²⁹⁰ Moreover, a researcher of North Sakhalin revolutionary history, A.T. Kuzin, noted that the general supply mechanism for Sakhalin wasn't properly regulated. Supply functions were in the hands of the Sakhalin Office of the Far Eastern State Trade Organization, the Sakhalin cooperative, and local private traders.²⁹¹

With the establishment of the state monopoly of foreign trade problem of Sakhalin poor supply becoming apparent and from the beginning of the Aleksandrovsk customs operations, customs officials had been considering the possible usefulness of establishing a free port system. Based on the conclusion of the commission which was headed by an authorized representative of the Far Eastern Foreign Trade Organization (Dalgostorg) Buzanov (simultaneously head of Aleksandrovsk customs), the Sakhalin revolutionary committee asked the authorities in Khabarovsk to distribute the regulations of the Far Eastern revolutionary committee of 30 March 1925 on the duty free and non-excisable importation of foreign origin goods from Kamchatka to the territory of North Sakhalin, and to allow domestic goods to be transported to Sakhalin under the same conditions.²⁹² On 8 May 1925, Buzanov sent a report to the head of the DVO GTU, comparing the structure and general expenses of customs systems in Sakhalin's free port with the state foreign trade monopoly.²⁹³

	Free port	State monopoly
Number of customs posts	2	3
Yearly expenses (staff salary, taxes, etc.)	1,283.64 rubles	2,257.45 rubles

According to the opinion of Sakhalin authorities the main arguments for the establishment of a free port system were as follows: creation of conditions for local people preventing them from leaving, the lack of industrial enterprises that could potentially harm domestic industry, the trade of duty-free foreign origin goods on concessions, and problems of

²⁸⁹ Карлин.

²⁹⁰ Ibid.

²⁹¹ Кузин А.Т. Сахалинский ревком. Документально-исторический очерк. Южно-Сахалинск, 2000. С. 36.

²⁹² Кузин. Сахалинский ревком. С. 36; Карлин.

²⁹³ RGIA DV f. P-2443, op. 1, d.28, ll. 15-16.

supplying Sakhalin by the Soviet side, which could reduce the prestige of Soviet power in the eyes of the local population, and the Japanese.²⁹⁴ Agreeing with these arguments, the Far Eastern Revolutionary Committee, by the resolution of 15 July 1925, allowed the duty-free and excise-free importation of foreign origin goods to Sakhalin for the 1925/1926 operational year.²⁹⁵ The Rybnovsk district of Sakhalin, located on the North-West of the island, became an exception of this system. The importation of the goods here was conducted according to the 10 April 1925 decree of the Dalrevkom, with an exception for the district's fisheries. The goods were imported there duty free according to the list, approved by the Dalrevkom on 6 March 1925. Rybnovsk district was a center of the fishing industry in Sakhalin, and was mainly supplied by the Far Eastern State Fishery Trust.²⁹⁶ The goods passed through Nikolaevsk on Amur customs, since they were mainly delivered to the district from Nikolaevsk, while the rest of the region was receiving supplies primarily from Vladivostok.

While the regional authorities had to urgently improve the poor supply of the local population, which was rapidly leaving the island for the mainland, Moscow insisted on enforcement of applicable laws, and the decree of the Central Executive Committee of 18 October 1925, virtually, repeated the decision of Dalrevkom of 10 April 1925. The Dalrevkom members considered that this decision by the Central government was not applicable to the existing conditions and, based on the section 10 of the Resolution of the All-Russian Central Executive Committee and the Council of People's Commissioners about the Far East Revolutionary Committee of 25 July 1923²⁹⁷ (which granted the right to temporarily suspend the decisions of the central bodies of the RSFSR), the regional authorities at a 23 October 1925 meeting of the presidium of Dalrevkom, decided to uphold the Dalrevkom ruling of July 15.²⁹⁸ The decision, which was contradictory to the directions from Moscow, were approved at meetings chaired personally by Ia.B. Gamarnik.²⁹⁹ This particular line of behavior corresponds with his attitude towards the regional development, as described by Stephan: "He felt that through foreign investment and international trade the Far East could develop without help from or control by the Center. Arguing that regional development was a regional responsibility, Gamarnik criticized Moscow bureaucrats for their ignorance of Far Eastern conditions..."³⁰⁰ Indeed, during the meeting dedicated to the evaluation of effectiveness of work of Soviet

²⁹⁴ Карлин.

²⁹⁵ Таможня на Тихом океане. С. 161-162.

²⁹⁶ RGIA DV f. P-2443, op. 1, d. 157, l. 29.

²⁹⁷ "In exceptional cases, when, due to local conditions, the implementation of resolutions of the central government of the RSFSR encounters special difficulties or the said resolutions need to be changed in accordance with local characteristics, the Far Eastern Revolutionary Committee is allowed to enter with a presentation to the All-Russian Central Executive Committee, the Council of People's Commissars or the Council of Labor and Defense, according to their affiliation, about the need to change or cancel the aforementioned resolutions with a temporary suspension of their implementation, for the collective responsibility of the members of the revolutionary committee. The Far Eastern Revolutionary Committee has the right to suspend, under the collective responsibility of the members of the committee, the implementation orders of individual People's Commissariats of the RSFSR, with immediate subsequent bringing to the attention of the relevant commissariats and the submission of a reasoned explanation to the Council of People's Commissars". (Дальревком. Сборник материалов. Хабаровск, 1949. С. 45-46).

²⁹⁸ RGIA DV f. P-2470, o. 1, d. 205, l. 462.

²⁹⁹ From June 1924 to March 1926 chairman of the Dalrevkom

³⁰⁰ Stephan, *The Russian Far East*, p. 177.

organizations who were responsible for supplying Sakhalin, the chairman noted, "the delay in the approval by the Center on the issue of reducing excise and duties".³⁰¹ Due to a certain freedom of action for the leaders of the region, which still existed in the 1920s, he was able to defend his point of view.

For the Center, the undesirable consequences of duty taxation of goods for Sakhalin, and the reasoning of regional officials, finally led to Moscow rethinking its chosen policy. On 24 November 1925, the People's Commissars of the USSR officially established a free port in North Sakhalin. Based on this document, the goods of foreign origin would be imported to Soviet Sakhalin duty free, according to the lists and standards of the Customs Tariff Committee. In addition, domestic goods would be transported duty free and without excise tax.³⁰²

The monopoly of foreign trade establishment in Sakhalin was supposed to become an important step in the blending of the remote territory in the Soviet state. The protection of the State interests under the existing monopoly became a reason for the reestablishment of customs on the Soviet part of the island, which had to start its work from scratch under the new political and economic conditions. However, following sharp price increases, it became one of the main reasons for the mass abandonment of the island by the already small local population who had fond memories of the better conditions under the Japanese rule. The local and regional organizations facing the reality of the situation, urgently had to establish duty-free importation of goods to the territory, in contravention to the rigid policy chosen by Moscow. The active pursuit of the chosen course of the Far Eastern authorities was bolstered by clear reasoning and the Gamarnik authority forced the Center to give in the local demands with time.

III. Customs operations in Soviet Sakhalin during free port conditions

III.1 Branding of foreign origin goods and other anti-smuggling operations of the customs

From the start of customs operations, the DVO GTU assigned the local institution with the task to put a special mark – a brand – on the goods of foreign origin that were already present at the time of the establishment of Soviet power in North Sakhalin, in order to distinguish them from goods imported in the future. Customs duties and excises were not levied on the branded items.³⁰³ Aleksandrovsk customs started the branding of the goods on 22 May 1925.³⁰⁴ However, while performing their duties, customs encountered some difficulties, which were partially related to the local trading companies' activities.³⁰⁵ For example, the Japanese trading company Nichiro Jitsugyo Kaisha, under various pretexts, was delaying the timing of branding goods stored in warehouses, according to the provided lists. The branding fee for individual parcels ranged from 2 to 3 kopeks, and, with a large number of goods, the fee became significant. Three days before the end of the period of branding, representatives of Nichiro Jitsugyo Kaisha concluded an agreement with the private Russian company

³⁰¹ RGIA DV f. P-2470, o. 1, d. 205, l. 465.

³⁰² *Karlin*

³⁰³ RGIA DV f. P-2443, op. 1, d. 62, ll. 10, 39.

³⁰⁴ RGIA DV f. P-2443, op. 1, d. 21, l. 96.

³⁰⁵ *Ibid*, ll. 36, 38, 54, 55, 57.

Tovarishchestvo Trud, which in turn, also tried to extend the timing of the branding, explaining their reasoning with the risk of damage of goods (tobacco products) during unpacking.

Due to the large scope of work and the lack of branding equipment, the deadline for stamping goods was shifted several times. On the basis of telegrams from the head of the DVO GTU of 10 July 1925, 18 July 1925 and 5 August 1925, the branding of foreign goods imported during the occupation of North Sakhalin by the Japanese was suspended and was not renewed.³⁰⁶ The foreign goods that were imported by Soviet trade organizations and concessions were not branded.³⁰⁷ Aleksandrovsk customs manager considered such branding to be inefficient, stating the reason as follows: “the entire surrounding population, with the development of work on all concessions, operating and commissioning, will be largely employed by them and goods will leak through them (concession employees – V.A.) in small doses”.³⁰⁸ The branding of imported foreign goods was officially canceled by the order of DVO GTU on 7 October 1926.³⁰⁹ Due to various difficulties, such as the lack of branding material and the unwillingness to cooperate of local trading companies, the branding of foreign origin goods had not been fully completed, and, with the start of spreading of concession goods within local population, further attempts at branding became virtually meaningless.

With the spread of the monopoly of foreign trade on North Sakhalin’s territory, Soviet authorities took swift measures to protect the economic interests of the State. Owners of goods which had been brought from abroad, as well as exported goods of Russian origin, had to have a license (permit) from the Far East Department of Foreign Trade. The licenses were obtained by a submission of applications through the Commissioner of the Far Eastern Foreign Trade Organization in Aleksandrovsk.³¹⁰ On the basis of the order of the People’s Commissariat of Foreign Trade in the Far East commissioner of 22 May 1925, in order to prevent illegal export of foreign origin goods with unpaid excise or duty from Sakhalin to the mainland people who transported goods to the mainland were required to provide certificates of local origin for the goods to the customs.³¹¹ Based on this order, to check the compliance of the population with new regulation, the customs started inspecting people who were traveling to and from the island.³¹² Additionally, mail from Sakhalin, which could potentially contain foreign origin goods, was selectively (several days a week) checked by customs officials.³¹³

III.2 Customs regulations of goods import

The complex, vague, and frequently changing regulations of the foreign goods import to Sakhalin significantly complicated work of the newly established customs in Aleksandrovsk. In

³⁰⁶ RGIA DV f. P- 2443, op. 1, d. 62, l. 125.

³⁰⁷ Ibid, ll. 124, 125.

³⁰⁸ From the report of the manager of Aleksandrovsk customs about activities in 1925 - 1926 (21 November 1926, RGIA DV f. P-2470, op. 1, d. 211, l. 97.)

³⁰⁹ RGIA DV f. P-2470, op. 1, d. 211, l. 97.

³¹⁰ “Объявление уполномоченного Дальнешторга по острову Сахалину К. Бузанова”, *Советский Сахалин*, 24 Мая, 1925, №3, Л. 3.

³¹¹ “Объявление Сахалинского Ревкома”, *Советский Сахалин*, 28 Июня, 1925, №8, Л. 3.

³¹² RGIA DV f. P-4506, op. 1, d. 12, l. 48.

³¹³ RGIA DV f. P-2470, op. 1, d. 211, l. 90.

addition to the differentiated lists of goods and taxation systems applicable to different areas within northern Sakhalin territory, according to the 15 July 1925 order, duties on foreign goods imported to Sakhalin by Dalgostorg had to be paid fictitiously, with the subsequent return of the amount paid in Khabarovsk. However, the paperwork regarding the duties return for the Dalgostorg was not properly explained in the decree. Since the goods imported to different districts could freely circulate among the local population, the spread of smuggling prevention measures would become a daunting task for the institution. On top of that, the customs officials were receiving contradictory instructions from the GTU, and Far Eastern organizations, which confused the work of the institution even further.³¹⁴ This situation continued until the end of November, when a free port system was officially established in Sakhalin.

With a new regulations taking place, the island's supply system got settled. The Far Eastern State Trade Organization had been purchasing goods for Sakhalin according to the lists approved by the Customs Tariff Committee. Foreign and domestic goods came to Sakhalin duty free and without excise taxes. The goods approved by the Customs Tariff Committee were divided into two lists: the goods on "A-list" passed through Aleksandrovsk customs and the goods on "B-list" intended for the Sakhalin fisheries in Rybnovsk district mostly passed through Nikolaevsk on Amur customs.³¹⁵

Goods imported by Dalgostorg were bought up by private traders and the local trading cooperative, which were given a 50% margin compared to retail prices in Vladivostok.³¹⁶ Private traders were a serious competition for the cooperative trade. In November 1925, a share of private trade in Aleksandrovsk was worth about 50% of the retail turnover, in Derbinsk 35%, and in Rikovsk 25%.³¹⁷ Due to the lack of qualified personnel and without necessary funds and support from the Far Eastern authorities, the Sakhalin Office of the Far Eastern State Trade Organization couldn't function effectively enough to fully satisfy the population's demands. Kuzin emphasized that, "the People's Commissariat of Finance and the Far Eastern State Trade Organization sabotaged the benefits for Sakhalin residents."³¹⁸ As a result, regardless of the free port establishment, by the end of 1925 the supply situation worsened and the inhabitants of the East coast were on a verge of famine.

With the emerging interest of the government towards Sakhalin's natural resource development, the duty free and unlicensed rights to import foreign goods to the region for certain enterprises and categories of workers were separately enshrined in a number of legislative acts: Resolution of the Council of People's Commissars of the Soviet Union of 12 December 1928 "granting customs privileges to the Sakhalinneft (Sakhalin Oil) Trust", the Resolution of the Council of People's Commissars of the Soviet Union 18 June 1929 "About the permission of duty free and unlicensed import of goods from abroad to the fisheries of the Far Eastern region".³¹⁹

³¹⁴ In order to clarify the situation, the DVO GTU head requested assistance from the Presidium of Dalrevkom and the chairman of Dalrevkom Ia.B. Gamarnik personally in a letters from 21 and 29 September 1925 (Таможня на Тихом океане. С. 161-165.)

³¹⁵ Карлин.

³¹⁶ RGIA DV f. P-2470, op. 2 d. 13, l. 34.

³¹⁷ Кузин. Сахалинский ревком. С. 39.

³¹⁸ Ibid, p. 37.

³¹⁹ RGIA DV f. P-2443, op. 1, d. 284, l. 30.

Despite the fact that a supply mechanism for the island was clearly defined by the end of 1925, some of customs procedures had not been effective or properly regulated by existing legislation. Therefore, in the following years, the DVO GTU had to adopt a number of additional resolutions and clarifications governing the relationship of Soviet organizations and individuals with customs. Originally, cargo bound for Sakhalin had been arriving at Aleksandrovsk without customs clearance at Vladivostok, and local customs officials had to undergo time-consuming inspections that strained their human resources to release goods to the domestic market. However, with the adoption of the law of 31 December 1926, regarding the abolition and amendment of certain articles of the Customs Charter, special prolonged periods were set aside for the transportation of cargo from the border to internal customs at the Vladivostok customs office, as well as for cargo inspections at Vladivostok. In order to facilitate the work of the customs authorities, the GTU, by the letter of 9 May 1929, adopted a resolution on the subject of the simplification of control over preferential foreign and Soviet excisable goods that were to be sent to the Kamchatka-Okhotsk and Sakhalin districts and fisheries of the Far East.³²⁰ This document included the simplification of the procedure for inspection of imported goods by Sakhalin customs. After cargoes were inspected in Vladivostok and arrived in Sakhalin, the local customs officials only needed to check the correspondence of the number of places and sign the bills of lading and cargo lists, after that, the goods could pass to the Sakhalin market. Upon the detection of a discrepancy between the amount of cargo and the documentation provided, the customs office on Sakhalin had to draw up an accusation, and send it to the Vladivostok customs for investigation and bringing the perpetrators to justice.

Lists of goods, imported to Sakhalin duty free, and without a license fee were approved by the Customs Tariff Committee annually. However, the GTU had the right to allow import of goods outside of the duty-free list, if there was a shortage of Soviet counterparts. For example, in 1928 The GTU allowed the import of marine compasses (which were not on a duty free list) duty-free to Sakhalin, due to the actual difficulty of acquiring such items on the local market.³²¹ On the other hand, the mechanism of dealing with items outside of the duty free goods lists, imported by Dalgostorg, was not clarified in existing rules and orders, so the Far Eastern customs had to deal with every batch of goods separately. In 1928, Vladivostok customs prevented Dalgostorg from importing unlisted goods to Sakhalin, as a result the organization had to negotiate simultaneously with Sakhalin officials about the possibility of transportation of goods to Sakhalin, and with the trade mission of the USSR about possibility of sale of these goods abroad.³²² In 1929, Vladivostok customs, through telegram, informed Okha customs officials that they had to collect fees (duty or excise tax) for the unlisted goods.³²³

The free port establishment in the end of 1925 finally clarified the customs procedures regarding the regulation of imported to the island goods. Under Soviet rule the “free port”, which is defined as a system of granting the right of duty-free import and export of foreign goods in a certain territory, acquired two significant limitations: only the State bodies had a right to import goods to Sakhalin, and the imported goods list was restricted by the decision of

³²⁰ RGIA DV f. P- 2443, op. 1, d. 157, l. 201, f. P-2443, op. 1, d. 156, ll. 59, 172, 173, 190, 194, 200.

³²¹ RGIA DV f. P- 2443, op. 1, d. 157, l. 29.

³²² Ibid, l. 47.

³²³ Ibid, l. 69.

the responsible government agencies. The operations with goods beyond this limitation were poorly described in the Soviet legislation hindering the customs work.

The main goal of the preferential import permission was to provide the local population with goods at affordable prices. However, this goal was not reached due to the accumulation of significant share of retail trade in private hands, and high retail prices, which was possible due to the ongoing New Economic Policy conduct. On the other hand, with the focus of the government on the industrial development of the Far East, including Sakhalin as a source of valuable natural resources, the separate import regulations, affecting customs operation, were pointedly focused on the effective supply of island's emerging industries. As a result, the employees of Soviet industrial enterprises were put in a more advantageous position than the rest of the population.

III.3 Customs inspections peculiarities

According to the development program of Soviet part of the Sakhalin Island, extraction of natural resources and the creation of conditions for increasing the efficiency of this extraction was the key for the advancement of the local economy. Until the late 1930s the natural resources of the island were primarily exported from Sakhalin, the local customs, apart from the importation for the local population and enterprises, were focused on the monitoring of export operations on the island.

The customs was inspecting goods imported and exported from Sakhalin on steamships calling at Aleksandrovsk, Okha, and the customs posts on the coastline. Due to the lack of personnel and the lack of customs posts at fishing sites (Soviet and Japanese), the import and export of goods there were being controlled by the Nikolaevsk on Amur customs office on the west coast, and in the Rybnovsk district and by border guards of the United State Political Administration and the Far Eastern Fishing Control agents on the East coast.³²⁴

The Japanese fishing plots in the Russian Far East continued functioning throughout the years of the Civil war and Intervention, due to the virtual lack of control from the Russian authorities. The first Soviet-Japanese fishing agreement was signed on 21 May 1923 in Tokyo.³²⁵ The document established a ban on uncontrolled fishing in Soviet territorial waters, while the Japanese received a right to rent fishing plots. The Fishing Convention between the two countries was signed on 23 January 1928. In order not to aggravate relations with Japan, the overall number of fishing plots used by the Japanese in the previous year was reserved for them. The Convention was prolonged in 1940 on the same conditions.

Despite the virtual lack of control over Japanese fishing plots by Sakhalin customs, in 1931 Aleksandrovsk custom officials took two trips to the Rybnovsk district in order to examine cargo imported for the Japanese fishing plots. In both cases there were no other representatives of supervisory Soviet authorities.³²⁶ In 1931, the Okha customs manager had the realization that foreign fishing activities in Sakhalin whereabouts were not limited to the designated zones, and that there had been three designated Japanese fishery plots on the territory controlled by the

³²⁴ RGIA DV f. P-2443, op. 1, d. 21, l. 95; f. P-2470, op. 1, d. 211, l. 76.

³²⁵ ВКП(б), Коминтерн и Япония. С.11.

³²⁶ RGIA DV f. P-4506, op. 1, d. 13, l. 8.

customs.³²⁷ These plots were being supervised by Fishing Control, but due to the lack of statistics (provided for the Soviet customs authorities) kept on ships that arrived at fishing plots and carried cargo, the customs manager came to the conclusion that existing means of control were insufficient.³²⁸

Despite numerous attempts to establish firm control over Japanese fishing plots of Sakhalin and Kamchatka by the DVO GTU, according to the head of the Department, the issue had not been given fair attention, and in 1934 only about 10% - 20% of the Japanese fishing plots in the Far East were under customs supervision. The Fishing Control could not effectively substitute customs control over these plots with export/import operations control.³²⁹ Moreover, in 1935, Glavrybvod (the Central office of fish conservation of the USSR) refused further service, on the subject of customs issues, of Japanese fishery manufacturers by the fishing supervision. The same year, in North Sakhalin, it was decided that, in order to bolster customs control over the area of activities of Japanese fishermen, they would need to add an additional inspector to Okha customs staff for the fishing season.³³⁰ In 1936, based on reports from Okha, the customs control over Japanese fishing plots were in hands of the head of Katangli customs post, which was located on East coast near the plots.³³¹ This individual's main duty was to compare cargo arriving for fisheries with a list of goods allowed for duty free and unlicensed import from abroad for fisheries rented by Japanese citizens and organizations in the waters of the Far Eastern Territory. Lists of goods allowed for duty free and unlicensed import from abroad were approved by the Customs Tariff Committee.³³² During the same year, Okha customs discovered a kailyard, which was illegally seeded with Japanese seeds which was owned by the Japanese fishing company Nichiro.³³³ However, in Okha customs reports from 1935 and 1936, statistics concerning Japanese fishing plots had not been provided.

On the subject of the insufficient control of these sites by the Soviet supervisory authorities, despite the documented fact of the existence of fishing plots rented by the Japanese on the territory of North Sakhalin, it seems problematic to judge the amount of imported and exported goods, the spread of smuggling, and other issues related to the customs control there.

While coal and oil from Soviet sites, purchased by the concessioners, were mainly exported to Japan on the concession boats, with the start of Sakhalin timber export to Japan from the end of the 1920s, Aleksandrovsk customs officials conducted inspections of Japanese ships and ships crews, which were responsible for timber loading near the loggings sites on the West and East coasts of the island.³³⁴ The Sakhalin coal was exported to China and Japan, while the timber was primarily exported to Japan. The fluctuations in the export numbers were related to the volume of extraction and shipment of these resources. For example, the sharp

³²⁷ RGIA DV f. P-2443, op. 1, d. 284, l. 65.

³²⁸ RGIA DV f. P-2443, op. 1, d. 284, l. 76.

³²⁹ RGIA DV f. P-2443, op. 1, d. 362, l. 95.

³³⁰ RGIA DV f. P-2443, op. 1, d. 403, l. 41.

³³¹ RGIA DV f. P-2443, op. 1, d. 425, l. 190.

³³² RGIA DV f. P-2443, op. 1, d. 403, l. 74.

³³³ RGIA DV f. P-2443, op. 1, d. 425, l. 205.

³³⁴ RGIA DV f. P-4506, op. 1, d. 13, l. 19.

reduction of export in 1937 could relate to the production cuts of coal by the Japanese concession the same year.³³⁵

Table 3. Aleksandrovsk customs import/export monitoring operations (RGIA DV, f. P-4506, op. 1, d. 12, ll. 15, 19, 69,78; Φ. P-4506, op. 1, d. 20, l. 25.)

	1	2	3	4	5	6	7
	number of inspected vessels on domestic routes	Number of inspected overseas vessels	Import cargo total (tons)	Import for the coal concession in Due (tons)	Value (3+4)	Export cargo (tons)	Value
1925 (16.5-30.9)	36	32	368.7*	231	85,511 rubles	10,979****	227,950 rubles
1925/26 (1.10-30.9)			5,880**	580	1,139,173 rubles	90,834*****	1,037,758 rubles
1926/27	8	6	2,436.8***	2,110	245,494.7 rubles	7,006.3	51,529 rubles
1927/28	36	27	2,192.5	1,764	1,089,487 yen	93,482	841,417 yen
1928/29	43	39	8,593.3	764.2	406,107.3 yen	152,442.5	1,115,357 yen
1929/30	43		2,310.2	2,310.2	1,976,490.9 yen	111,950 (plus 1,434,731 cubic feet of timber)	1,044,450 yen (362,060 rubles)
1931	-	40	2,660.7	2,660.7	1,420,081.5 yen	152,902	1,129,630 yen
1932	-	90	3,000	3,000	1,377,343 yen	291,589	1,080,000 yen and 418,376 rubles
1933	-	63	3,099	3,099	1,953,118 yen	172,566 (plus 168,568 cbm)	1,347,879 yen (2,144,918 rubles)
1935	3	64	8,092	4,160		284,260	1,712,722 yen and 665,820 rubles
1936	3	63	12,982.5	4,250.6	2,697,294.8 yen and 30,516,209 rubles	267,067.1	1,807,304 yen and 5,056,368 rubles
1937	-	40	2,696	2,631	1,844,140 yen	145,700	90,472 yen and 4,205,664 rubles

*Okha included (137.2 tons, 41,829 rubles)

** Okha included (4,402 tons, 807,244 rubles)

*** Okha included (296.7 tons, 109,075 rubles)

**** Okha included (5,400 tons, 164,700 rubles)

***** Okha included (20,686 tons, 514,387 rubles)

The free port in Soviet Sakhalin had determined a specific order of Soviet passengers' inspections in the region. This was mainly related to the threat of the entry of duty-free and excisable goods into the mainland. However, due to the increased employment of Sakhalin customs officials related to the inspection of concession vessels, higher customs authorities sought to reduce the volume of Aleksandrovsk and Okha customs work related to the inspections of coastal vessels regardless of the possibility of smuggling spreading. By the decree of the DVO GTU of 28 May 1927, the baggage of passengers travelling directly to Nikolaevsk or Vladivostok should not be inspected by Sakhalin customs; instead it would be the duty of mainland customs officials. This decree could be regarded as an example of ignorance of the regional customs administration to local conditions, as most of the steamers on their way from

³³⁵ Stephan, *Sakhalin*, p. 136.

Sakhalin entered some bays on mainland (Sovetskaia Gavan, De-Kastri, etc.), potentially allowing smuggling to spread.³³⁶ The possibility of leaving items, which were prohibited for export to the mainland, to the family members and friends was one more point of convenience for baggage inspections by Sakhalin customs. Based on this, the customs manager argued in his report that all cargo and, in particular, passengers' baggage, inspections should be carried out by Aleksandrovsk and Okha customs.³³⁷ Regardless of these arguments, on 23 October 1928 the GTU issued a decree, which stated that the Far Eastern customs, including Aleksandrovsk and Okha, were exempt from inspections of coastal ships. As an exception, the inspection of vessels and passengers could be conducted only when officials had received information about the possibility of smuggling.³³⁸ In order to solve the problem of duty free goods in passengers baggage, the Sakhalin Trust had filed a petition in 1929 for workers and employees returning through Vladivostok and Nikolaevsk on Amur from Sakhalin with the rights to unlicensed and duty free importation of household goods belonging to them, which were established for people returning to the USSR after a long stay abroad. These workers and employees should be free to bring goods of Soviet origin with them (duty free and without excise taxes returned upon export of goods to Sakhalin). In 1928 by the order of the GTU, a preference had been established for the admission of materials that were allowed to be imported by persons returning after a long (over a year) stay abroad for people who were located in the Okhotsk-Kamchatka Territory during the working season. The GTU offered the DVO GTU to give the Vladivostok and Nikolaevsk customs the order to provide the same benefits to people returning from the Sakhalin oil fields, if they had been there for at least one season.³³⁹

During the occasional visits of Okha customs officials in Moskalvo (harbor to the north from Okha), they, regardless of the 23 October 1928 GTU decree, inspected Soviet passengers travelling from Sakhalin to the mainland. In an absence of the customs officials, the border service of the Joint State Political Directorate was mostly inspecting passengers.³⁴⁰ In reports concerning the inspections of passengers travelling by coastal ships, customs officials had not pointed out the specific orders of higher authorities, therefore, it would appear difficult to determine what orders or decisions Okha customs relied on while performing this function. From 1935, in the port of Moskalvo, customs officials were examining big cabotage ships arriving with cargo for Soviet industrial and supplying organizations, and passengers traveling from Sakhalin to the mainland. After the inspection of Okha customs by the head of the DVO GTU, Voitovich, in 1935, the problem of the export of goods of foreign origin from Sakhalin to the mainland, by Soviet workers, had been raised again. Customs checks showed that people transported goods of foreign origin illegally or in excess of lists. In order to control amount and assortment of items, passengers had to submit a special application, to the customs officials, with a list of goods for transportation, which was then certified by the customs.³⁴¹ Thus, unlike

³³⁶ RGIA DV f. P-4506, op. 1, d. 13, l. 49.

³³⁷ Ibid, l. 49.

³³⁸ RGIA DV f. P-4506, op. 1, d. 13, l. 42; f. P-2443, op. 1, d. 239, l. 12.

³³⁹ RGIA DV f. P-2443, op. 1, d. 157, l. 157.

³⁴⁰ RGIA DV f. P-4398, op. 1, d. 4, ll. 70, 71.

³⁴¹ RGIA DV f. P-4398, op.1, d. 8, l. 34.

Aleksandrovska customs, Okha customs officials additionally examined baggage of passengers traveling from Sakhalin to the mainland on coastal ships.

Since the establishment of Soviet power in North Sakhalin, foreign origin goods were essential for the supply of the local population with necessary goods and for the development of Sakhalin's economy. This was due to the lack of analogues of domestic production, or high transportation costs related to food and consumer goods. The customs role in the supply mechanism of the island was to verify the conformity of the goods delivered by vessels with the attached documents. In the case of goods transported by coastal vessels, they had not been checked by Sakhalin customs officials when ships inspections were carried out by mainland customs. With the danger of the illegal spreading of duty free and excise free goods to the mainland by Sakhalin workers, customs officials carried out baggage checks. With the publication of a decree about the exemption of Sakhalin customs from inspections of coastal ships, Aleksandrovska customs stopped to carry out passengers' inspections, while Okha customs continued to inspect passengers in Moscalvo until the end of concession operations, preventing illegal transportation of foreign origin goods to the mainland.

IV. Measures taken by the Soviet authorities to reduce the share of foreign goods in Soviet Sakhalin supply

The establishment of the free port in Sakhalin was regarded as a temporary measure by the Soviet authorities. Central and local organizations were concentrated on the reduction of the quantity and range of foreign origin goods imported to Sakhalin for the needs of local population and industry, relying on the advancement of the national economy. From 1925 to 1926 Soviet supply organizations had imported 898 tons of foreign goods to Aleksandrovska. Concessioner had imported 580 tons of goods for coal concession in Due (about 3:2)³⁴². In 1930 Sakhalin Joint-Stock Company imported 832 tons of goods for local population and industries, while coal concessioner had imported 2,310 tons (about 1:3)³⁴³. With the population growth from 11,639 people in December 1926 to 58,000 people in 1932³⁴⁴ the sheer number of foreign origin goods dropped significantly; moreover, it was the first year in Soviet Sakhalin history, when local population, with the exception of the foreign concessions employees, was supplied with Soviet origin food supplies exclusively.³⁴⁵ Regardless, the increase of quantity of Soviet goods couldn't contribute to the complete solution of a supply problem and in December 1931 the participants of the plenum of the Sakhalin District Soviet Party Organization discussed the problem of thousands of people who had gotten scurvy.³⁴⁶

While the domestic products could not fully replace foreign goods in the Sakhalin market, the Soviet authorities tried to keep domestic goods accessible for the Sakhalin

³⁴² RGIA DV f. P-2470, op. 1, d. 211, l. 76.

³⁴³ RGIA DV f. P-4506, op. 1, d.13, l. 7.

³⁴⁴ Щеглов. Эволюция государственной политики формирования населения Сахалинской области. С. 35, 66. According to M.S. Vysokov, a sharp increase in Sakhalin population in the end of 1920s-beginning of 1930s (from 26,500 in 1929 to 74,000 in 1933) was related to the mass collectivization, and the following famine. In these historic conditions, the offer to work in remote Sakhalin seemed more attractive to a number of people (Бок, Высоков и др. Экономика Сахалина. С. 51).

³⁴⁵ RGIA DV f. P-4506, op. 1, d. 13, l. 9.

³⁴⁶ Щеглов. Эволюция государственной политики формирования населения Сахалинской области. С. 61.

population. On 28 October 1930, the Council of People's Commissars of the USSR issued decrees, which promoted consumption of Soviet products by the population of the remote territories of the Soviet Union. According to the decrees, "About the permission of duty free and unlicensed import of goods from abroad to some areas of the Far Eastern Federal District and the Yakut ASSR" and "About the permission of duty-free and unlicensed import of goods from abroad to fisheries of the Far Eastern Territory" the selling prices for the goods of domestic production imported by the State and cooperative organizations to the Far East (Sakhalin, Okhotsk-Kamchatka Territory, and fishing plots) were set at a reduced rate. The size of the reduction had to correspond with the amount of excise taxes, which were cut until 1 October 1930.³⁴⁷

After the inspection of the Aleksandrovsk and Okha customs offices by the GTU representatives in 1931, it was noted that local customs officials hadn't been supervising lists of imported goods for Soviet organizations, thereby giving them the opportunity to purchase foreign goods, despite the possibility of replacing them with Soviet counterparts.³⁴⁸ To that end, a supervision function was decided to be shared between the GTU and the DVO GTU (approving lists of foreign origin goods required for the development of the regional economy). From 1932, the control and inspection functions of local Soviet organizations were added to the list of duties of the Sakhalin customs office.³⁴⁹ Back at the end of the 1920s, the functions of the customs regime, in relation to the import of goods for state institutions, had been reduced to "... checking the compliance of goods from abroad with accompanying documents and a review of periodical institution reporting in order to establish the circulation of preferential items for their intended purpose",³⁵⁰ however, Sakhalin customs did not execute Control and Inspection functions until 1932, since they received "detailed guiding material" from the DVO GTU only in May 1932.³⁵¹

Control and inspection functions (CIF) were a particular part of Soviet customs activities, aiming to eliminate potential losses in the turnover of foreign trade. "Exercising actual control over the observance of the state monopoly of foreign trade when passing goods across the border, Soviet customs simultaneously take measures in their control to prevent damage to the State during the transportation and storage of foreign trade goods, thereby performing not only control but also CIF. The implementation of these functions is one of the distinctive features of the Soviet customs system arising from the concentration of all foreign trade in the hands of the socialist state."³⁵² CIF included the identification and prevention of losses that may occur during the loading, unloading, or transportation of goods; the monitoring of storage processes and the storage conditions in warehouses and open spaces; detection of cases and determination of the causes of death, damage, or loss of goods during transportation and storage; monitoring of timely and complete shipment of imports for their intended purpose; identifying cases of downtime and misuse of transportation means; monitoring of the quality of

³⁴⁷ RGIA DV f. P-2443, op. 1, d. 259, l. 46.

³⁴⁸ RGIA DV f. P-2443, op. 1, d. 250, l. 135.

³⁴⁹ RGIA DV f. P-4506, op. 1, d. 16, ll. 57, 60; f. P-4398, op. 1, d. 4, l. 47.

³⁵⁰ RGIA DV f. P-4398, op. 1, d. 4, l. 31.

³⁵¹ RGIA DV f. P-4506, op. 1, d. 16, l. 60.

³⁵² Внешняя торговля СССР. М., 1954. С. 130.

exported goods; and identifying examples of illegal removal of goods from export; etc.³⁵³ Upon the indication of losses or defects in the foreign trade goods during transportation or storage, customs officials had to notify the involved organization by the special CIF report. Subsequently, these organizations had to take measures to eliminate the deficiencies indicated in the report.

After the revision of Sakhalin customs operation in 1931, the local customs started to make attempts to monitor the application of the imported goods by the Soviet enterprises the same year. However, they limited their actions by observing the import/export operations of the local organizations and reported about the results to the DVO GTU. For example, the customs officials in Aleksandrovsk noted that about a half of the foreign origin potatoes imported by Sakhalin Joint-Stock Company from Japan through Vladivostok in June 1931 were rotten.³⁵⁴ Nonetheless, the customs office did not undertake any measures to salvage the situation. Only upon receiving detailed instructions in 1932, the institution started to execute CIF with its expanded scope. The customs officials were undergoing inspections of the warehouses of Soviet organizations, assessing the effectiveness of the use and storage of foreign goods imported to Sakhalin on a preferential basis, and developing solutions to the detected abnormalities. As a result of their actions, the customs officials found that equipment, valued at 10,889 rubles and purchased for a sawmill by the timber enterprise Sakhalin Forest Trust was stored in the enterprise's warehouse, and unused as it was unnecessary. Due to the claims of the customs officials, the equipment was sent to the mainland.³⁵⁵ For another example, as a result of the long-term and improper storage of imported tin sheets for cans production at the warehouse of the Sakhalin State Fishing Trust 18,600 sheets were damaged and the quality of 70,725 sheets decreased. The Fishing Trust sold 14,000 tin sheets in 1932 without permission from the customs authorities. Based on the customs instructions, the remaining metal products were shipped to the mainland. As a result of the unlawful sale, conducted by the Fishing Trust, a smuggling case was filed, and monetary penalties were imposed on the director of the enterprise and the enterprise itself in an equal amount of 5,063.89 rubles.³⁵⁶

The customs regime also paid significant attention to the quality of goods and the efficiency of the loading operations during the exportation of Soviet goods from Sakhalin. In 1933 the actions of the customs in this line of work led to a change in the leadership of the State enterprise. The controllers responsible for the inspections of the export/import operations in the customs posts were creating the reports, which were later analyzed by the customs manager. During the navigation of 1933 the customs detected 190,668 yen of losses due to the downtime of the steamboats chartered by the All-Union Association for the Export of Timber Materials (Exportles) for timber export from the West coast of the island.³⁵⁷ During the loading of ships with Sakhalin timber for export to Japan, the Sakhalin Forestry Enterprise (Sakhles) did not provide enough timber to fully load steamers, causing the downtime. The customs shared this finding with Sakhalin prosecutors, which led to removal from the post the

³⁵³ Александров Д.А., Дмитриев С.С. Таможенное дело в СССР. М., 1949. С. 121.

³⁵⁴ RGIA DV f. P-4506, op. 1, d. 15, l. 70.

³⁵⁵ RGIA DV f. P-4506, op. 1, d. 16, l. 60.

³⁵⁶ Ibid, l.60.

³⁵⁷ RGIA DV f. P-4506, op. 1, d.13, l. 16.

director of Agnevskaia lespromkhoz (timber enterprise), and, together with the other involved employees of Sakhalin forest industry, he was put on trial.³⁵⁸ The insufficient preparation for the timber export operations of Sakhalin branch of Eksportles was the reason why the organization was mentioned in the customs CIF reports. Eksportles had not purchased sufficient number of motorboats and spare parts for them, which also led to the chartered ships downtime. The customs drew the attention of the Eksportles Board and Sakhalin authorities to this problem, and suggested renting of boats from other Sakhalin enterprises. Taking into account the customs opinion, the Sakhalin Executive Committee ordered Eksportles to rent two motorboats to Eksportles and one more boat was chartered from Japan. The results of the customs findings about the miscalculations in the work of Eksportles were submitted for the investigation to the Rabkrin inspection.³⁵⁹ Regardless of the high efficiency and usefulness of the CIF, in the later years the information about the CIF is disappearing from the customs documents, this could relate to the reduction of foreign equipment and material purchases by the local enterprises.

Seeing the “remarkable” progress in Soviet industry development, the Authorized Representative of the People’s Commissariat for Foreign Trade and the DVO GTU, put forward the idea of canceling the preferential import of overseas goods to Kamchatka and North Sakhalin in 1932, even earlier than the emerging trend.³⁶⁰ The privileges indicated by both decrees were applicable to foreign goods named on lists that were approved annually by the Customs Tariff Committee. Until 1931, the list of the goods for Sakhalin and Okhotsk-Kamchatka Territory, dated 22 October 1929, was in force. Due to the invalidation of this list and the lack of a new one for 1932, the first decree of the Council of People's Commissars of the USSR lost its practical application. The second decree also lost its practical meaning, as, since 1932, there was no order to apply to Soviet fishing organizations and no special list of goods for them.³⁶¹ However, the inability to provide local industry with goods and equipment exclusively of Soviet manufacture was a problem that couldn’t be completely resolved by 1932. For example, despite the reduction of the exported foreign origin goods lists for the last several years, the fishing industry was still in need of foreign origin rope, twine, marine engine parts, etc.³⁶²

From 1935, goods of foreign origin for local population and industry, with the exemption of goods inspected by Vladivostok customs, had been transported by steamboats from Odessa.³⁶³ While coastal ships were inspected by Far Eastern customs on the mainland, it is difficult to acquire the statistics of goods of foreign origin imported to North Sakhalin in 1930s-1940s and calculate the share of such goods in the total volume of goods to supply the population of Sakhalin. However, based on the reports of Aleksandrovsk customs in 1936, 3,544.833 ton of products was imported on the steamers from Odessa, of which only 110 tons

³⁵⁸ RGIA DV f. P-4506, op. 1, d.13, l. 15.

³⁵⁹ Ibid, l. 16.

³⁶⁰ “Import substitution was a leitmotif in Soviet propaganda during the second half of the 1930s” (Oscar Sanchez-Sibony. *Red globalization. The Political Economy of the Soviet Cold War from Stalin to Khrushchev*. (Cambridge: Cambridge University press, 2014), p. 26).

³⁶¹ RGIA DV f. P-2443, op. 1, d. 295, l. 10.

³⁶² RGIA DV f. P-2443, op. 1, d. 284, l. 383.

³⁶³ RGIA DV f. P-4506, op. 1, d. 13, l. 19; f. P-4398, op. 1, d. 9, l. 56.

were foreign origin cargo (about 3%) and with the collection of customs duties in the amount of only 156 rubles (the value of foreign origin goods was estimated in the sum of 19,990 rubles), it is obvious that most foreign origin goods were delivered to Sakhalin duty free.³⁶⁴

Despite the rapid development of Soviet industry, the achieved successes weren't enough to cover the needs of the developing Sakhalin industries and the expanding population. Accordingly, the importation of preferential goods of foreign origin, although in a smaller quantity in comparison with the period of the establishment of Soviet power on Sakhalin continued.

With the development of the Soviet economy, one of the main tasks for the Soviet authorities at the central and regional levels was the reduction, and eventually the elimination, of foreign origin goods that were shared in Sakhalin supply statistics. In order to control the proper usage of preferential goods by Sakhalin Soviet organizations from 1932, control and inspection functions were added to the list of duties of Sakhalin customs. If the share of foreign origin goods had been reduced during a research period for the Sakhalin industrial and supply organizations, it would not have been possible to completely free themselves from importing goods of foreign origin, therefore, the preferential importation of goods to Sakhalin continued.

Conclusion

Similar to the Imperial period, the central government prioritized administrative regulations in northern Sakhalin over the region's economic needs. The spread of the monopoly of foreign trade over the island's territory led to the supply crises there, forcing the already small population of the island to rush to the mainland. Accordingly, protection of the monopoly of foreign trade on the island became the reason for establishing the customs operations there. However, the establishment of the free port, which was meant to be a solution to the emerging supply issues distinguished the island's customs work since local officials had to prevent the illegal import and export of goods to and from the island, not just abroad, but to the Soviet territory. This was done by inspecting Soviet passengers' baggage, as well as parcels destined for the mainland. By the higher customs authorities orders, gradually, the scope of inspection functions of the local customs was reduced, which, however, created loopholes for the illegal transportation to the mainland of foreign origin goods. On the other hand, the time that was saved by that change allowed the customs authority to use its limited resources elsewhere, e.g., the execution of Control and Inspection Functions and control over the concession cargoes.

The biggest problem that the Soviet authorities faced while starting to build socialism in North Sakhalin was the lack of provisions for the local population and nascent industries. Nonetheless, one of the goals of the Soviet officials, emulating the ambitious rhetoric developed during the first and second Five-Year Plans, was the reduction of share of the foreign origin goods for the island's supply. While the development of the domestic economy was supposed to become the main remedy for this problem, the local customs was assigned a special role to reduce the unnecessary purchase of the foreign goods by the local enterprises.

³⁶⁴ RGIA DV f. P-4506, op. 1, d. 13, ll. 24, 27.

The Control and Inspection functions (CIF) gave the customs the right to evaluate the effective utilization of foreign goods by North Sakhalin enterprises.

The customs were able to execute their functions, not related to the concession operations, relatively independently under the jurisdiction of the DVO GTU and GTU. While the lack of staff and means of transportation prevented the customs from inspecting the long Sakhalin coastline, leaving Japanese and Soviet fisheries on the island virtually unattended, the vessels and passengers' inspections exercised according to Soviet legislation were conducted without severe incidents. Even the local enterprises' heads and employees' disagreements of with the decisions of the customs regarding the CIF conduct, seemingly did not put pressure on the institution since other authorized organizations processed them.

The supply problem on the island was partly solved with the aid of the Japanese concessions in northern Sakhalin. However, the commercial operations with these goods were not allowed on the domestic market under the concession contract, enabling the customs to deal with the illegal trade of concession goods. With the numerous merits of the foreign concessions for the Far East, the downside of the foreign enterprises for Moscow was the fact that their activities were an obstacle to establishing control over the periphery.³⁶⁵ As an illustration of this situation, complicated relations of the customs with concessions and the local population and organizations consuming concession goods, created problems for Moscow in the international arena, will be discussed at length in the next chapter.

³⁶⁵ Stephan, *The Russian Far East*, p.166.

Chapter 3

The Soviet concession policy in North Sakhalin and the local customs challenges (1925 – 1944)

Introduction

The customs activities regarding the Japanese concessions in Sakhalin were brought up in previous publications mainly to illustrate authors' points of view on general interaction between the concessions and Soviet monitoring organizations. On such occasions, scholars frequently referred to the customs regime as a part of a unified system of local Soviet organizations. Such earlier studies, when evaluating the performance of these organizations, do not usually focus on the efficiency of interactions at different authority levels and instead assume that local organizations were painstakingly following the central government's orders.³⁶⁶ The exception to this position is a historical sketch written by S.S. Khromov as an introduction to the collection of documents about foreign concessions in the USSR.³⁶⁷ The author repeatedly points out that the central authorities criticized the "defiant and provocative" actions of the local party organization members and other officials regarding the concessions.³⁶⁸ On the other hand, the author doesn't explain the reasons for such behavior of the local soviet organizations. The customs' actions are also not mentioned in the manuscript.

The majority of authors who paid attention to relations between the monitoring organizations and the concessions administration, focused on the local Soviet officials actions. The researchers expressed viewpoint that the Soviet monitoring organizations regularly interfered with the normal operations of the Japanese concessions in Sakhalin, often over relatively minor matters.³⁶⁹ The two authors who paid the most attention to this issue were Takashi Murakami and N. V. Mariasova. To show the biased attitude of local Soviet organizations toward the Japanese concessions, both authors compared the local officials' requirements for Soviet enterprises on Sakhalin and the Japanese concessions. For example, in the case of a violation of the safety protocol that regulated the distance between drilling rigs, the Japanese oil concession was ordered to cease operations. In contrast, upon detecting many breaches of distance regulations regarding drilling rigs and other buildings on the Sakhalin Trust territory, the officials did not even once raise the possibility of suspending operations.³⁷⁰ Other examples presented by these authoritative authors showed the same trend. For instance, Murakami mainly focused on the effect of local authorities' oppression of the Japanese oil concession. He explained this attitude of the Soviet officials in terms of ideological differences, including the fear of being arrested or even executed in a case of openly amicable relations with the foreign enterprise or its representatives. The gradual advance of the Soviet economy on Sakhalin also made the concessions less economically essential.

³⁶⁶ *Марьясова Н.В.* Иностранный капитал на Дальнем Востоке России в 20-30-е годы (концессии и концессионная политика Советского государства). Владивосток, 2000. С.34-35; *Тетюева*. С. 119-120; *Шалкус Г.А.* История становления и развития нефтяной промышленности на Сахалине: 1879-1945 гг.: дис... канд. ист. наук. Владивосток, 2004. С. 105-106.

³⁶⁷ *Хромов*. Иностранные концессии в СССР. Часть 1. С. 4-104.

³⁶⁸ *Ibid*, pp. 84, 86-87.

³⁶⁹ *Ремизовский В.И.* Кита Карафуту Секию Кабусики Кайша. Хабаровск, 2000. С. 15,16; *Тетюева*. С. 123-124.

³⁷⁰ 村上、p. 282; *Марьясова*. С. 116.

Mariasova's exploration of local policies and actions largely confirms Murakami's insights, but also raises the possibility that different authorities were not always moving in the same direction. On the one hand, the author stated that since the start of the concession operations, the central authorities tried to be cautious regarding their interactions with the concessioner. During the June 1925 special meeting that brought together representatives of the Main Concession Committee (Glavkontsesskom), the Supreme Soviet of the National Economy (VSNKh), the People's Commissariat of Foreign Trade (NKVT), the People's Commissariat for Foreign Affairs (NKID), and other central institutions, the parties decided that with the economic and political importance of the concessions for the Soviet Far East required Soviet control to allow the enterprises to function in a cost-effective manner.³⁷¹ On the other hand, when Mariasova describes the oppressive measures of the local Soviet organizations toward the concessioner, she immediately blames the central government, stating that "all sanctions against the concessioner and foreign workers could be carried out only with the consent of the NKID,"³⁷² implying that the central authorities' directions influenced all the oppressive actions of the local officials. The alternative explanation, divergent approaches at different levels of power, is not explored.

The main goal of this chapter is to understand how closely Sakhalin monitoring organizations, utilizing the example of the local customs regime, were following the central government course of the concession policy conduct on the island, and why, in case of their occurrences, the detours from the official course were taking place. The analyses of the evolution of Soviet authorities' views towards the Japanese concessions, the degree of influence of other organizations on the customs actions, the specific duties of the customs regime regarding the Japanese concessions, and peculiarities of execution of these duties are essential to answer the questions raised.

The summary of the Soviet-Japanese relations in this period and its reflection on the concession policy in Sakhalin is depicted in the first section of this chapter. The following section is focused on the structure of the monitoring organizations over the foreign concessions analyses and the effect of this structure on the customs functions conduct. The instruments of customs control over the concession activities are researched in section three. Special attention is paid to the difficulties of accounting for the imported duty-free concession goods as the primary source for smuggling in North Sakhalin. The final section is dedicated to researching reasons for the concessions goods smuggling to explain the value of this resource for the regional economy and peoples. This section also aims to answer why the fight against concession goods trade on the domestic market became a reason for conflicts with the local organization and caused the harsh critique of North Sakhalin customs' actions by the Central Soviet authorities.

³⁷¹ *Марьясова. С. 94.*

³⁷² *Ibid, p.102*

I. Soviet concession policy application in Japanese concessions in Sakhalin

I.1 Soviet concession policy in the Far East and the end of Japanese occupation of Sakhalin

The USSR began adopting a concession policy in 1920,³⁷³ even before the New Economic Policy (NEP) was officially implemented, promising “long term agreements under which foreign participants would be allowed to invest in the country and gain a full return on their investments, with the ability to repatriate part of the profits.”³⁷⁴ The state had been seeking foreign investment and technology for economic recovery, following the precedent of Imperial Russia.³⁷⁵ According to V.I. Lenin, the vocal proponent of using the foreign capital for the economic recovery of the State, concessions meant the state provision for temporary exploitation of the forest, water, or land plots with natural resources by foreign entrepreneurs for the economic use of these resources. The concessionaires become the lessee, not the owner of these plots.³⁷⁶ Despite the efforts of the Soviet leadership to create the favorable conditions for the foreign entrepreneurs in the 1920s, the numerous problems, such as the imperfection of the Soviet concession legislation, leaving concessionaires without sufficient legal protection, the Soviets’ refusal to pay the debts of the Russian Empire, limits of the domestic market, and impeded access to the foreign market, made foreign investors cautious about new investments.³⁷⁷ Accordingly, on the All-Union scale, the number of concession agreements was relatively small, less than 100 in 1927, accounting for less than 1% of total industrial production.³⁷⁸ Due to the noticeable economic growth of the Soviet economy in the beginning of the 1930s, the State reconsidered the role of foreign capital in the countries’ development. The new course of the communist party to eliminate the diversity (*mnogoukladnost’*) in the Soviet economy led to the end of most foreign concessions in the USSR by the beginning of the 1930s.³⁷⁹

In the Far East, however, the country’s concession history took a different path, as the Soviet Far East concessions were not only part of the economic recovery plan, but also an essential tool to manage international relations in the region. The Far Eastern industries, agriculture, and infrastructure, had been severely damaged by years of war, civil war, and foreign intervention. Given the central authorities’ lack of financial means, local Soviet organizations had no other alternative than to attract foreign capital.³⁸⁰ Concessions were seen as a source of funds and new technologies, with more significant output than in the rest of the

³⁷³ Discussions on the implementation of the concession policy were held at the meetings of Council of People's Commissars since 1918, but the first document that determined the State activities in this direction – “The concessions thesis” was signed by V.I. Lenin on 25 March 1920. (Ерохина О.В. Роль концессий в экономике Советской России в 1920-1930-е годы // Вестник Саратовского государственного социально-экономического университета. 2009. №3. С.228).

³⁷⁴ Robert Lewis, “Foreign economic relations” in R. W. Davies, Mark Harrison and S. G. Wheatcroft, ed., *The economic transformation of the Soviet Union, 1913-1945* (Cambridge: University press, 2004), p.202.

³⁷⁵ Foreign capital played a major role in the investment policy and technological progress of the Russian empire before World War I (R. W. Davies, *The Soviet economy in turmoil, 1929-1930* (Basingstoke: Macmillan, 1989), p. 33).

³⁷⁶ Хромов. Иностранные концессии в СССР. Часть 1. С. 9.

³⁷⁷ Хромов. Иностранные концессии в СССР. Часть 1. С. 12-14, 20-25, 31-32; Lewis, p. 205; Davies, p. 33.

³⁷⁸ Lewis, p. 205. Lewis argues that in some industries concessions share was much more significant, e. g., up to 40% of manganese ore production. (In *ibid*, 205)

³⁷⁹ Хромов. Иностранные концессии в СССР. Часть 1. С. 35-36.

³⁸⁰ Stephan, *The Russian Far East*, p. 159.

country. The gross product value of the Far Eastern concessions increased from 1.1% in 1925–1926 to 4.2% of regional production by 1930.³⁸¹ Besides economic profitability, foreign concessions in the Far East were bolstered by political support. John J. Stephan regarded the Far East concession policy as part of the Far Eastern Republic's "buffer strategy."³⁸² The Soviet government used diplomacy as its main instrument to regain control of North Sakhalin, as diplomatic negotiations were closely linked to the concession question. On 3 May 1923, G.V. Chicherin (as a chairman), G.M. Krzhizhanovskii, G.Ia. Sokolnikov, O.A. Piatnitskii, and V.V. Kuibyshev as a members of the Politburo commission, which was created with a purpose to determine economic and strategic value of Sakhalin island, put the establishment of the long-term Japanese oil, coal, and timber concessions on the Soviet part of the island in direct connection with the political relations between the two countries.³⁸³ By 1924, the Soviet Union was already recognized by a number of European countries. The rising prestige of the new country on the world stage forced the Japanese to prompt negotiations to protect their interests in North Sakhalin and normalize Soviet-Japanese relations ahead of the Chinese.³⁸⁴ The Soviet diplomats also realized that the urgent need for Sakhalin oil would force the withdrawal of Japanese troops from the island within a short time.³⁸⁵ To end the Japanese occupation of North Sakhalin speedily, the Soviet side was willing to compromise to end the Japanese occupation of North Sakhalin as well.³⁸⁶ Due to this particular approach of the two countries negotiations were prompt and successful.

Apart from the Soviet-Japanese relations normalization, Sakhalin concessions were used by the USSR as an instrument to exacerbate relations between Tokyo and Washington. In 1922 the FER government granted the Sinclair Oil Company a 36-year lease of North Sakhalin oil fields. For several years, North Sakhalin then became a stumbling block in Japanese-American relations. During this time, an attempt by Sinclair geologists to land at Aleksandrovsk in February 1924 failed, leading them to be escorted off Sakhalin by Japanese troops.³⁸⁷ This rivalry came to an end with the signing of the Beijing Treaty on 20 January 1925, and the establishment of diplomatic relations between the USSR and Japan. The Japanese government pledged to withdraw its troops from North Sakhalin before 15 May 1925. The agreement was signed on the condition that Japanese coal and oil concessions would be established.³⁸⁸ Sakhalin continued until 1944 as Japan's last stronghold of foreign investment in the USSR, playing a significant role in Japanese–Soviet relations for almost twenty years.

³⁸¹ Марьясова. С. 139-140. In some industries the share of foreign capital was much higher. For example, Japanese concessions produced 67.4% of the oil in the Far East in 1930. (In *ibid*, p.140)

³⁸² Stephan, *The Russian Far East*, pp. 164-165.

³⁸³ ВКП(б), Коминтерн и Япония. С.10.

³⁸⁴ 村上、p. 98.

³⁸⁵ L.M. Karakhan wrote in his letter to I.V. Stalin: " They need to negotiate with us badly, but it's hard for them to just give up oil. I stand for a solid tone with them, without a fear [that they might] stop the negotiations." (Переписка И. В. Сталина и Г. В. Чичерина. С. 274.)

³⁸⁶ For example, V.A. Avanesov, deputy Commissar for Foreign Trade suggested that Japanese concessioners should observe only the necessary *minimum* of labor laws. This was mostly for the maintenance of the political prestige of the USSR. (The Russian State Archive of the Economy (RGAE)) f. 413, op. 2, d. 1856, l. 49.)

³⁸⁷ Stephan, *The Russian Far East*, p. 165.

³⁸⁸ Высоков, Василевский, Костанов, Ищенко. История Сахалина и Курильских островов с древнейших времен до начала XXI столетия. С. 405-406.

I.2 Evolution of the Soviet attitude towards the Japanese concessions on Sakhalin

After North Sakhalin became Soviet, industries were basically absent here and natural resources were hardly exploited. For example, fishing plots were not leased and the majority of present mines were not utilized.³⁸⁹ Concessions were supposed to contribute to the economic recovery of the region. Not surprisingly, the concessions operations here were under the close control of the Center in Moscow. In the first years after signing of the Beijing Treaty, the relations between the two countries remained amicably favorable. However, the documents about the Japanese concessions in Sakhalin starting from 1927 reveal the similarity of the fears of the Soviet ruling elite and dignitaries of the Imperial period: both were seeking to limit the presence of foreign capital on the island to prevent economic expansion into the remote territory by other states. The Main Concession Committee and Tokyo Concession Commission considered limiting in the further growth of Japanese capital in Sakhalin.³⁹⁰ The numerous rejections by the Main Concessions Committee of the Japanese concessioners and entrepreneurs applications on the expanding of the natural resources development of the island was a reflection of this policy.³⁹¹ On the other hand, while the Imperial Government approach did not provide substantial alternative sources for the island's economic development, putting their hopes in the hands of Russian entrepreneurs instead, the Soviet Government put a significant effort into the development of Sakhalin economy. The Politburo of the Central Committee of the All-Union Communist Party (Bolsheviks) "considered impractical further Japanese concessions expansion in the Far East in the oil and coal fields...",³⁹² instead, they decided to concentrate their efforts on the development of the Soviet economy in the region, including the possibility of Japanese capital utilization both in industrial enterprises and in export operations. However, there is no evidence, demonstrating, that at that stage, the Soviet Government was interested in the curtailment of the activities of the existing Japanese concessions on Sakhalin. The enterprise's resources were valuable source for the nascent Soviet industry on the island. On a contrary, the Central officials demonstrated concerns regarding the conflicts of the local officials with the concession administration, pointing out that "we must be careful and refrain from steps that have the characteristic of petty nagging, in particular, to recognize possible temporary rebates for the concessionaires..."³⁹³ Moreover, as another manifestation of the goodwill of the Soviet government, in 1928, the Sakhalin Oil Trust consented to sell oil from its wells to the Japanese concessionaires.³⁹⁴

An extra reason for the Soviets not to be overly concerned with the rapid economic expansion of the foreign capital lay in the moderate progress of the foreign concession enterprises in Sakhalin. For example, the oil concession administration efforts to increase

³⁸⁹ Щеглов. Эволюция государственной политики формирования населения Сахалинской области. С. 34.

³⁹⁰ "The memo of the USSR trade mission in Japan on measures to further attract Japanese capital" of 20 June 1927 (Хромов С.С. Иностранные концессии в СССР. Часть 2. М., 2006, С. 261-265).

³⁹¹ Хромов. Иностранные концессии в СССР. Часть 2. С. 263.

³⁹² From the minutes of the meeting of the Politburo of the Central Committee of the CPSU (b) of 18 August 1927 (Хромов. Иностранные концессии в СССР. Часть 2. С. 266).

³⁹³ From the theses of the NKID "On the issue of economic relations with Japan" of 20 March 1929 (Хромов. Иностранные концессии в СССР. Часть 2. С. 269).

³⁹⁴ Stephan, *Sakhalin*, p. 133.

productivity in North Sakhalin faced climatic and labor problems, the rate of exploratory drilling were affecting the dynamics of oil production, which, in case of the oil concession, while increasing until the beginning of the 1930s, was slower than planned.³⁹⁵ Consequently, Sakhalin Oil Trust succeeded in overtaking the concession in total production by 1932.³⁹⁶

Regardless of the gradual development of the Soviet industries in Sakhalin (oil, coal, timber, etc.) in the beginning of the 1930s, the attitude towards the concession of the Soviet political elites remained favorable. In this sense the central officials continued to criticize the actions of the local authorities for their recklessness while dealing with the concessions administration. The actions of the local officials were going against I. V. Stalin's approach, expressed by him in a note to L.M. Kaganovich of 14 September 1931: "Need to be careful with Japan. Need to stand firmly and unshakably on our positions, but tactics should be more flexible, more prudent ... The time for an offensive has not come yet".³⁹⁷ The harsh critique of the local administration actions by the central authorities was reflected in the Resolution of the Politburo of the Central Committee of the USSR of 25 March 1932 "about Sakhalin".³⁹⁸ The document criticized the defiant behavior of members of the Sakhalin Executive Committee and other representatives of local authorities. In their future work, they were advised not to create reasons for conflicts with the Japanese and to punish those who violate the directives of the Soviet government and concession agreements.

With the steady development of Sakhalin economy in the middle of the 1930s, the Soviet side became more reluctant to sell oil to the concessioner. The Second Five-Year plan (1933-1937) placed heavy demands on Sakhalin's oil for industrial centers at Khabarovsk and Komsomolsk on the mainland. Simultaneously, the attitude towards Japan started to change. Due to the rising tensions in the Soviet-Japanese relations regarding the CER negotiations, including the arrest of the CER Russian workers by the Manchukuo authorities on 24 September 1933,³⁹⁹ Stalin's note to Kaganovich, Molotov, and Voroshilov, on 10 October 1933, stated: "Keep in mind that the Japanese are probably preparing a war against us, and we must always be on the alert".⁴⁰⁰

The Anti-Comintern Pact signed by Japan and Germany on 25 November 1936 quickened the deterioration of Soviet-Japanese relations in general and influenced a change of Soviet policy in North Sakhalin: the Oil Trust announced, that oil sales to concession would cease after 1937, a series of protests was organized by Soviet authorities, aiming to improve the situation of "mistreated" Soviet workers by the concessionaires, etc.⁴⁰¹ The oil production of the concession reached its maximum level in 1933, and started to decline afterwards.⁴⁰² With the revival of domestic demand after 1935, coal concession in Duè had almost doubled coal production compared to the previous period. However, with the abrupt demand of Soviet

³⁹⁵ Stephan, *Sakhalin*, p. 134; Шалкус, История становления и развития. С. 110.

³⁹⁶ Ремизовский. Страницы истории. С. 115.

³⁹⁷ Сталин и Каганович. Переписка. 1931-1936 гг. М., 2001. С. 102.

³⁹⁸ Хромов. Иностранные концессии в СССР. Часть 1. С. 84.

³⁹⁹ Сталин и Каганович. С. 362.

⁴⁰⁰ Ibid, p. 381.

⁴⁰¹ Stephan, *Sakhalin*, p. 135.

⁴⁰² 村上、p.144.

authorities to liquidate coal concession in Agnevo, the coal concession in Dué cut output from 232,000 metric tons in 1936 to 69,000 in 1937. After a negotiation regarding the compensation of the Coal Trust, the Japanese shut down large-scale coal mining in 1939, but the concession officially ceased operations only in 1944.⁴⁰³

On the other hand, Moscow continued to require strict adherence to the rules determined by the concession agreements from the Sakhalin authorities in relation to the foreign enterprises and its employees' activities. If in the 1920s – early 1930s the prudent attitude towards concessions by local regulatory authorities was required due to the importance of the Japanese capital for the Sakhalin economic recovery and subsequent development, starting from the middle of the 1930s the same attitude was meant to prevent further deterioration of relations with Japan, which were challenged by numerous conflicts on the border between the USSR and Manchukuo. In the 7 April 1938 letter, I.V. Stalin personally pointed out to the Secretary of the Sakhalin Regional Party Committee F.V. Bespalko that "...the illegal and provocative measures [of the local authorities] give reason to the outside world to accuse the USSR of wanting to liquidate the concessions, cancel the agreement with Japan by a unilateral act, and thus bring the matter to a military conflict".⁴⁰⁴

Since 1940, concessions had been subjected to ongoing disputes between the governments of Japan and the USSR. In 1941, the Neutrality Treaty was signed which served as the basis for the written assurance of the Minister of Foreign Affairs of Japan on the liquidation of Japanese concessions in North Sakhalin by the end of 1941. However, the Nazi Germany attack on the Soviet Union gave Japan the reason to postpone negotiations on this issue for three years. Only the turning point in the course of hostilities, and a fear of jeopardizing the neutrality of the USSR, forced Japan to resume negotiations in 1943. As a result, on 30 March 1944, a protocol was signed in Moscow whereby oil and coal Japanese concessions were transferred to the USSR.⁴⁰⁵

The provided materials demonstrate the obvious shifts and inconsistencies in the Soviet attitude towards the Japanese concessions in Sakhalin, which was determined by various factors, such as the general concession policy of the USSR, the Soviet-Japanese relations, and Soviet government's strategic plans for the Far East. The tensions between the local monitoring organizations and concessions, interfering with the government's approach, repeatedly caught the attention of the Central Soviet authorities. On the example of Sakhalin customs relations with the concessioners, the reasons for the conflicts occurring, as well as the degree of adherence of local officials to the mutable central political course, will be discussed in the following sections.

⁴⁰³ Stephan, *Sakhalin*, p. 136.

⁴⁰⁴ Хромов. Иностранные концессии в СССР. Часть 1. С. 86.

⁴⁰⁵ Шалкус. История становления и развития. С. 119-120; Stephan, *Sakhalin*, pp. 138-140.

II. Role and scope of authority of the customs in the monitoring system of Japanese oil and coal concessions

Since Moscow paid close attention to the development of concessions scattered in different parts of the country, the centralized, interinstitutional, structure of the Soviet monitoring organizations was an effective tool to keep control over the foreign capital successes on the domestic market. From the start of the concession policy implementation in the USSR (1921), the Concession Committee under the State General Planning Commission was dealing with the concessions applications during their initial stages, while the Council of People's Commissars was responsible for the ratification of concession agreements. Gradually, after several reorganizations the Committee functions expanded.⁴⁰⁶ By the Decree of the Council of People's Commissars "On the establishment of the Main Concession Committee under the Council of People's Commissars of the USSR" of 21 August 1923, on the Main Concession Committee (GKK) was entrusted with the wide range of the responsibilities regarding the country's concession policy, including "the general management of the whole matter of attracting and admitting foreign capital and industry to trade and other economic activities on the territory of the USSR", and "control over the relevant institutions in the field of supervision by them over the fulfillment of obligations under the concluded concession agreements".⁴⁰⁷ Meanwhile, the Far Eastern Revolutionary Committee Concession Commission was organized on 31 January 1923, and its functions included conducting preliminary negotiations, developing draft contracts, reviewing the viability of concession applicants, and others.⁴⁰⁸ In April 1925, for communication efficiency with Japanese concessioners and the monitoring of quantity and quality of goods imported to the concessions, the Tokyo Concession Commission of the USSR Trade Representation was established.⁴⁰⁹

On 18 June 1926, a resolution by the Sakhalin Revolutionary Committee created the Special Commission for the Monitoring of Concessions in North Sakhalin.⁴¹⁰ This decision was based on the resolution of the Main Concession Committee of the USSR #20, which took place on 8 May 1926. The representatives of the local Soviet monitoring organizations (the Mines Supervision Office (Gornyi Okrug), the Labor Supervision (Inspektsiia Truda), and the Industrial Committee (Promkom)) became commission members. In late 1926, the Aleksandrovsk customs representative also gained membership in the Special Commission.⁴¹¹

⁴⁰⁶ Resolution of the Council of People's Commissars of the USSR "On the establishment of the Main Committee for concessions and joint-stock companies" of 4 April 1922, Decree of the All-Russian Central Executive Committee and the Council of People's Commissars of the RSFSR "On the establishment of the Main Concession Committee under the Council of People's Commissars" of 8 March 1923 (Хромов. Иностранные концессии в СССР. Часть 1. С. 142, 153).

⁴⁰⁷ Хромов. Иностранные концессии в СССР. Часть 1. С.162-164.

⁴⁰⁸ Марьясова. С. 30-31.

⁴⁰⁹ Ibid, p. 34

⁴¹⁰ RGIA DV f. P-4536, op. 1, d. 3, l. 83.

⁴¹¹ RGIA DV f. P-4536, op.1, d. 2, l. 158.



Structure of Soviet monitoring organizations over Japanese concessions in North Sakhalin (middle of the 1920s -beginning of the 1930s) (*Марьясова*, С. 31-35).

The Special Commission's duties focused on the coordinated control of different areas of concession activities. This included the transfer of concessioner sites for coal and oil extraction, the payment of deductions, the import of items necessary for their enterprises (with the People's Commissariat of Trade in the Far East), the use of forests (with the People's Commissariat of Agriculture), and others.⁴¹² As part of its functions, the Special Commission was also tasked to ensure prompt resolution of different issues associated with concession activities. Questions that were in a regional or central jurisdiction were promptly brought to the attention of higher authorities. For example, the Special Commission requests helped with optimization of customs work by swift regulation of payment procedures of excise duty and other taxes by the concessions.⁴¹³

On the other hand, some of the Commission decisions led to the imposition of additional powers or damaged the reputation of customs in the eyes of the concessioner. In a discussion on the issuance of customs passports to oil concession boats, which lacked a clear understanding of the question of belonging (USSR or Japan property) as well as instructions from the central authorities, the Special Commission decided to resolve this problem temporarily. They chose to mark the passports with the usage of concession's boats instead of proof of ownership. In response, in 1928 the concessioner informed Aleksandrovsk customs that the concession decided to return the passports because the GTU has yet to decide on ownership.⁴¹⁴ On 5 November 1930, during a meeting, the Commission instructed customs representatives to check the quality of shoes, which allegedly had paper soles.⁴¹⁵ This type of activity had no direct connection to customs functions.

As a commission member, the customs head had to produce the institution's performance reports, which other commission members evaluated; the customs officials were given instructions regarding the execution of customs procedures and assignments beyond direct customs functions. Therefore, Sakhalin customs autonomy as regards concession activities was limited by the local authorities.

⁴¹² *Тетюева*. С. 120, RGIA DV f. P-4536, op. 1. d. 3, ll. 86-87.

⁴¹³ RGIA DV f. P-4536, op. 1. d. 3, ll. 56, 65, 68.

⁴¹⁴ RGIA DV f. P-3803, op. 3, d. 1, ll. 152-154.

⁴¹⁵ *Ibid*, l. 21.

From the end of the 1920s to the beginning of the 1930s, with the policy of the direct purchase of foreign technical assistance, the majority of foreign concessions halted their operations, a political strategy that would change the structure of soviet monitoring organizations.⁴¹⁶ In 1930, the functions of the Main Concession Committee were reduced to the legal support of the People's Commissariats, which became direct concession supervisors. A year later, the Far Eastern Concession Committee was abolished. By decree of the VSNKh on 25 August 1931, the official monitoring of North Sakhalin concessions was entrusted to the commissioner of the Supreme Soviet of the National Economy, which was subordinated to its foreign sector. After this decree, the operations of the Special Commission were suspended in 1932. Local monitoring was delegated to the heads of the Mine Supervision Offices (in Aleksandrovsk for the coal concession and in Okha for the oil concession).

Regardless of the Commission abolishment, the working practice showed that the Sakhalin customs head followed the instructions of the other monitoring organizations which had no connections to the Special Commission activities. In December 1931, the VSNKh commissioner in Okha instructed Okha customs about the detention of some fabrics that were imported to Sakhalin by the oil concession for its employees' supply. The commissioner made the decision based on concession workers' complaints about the quality of the fabrics.⁴¹⁷ Unsatisfied with the commissioner's decision, the concession administration argued that most concession workers agreed to buy banned materials, and Soviet authorities wrongly interpreted the collective agreement. In case other organizations attempted to interfere with customs work, the DVO GTU instructed customs to immediately report such incidents since customs was supposed to perform functions only related to direct customs duties.⁴¹⁸ However, the communication problems caused by Sakhalin's geographic location further complicated the work of the island customs.

After the dramatic changes in the structure of the Soviet authorities, monitoring Japanese concession activities in the early 1930s, representatives of the foreign sector of the VSNKh visited Sakhalin. They wanted to examine more closely the local officials' work methods in the context of a higher number of conflicts between local monitoring institutions and Japanese concessions in the early 1930s. It should be noted that Sakhalin customs was not the only organization that clashed with the concessioner.⁴¹⁹ Describing the deterioration of relations between the concession and the local Soviet organizations in the early 1930s, Mariasova explained the situation through the shift in Soviet-Japanese relations. Owing to Japan's invasion of China in 1931, the Soviet side imposed tougher requirements on Japanese concessioners, which led to an increased number of conflicts with the foreign enterprise.⁴²⁰ However, the author's examples of the local Soviet organizations' actions failed to explain how such actions were directly connected with changes in the political situation. Meanwhile, increased militarization and economic development in the Far East from the early 1930s

⁴¹⁶ Lewis, p. 209.

⁴¹⁷ RGIA DV f. P-4522, op. 1, d. 9, ll. 35-38.

⁴¹⁸ RGIA DV f. P-4398, op. 1, d. 1, l. 70.

⁴¹⁹ Murakami provides numerous examples of conflicts between the local monitoring organizations and the concessioner (村上, pp. 304-327).

⁴²⁰ Марьясова. С.109.

determined the main direction of USSR policy in the region. To achieve its goals, political stability in the region was essential. Following the established political course, Soviet diplomats made multiple attempts to sign a Non-Aggression Pact with Japan from the late 1920s to the early 1930s, which were unsuccessful. Moreover, the expression of neutrality among the Soviet press toward Japanese military escapades in Manchuria was another way to appease the neighbor in the East.⁴²¹

Two foreign sector representatives arrived in Sakhalin in 1933.⁴²² While working in Okha, the inspection team concluded that several main factors drove the primary strategy of the local monitoring organizations toward the concessioner, which had little to do with the general Soviet-Japanese relations. An important local factor was the development of the Sakhalinneft Trust. The Soviet oil company first produced oil in Sakhalin in 1928 and had been developing rapidly by the 1930s. The new enterprise changed the economic life of the Okha district, which previously had been mainly determined by oil concession activities. The trust gradually developed and, in 1932, exceeded concession figures in terms of the amount of oil that was produced. However, because of the Soviet enterprise's failure to implement equipment and supplies' import plan in its first years, it became economically dependent on concessions.⁴²³ This situation led the concessioner to increase its sale of duty-free goods.

The inspection representatives noted that in the 1920s, experienced Soviet officials had been responsible for interactions with the concessioner. However, as the new decade began, personnel changes led to the occupation of leading positions by *vydvizhentsy*,⁴²⁴ who had insufficient working experience or specialized education. According to the commission report, "new [officials] who started to work in Okha in the end of 1930, with poor communication with the center and in the absence of the sufficient leadership did not quite clearly imagine the complexity of regulating the activities of the concession enterprise, and, having simplified their task, reduced it to simple pressure on the concessionaire."⁴²⁵ The members of the inspection neglected to mention, that the insufficient pressure and flexibility in the relations with the concessioner, could be easily interpreted in the wrong way.⁴²⁶

On the other hand, the customs manager in Okha P. Popkov, who started to work there from 1926, professedly was not an experienced customs employee. In a report to Aleksandrovsk customs manager K. Buzanov in May 1926 he stated that "I am not well versed in customs theory, having only a short-term practice for three and a half months. And with all desire I could only be an inexperienced manager at the already organized customs office, but under no circumstances I will take responsibility for organizing customs in such a remote place as Okha, 300 versts distant from Aleksandrovsk, with which there is a one-way communication

⁴²¹ Jacob Kovalio, "Japan's perception of Stalinist Foreign Policy in the Early 1930s," *Journal of Contemporary History* 19:2 (1984), pp. 319-332.

⁴²² GIASO f. P-53, op. 7, d. 3, ll. 10-20.

⁴²³ Шалкус. История становления и развития нефтяной промышленности на Сахалине. С. 149.

⁴²⁴ Persons promoted from the ranks by the authorities, generally on the basis of a certain amount of merit, although the purges of those deemed unreliable also opened up many positions.

⁴²⁵ GIASO f. P-53, op. 7, d. 3, l. 12.

⁴²⁶ Murakami mentions the member of the Industrial Committee, named Vitchenko, who was attentive to the point of view of the oil concession administration, was dismissed from his position and his whereabouts became completely unknown. (村上, p.281).

taking one and a half weeks for each side.”⁴²⁷ In some cases, his compliance with the legislation and disregard to the local conditions led to conflicts with both the concessionaire and local organizations. For example, during a violent storm near Okha in September 1927, five oil barges and three motorboats were carried off to open sea. When the storm subsided the next day, the oil concession administration asked the border inspector and customs to allow two moored offshore Japanese boats to take barges, which were spotted 30 miles offshore, in tow. The local officials agreed to allow the operation provided that the border inspector and the customs representative would also be present on the boat. However, the big waves rendered it impossible to transport people to the ship. Thus, the border inspector allowed the ship to go to sea without him because of inclement weather, but the customs head disallowed the return of the barges without his presence on the boat. The barges got lost as a result, causing serious financial losses for the concession.⁴²⁸ Murakami provided this example to illustrate the unnecessarily harsh attitude of the local Soviet authorities toward the concession. Indeed, the actions of the Okha customs head created severe problems for the normal functioning of the enterprise. With the author’s focus on the reality of capitalist enterprise operations on Soviet soil, this case was one of many more challenges faced by the concessioner while interacting with Soviet officials. However, a dissection of the response of local and central authorities on the actions of the customs manager highlights the lack of unity among the ranks of Soviet officials. In December 1927, the GTU expressed its disapproval of the actions of the customs head, stating that “the responsible heads of the institutions are obliged in their requirements, in the exceptional cases, to rest not only on the existing legal provisions, rules, and instructions but also on expediency, in other words, on common sense, avoiding bureaucratic approaches resolving issues.”⁴²⁹ Moreover, the Sakhalin Special Commission report addressed to the Main Concession Committee called the actions of the customs manager “crude tactlessness and bungling, which would be easy to avoid in the presence of common sense.”⁴³⁰ In addition, the commission’s negative assessment of such actions could not have been caused by the judgment of higher customs or other authorities. When the concessioner asked the head of the mine supervision office to assist in negotiations with Okha customs in permitting the Japanese ship to tow the barges, the official repeatedly asked customs to allow this action.⁴³¹ This example shows not only the customs’ undigested actions, which led to the conflict with the concession, but also the lack of consensus among the ranks of local monitoring organizations.

The commission identified three main inaccuracies in customs work:

1. The approach toward reducing the illicit trade of concession goods was too rough. Since in the previous period both the Soviet organizations (including the Oil Trust) and individuals had a comprehensive practice of concession goods purchase, the legal grounds on which such trade was possible had been unclear. Therefore, the decisive

⁴²⁷ RGIA DV f. P-4506, op. 3, d. 8, l. 4.

⁴²⁸ 村上、p. 285.

⁴²⁹ RGIA DV f. P-4536, op. 1, d. 8, l. 55.

⁴³⁰ Ibid, l.107.

⁴³¹ RGIA DV f. P-4536, op. 1, d. 6, l. 54.

actions of the customs compare to the previous period were hard to explain to the concessioner.

2. Relatedly, “the customs did not think enough about the formal justification for individual acts of the repressions”⁴³² (for example: the imposing of a fine on the concessioner for selling goods to workers above the norm, searches in the apartments of concession workers)
3. There was a wrong impression of the prestige of power of customs (for example: the seizure of tents to “teach the concessioner a lesson”).

The commission also admitted that the majority of shortcomings in customs work were caused by insufficient guidance from higher customs authorities.

The fact that the commission representative accessed customs documents, evaluated the institution’s work, and provided some suggestions on the most productive methods of operation in the future shows that Sakhalin customs was not considered as an independent organization but rather part of the group of monitoring institutions working toward a common goal—the effective regulation of Japanese concessions activities.

After administrative changes in the foreign concession monitoring system through the initiative of the Far Eastern authorities, the Special Commissions were revived in Khabarovsk and Aleksandrovsk. In Okha, a special meeting was established at the presidium of the Okha City Council with similar authority.⁴³³ Their activities included control over the assortment and quantity of imported goods. The monitoring system over the concessions activities implied the coordinated work of the number of Soviet organizations. Therefore, even with the end of the special meeting activities in 1935 in Okha, the temporarily meetings and commissions of the local organizations representatives were periodically assembled for the prompt resolution of the arising problems with the concessions. Not just the need for the cooperation between the local monitoring organizations, but, mostly, the lack of efficient communication with the higher authorities were the reasons for the collective decisions of Sakhalin in situations where the legislation could not provide with the definite answer.

In a report of the Mine Supervision Office in Okha, during the operational year of 1938–39, the Industrial Committee, as well as the customs office, inquired with the Mine supervision office as “the supreme control institution” regarding the supply norms for some categories of family members of the concession employees (workers of the Soviet organizations, adult children, etc.) in an absence of instructions from the higher authorities.⁴³⁴ In order to solve this problem the special commission (Okha customs, the Mine supervision office, and the Industrial committee) was assembled in spring 1940. According to the commission’s decision, supplies were forbidden for children whose fathers worked in Soviet enterprises and whose mothers worked in concessions. However, shortly after the Okha customs manager reported a wave of

⁴³² RGIA DV f. P-4536, op. 1, d. 6, l. 14.

⁴³³ GIASO f. P-53, op. 7, d. 20, ll. 2-19.

⁴³⁴ RGIA DV f. P-4522, op.1, d. 90, l. 43.

divorces, the NKVT sent a letter explaining that all concession workers would be able to obtain goods for their children.⁴³⁵

The centralized supervision system over the foreign enterprises' operations on Sakhalin was designed to keep a close Moscow eye on the Japanese concessioners' activities. However, the dependence of the local monitoring organizations on each other became an important reason for deviation from the policy of the central government concerning foreign enterprises. The communication problems with the high authorities on the mainland and overall desire to show the Soviet authority over the capitalistic enterprise furthermore aggravated the situation.

III. Forms and methods of customs control over concessions operations

In situations, involving concession affairs, not sufficiently covered by the existing legislation, the customs often had to rely on the expertise or follow the example of the local authorities. On the other hand, the specific functions of the customs, described below, had a potential to put the institution in confrontation not just with the concessioner, but with other Soviet institutions on the island.

As a structural unit of the People's Commissariat of the Foreign Trade, the Sakhalin customs was subordinated to the Far Eastern Department of the Main Directorate for Customs Control (the DVO GTU, Khabarovsk) and the Main Directorate for Customs Control (the GTU, Moscow). Supposedly, vertical administrative structure was aimed at securing of customs independence from local authorities.

The main activities for providing customs control over the Japanese concessions of the institution can be divided into two main blocks. The first involves the monitoring of the concessioner's export-import operations through boats inspections. Paragraph 21 of the concession agreement states that all concession supplies are imported to Sakhalin duty-free.⁴³⁶ Based on the customs statistics, concession goods constituted a significant part of cargo subjected to the customs inspections.

Table 4. Import of goods in Aleksandrovsk (RGIA DV, f. 4506, op. 1, d. 12, ll. 45-46, f. 4506, op. 1, d. 16, ll. 57-59, f. 4506, op. 1, ll. 1-2, 19-20, 23-24.)

	imported cargoes total (tons)	for the coal concession in Due (tons)
1925 (16.5-30.9)	368.7 *	231
1925/26 (1.10-30.9)	5,880 **	580

⁴³⁵ RGIA DV f. P-4522, op. 1, d. 115, ll. 61, 63; the USSR migration policy in the Far East aimed to increase the urban population, mainly in the industrial sector. The share of factory workers in the region increased from 2% in 1926 to 30% in 1940. At the same time, the Far East suffered from a perennial shortage of females. By January 1937 only 73 women could be found for every 100 men. To boost up an interest to the region, a clarion call that stated "Girls! Come to the Far East!" was published in the Komsomolskaya Pravda newspaper in 1937 by Valentina Khetagurova, young woman, who came to the Far East from Leningrad in 1932. This measure helped to bring 27,000 women to the Far East. (Stephan. *The Russian Far East*, p. 185,197-198) With such a need for women workers in the region, Moscow couldn't possibly approve the initiatives of local authorities.

⁴³⁶ RGIA DV F. P-4536, op. 1, d. 2, l. 37.

1926/27	2,436.8 ***	2,110
1927/28	2,192.5	1,764
1928/29	8,593.3	764.2
1929/30	2,310. 2	2,310.2
1931	2,660.7	2,660.7
1932	3,000	3,000
1933	3,099	3,099
1935	8,092	4,160
1936	12,982. 5	4,251
1937	2,696	2,631

*Including Okha (137.2 tons)

** Including Okha (4,402 tons)

*** Including Okha (296.7 tons)

The concession contracts with the oil and coal Japanese concessions were signed on 15 December 1925,⁴³⁷ but Aleksandrovsk customs had already started its operation from 16 May 1925.⁴³⁸ For a seven month period the customs officials faced significant difficulties dealing with the concession cargoes. The instructions from the higher Soviet authorities were irregular, sometimes controversial, and varied for the different vessels. For example, in August 1925 Aleksandrovsk customs got a letter from the agency of the People's Commissariat of Foreign Affairs in North Sakhalin and resolution in the name of *Dalvneshtorg* (the Far Eastern Foreign Trade Organization) to permit to export 250 tons of coal to Japan and import foreign goods to Sakhalin duty free, however, it was not able to give this permission behind the back of the DVO GTU. In order to get this permission, Aleksandrovsk customs, other institutions such as the People's Commissariat of Foreign trade, and even People's Commissar of Foreign Affairs G.V. Chicherin himself, had to sort out this issue, which took about a month (from 15 August to 14 September 1925).⁴³⁹ Overall, Aleksandrovsk customs officials had to rely on instructions from the DVO GTU, concerning each steamboat, coming to Sakhalin to go to the concessions. The process of obtaining these instructions frequently was costly timewise and caused complaints from concessionaires. Only starting from 2 November 1925 by the order of a customs manager, based on instructions from the DVO GTU goods on concessions were then allowed to be issued duty free.⁴⁴⁰

The operation sites of the Japanese concession impacted the location of Sakhalin customs posts. In the case of coal concessions, most customs operations had been carried out in Due, a settlement 12 kilometers south of Aleksandrovsk located near the main deposit of high-quality coal.⁴⁴¹ For oil concession – there were numerous sites such as Paromai, Chaivo, Nutovo, Katangli and others. They were located on the East coast of Sakhalin, scattered over 250 kilometers within the center of Okha.⁴⁴² Customs in Okha was established specifically to

⁴³⁷ Шалкус Г.А. Создание и деятельность японских концессий на Северном Сахалине в 1925-1944 гг. //Сибирский торгово-экономический журнал. 2008. №7. С. 1.

⁴³⁸ Победа Советской власти на северном Сахалине. С. 261.

⁴³⁹ RGIA DV f. P- 2443, op. 1, d. 62, ll. 84, 86, 89, 91, 93, 97, 98, 101, 102.

⁴⁴⁰ Ibid, l. 125.

⁴⁴¹ RGIA DV f. P-4506, op. 1, d. 12, l. 45.

⁴⁴² RGIA DV f. P-2443, op. 1, d. 284, l. 65.

administrative control over the concession goods, imported on the island duty-free.⁴⁴³ At the time of the customs establishment the economic life there was revolving around the oil concession activity. The main task of the customs in the inspection of the cargoes for the Japanese concessions was related to the reconciliation of permits for the import of goods issued by the Trade Mission of the USSR in Tokyo with the actual presence of goods on the ship. However, in some cases the imported goods were not on the lists of the permits. In such cases the goods were kept in the warehouses, until this permission would be eventually granted by the Trade Mission. The working practice showed that such cases occurred repeatedly.⁴⁴⁴ In 1938 the oil concession sent the boat with cargo to Okha without any permit.⁴⁴⁵ Upon receiving the information about the situation, the NKVT allowed an exception for the importation of this cargo free of duties, however, with the provision that, "henceforth, such actions will be considered as a clear violation of the concession agreement with all the ensuing consequences".⁴⁴⁶ With the adjustment in the Soviet attitude towards Japan in the end of the 1930s, the previously loyal approach towards the concessions also changed. In December 1942, the NKVT considered that unpermitted concession cargoes transported to Okha should be kept in the concession warehouses, monitored by the local customs and with the issuance of an obligation that the goods will be exported to Japan with the start of the navigation.⁴⁴⁷ Regardless of the occurring violations, Sakhalin customs officials didn't have an authority to make decisions in these cases, which left little room for confrontation with the concessioner. Local officials followed the instructions of the higher authorities. The export/import statistics conduct and the goods check in accordance with the necessary documentation overall remained the prime customs functions regarding this type of concession operations until 1944.

The second block of customs activities consisted of two parts: tracking imported duty-free concession goods (equipment and consumer goods) used by concession employees (Japanese and Soviet) to prevent smuggling and, in cases of smuggling detection, enforcing customs regulations accordingly. The quantity, type, and delivery terms of the goods for the concessions, were negotiated by the concession and collective agreements.⁴⁴⁸ Paragraph 22 of the concession agreement prevents imported concession supplies from being sold on the USSR's domestic market.⁴⁴⁹ The fight against specific type of smuggling on the island became the serious challenge for the customs institution. This put the authorities in an uncomfortable position where they had to deal directly with distributors (concession administration and concession workers) as well as recipients of these goods (peoples and Soviet organizations). The illegal trade of the customs goods on the island demanded the specific methods of its control.

⁴⁴³ Okha customs started its operations 6 July 1926 with the arrival of a customs manager P. Popkov in Okha (RGIA DV f. P-4506, op. 1, d. 2, l. 25).

⁴⁴⁴ This situation occurred several times in 1935 and previous years (RGIA DV F. P-4398, o.1., d.9, l. 56).

⁴⁴⁵ The Soviet Trade Mission in Japan was issuing permits upon receiving the instructions from the NKVT.

⁴⁴⁶ RGIA DV f. P-4522, op. 1, d. 73, l. 23.

⁴⁴⁷ RGIA DV f. P-4522, op. 1, d. 149, l. 1.

⁴⁴⁸ Documents that, among other terms of the enterprise operations, regulated conditions of the import and export of the goods for the oil and coal Japanese concessions in Sakhalin.

⁴⁴⁹ RGIA DV F. P-4536, op. 1, d. 2, l. 37.

From the beginning of Japanese concessions operations in Sakhalin, there was no monitoring mechanism over the imported duty-free goods which were utilized by the enterprises. The USSR Trade mission in Japan was one of the first organizations to vocalize its concerns regarding this matter in the fall of 1926.⁴⁵⁰ The customs officials kept statistics of incoming goods, but they were not able to control where these goods were being distributed (among several operation sites) and what part of it had already been consumed by concession workers. Only in 1931 the first inventory of concession goods in stocks, based on Okha customs statistics was provided by the Mine supervision office as well as the customs. This was in order to take into account these goods as a part of next year's concession order calculation.⁴⁵¹

In 1926 - 1927 Aleksandrovsk customs came up with the initiative to establish special ticket books which included information about the norms of supplies needed for workers and their actual purchases from concession shops, and in November 1927 a similar system had been established in Okha.⁴⁵² In the Aleksandrovsk customs office, such ticket books had been established from 1926, but the complicated system of individually filling each ticket by workers themselves, and the negligence of shop assistants to check these books every time, made practical control of workers supply in a concession extremely complicated for customs officials.⁴⁵³ Moreover, Soviet monitoring organizations of concessions (Mine supervision office and Industrial committee) used its authority to obtain ticket books for their employees, without having legal right to receive them.⁴⁵⁴

On the initiative of the GTU in 1932, special permits (fig.1) were introduced in Okha customs which aimed to streamline the accounting of concession goods issued to persons not directly related to the concession – not mentioned in the collective agreement, such as Japanese diplomats, company shareholders, Soviet officials as members of exploration expeditions, seasonal workers, part-time workers, etc.⁴⁵⁵

By the GTU decree (1933), in cases where a Soviet organization connected to concessions urgently needed to purchase concession goods, it was required to get permission from the customs office and pay duty for purchased products. In the case of Soviet organizations which were not connected to the concession's activities, it was required to get permission for purchasing concession goods from the DVO GTU.⁹¹ These measures helped to sort out the paperwork to receive the concession goods legally. However, they were not particularly effective against the continued smuggling on North Sakhalin (see table 6,7).

Figure 1.

Okha customs
gives permission to Mr _____
to obtain from the KSKK shop, a clothing and food allowance

⁴⁵⁰ RGIA DV f. P-4536, op. 1, d. 2, l. 179.

⁴⁵¹ RGIA DV f. P-4398, op. 1, d. 4, l. 38.

⁴⁵² RGIA DV f. P-4536, op.1, d. 9, ll. 12-13, 61-62.

⁴⁵³ Ibid, ll.52-55.

⁴⁵⁴ RGIA DV f. P-2443, op.1, d. 406, l. 6.

⁴⁵⁵ RGIA DV f. P-2443, op. 1, d.298, ll. 70-74.

⁹¹ RGIA DV f. P-2443, op. 1, d. 296, l. 60.

From _____ to _____
 Within the limits of the collective agreement
 food in the amount of rubles...
 items (list)...
 in the amount of rubles...

Date, number

Okha customs manager
 Upon the expiration, the permit shall be returned, along with
 the ticket book, to the customs.

The accounting for the imported duty-free concession goods became a challenging activity for the customs. Even with the established regulations, the illegal consumption of the concession goods in North Sakhalin was extremely hard to monitor. The situation was complicated by the fact that the customs had to prevent the consumption of these goods by the local organizations, with which otherwise it was mutually overseeing the concessions activities.

IV. Peculiarities of the fight against concession goods smuggling in North Sakhalin

IV.1 The supply situation in the region and reasons for smuggling

The first years of Soviet Sakhalin saw the emergence of supply shortages as a massive problem for local inhabitants.⁴⁵⁶ That is, the Soviet organizations' insufficient supply for the local population became the primary reason for the spread of smuggling in the region. For most concession workers, selling duty-free goods in secret or at a town market quickly became a source of permanent income. In 1928, the Okha concession administration complained to Far Eastern officials that the consumption of concession goods has become the rule rather than the exception within the Sakhalin reality.⁴⁵⁷ Okha's customs manager, in a report on smuggling in Sakhalin (1931–1932), argued that because of the poor supply of products, people had no alternative but to purchase illegal goods from concession workers. He stated that "due to the lack of supply for workers in Okha, the smuggling of vegetables, fresh and dry, is especially noticeable before spring and almost all summer. During this period smuggling from the concession flows especially strongly and nobody stops it. This is because of the fact that by the spring in Okha, more than 2,000 of the registered population are sick with scurvy. In addition, a large percentage of them walk on crutches, which causes the authority (customs-V.A.) to turn a blind eye to the ongoing smuggling."⁴⁵⁸

By the end of the 1930s, the island's poor supply remained unresolved. In November 1938, the head of the foreign department of the People's Commissariat of the Fuel Industry

⁴⁵⁶ *Karlin*

⁴⁵⁷ RGIA DV f. P-4536, op. 1, d. 10, l. 73.

⁴⁵⁸ RGIA DV f. P-4398, op. 1, d. 3, l. 85.

(NKTP), T. Litvinov, complained in a letter to the NKTP deputy that from this year, Okha customs forbade the Mine Supervision Office inspectors from purchasing concession goods including remote concession sites that lacked Soviet stores. He asked the NKVT to instruct the GTU to change this order. However, in December of that year, the GTU explained to the NKTP that duty-free concession goods were intended only for the supply of enterprise employees; therefore, it was considered illegal for other people to purchase them.⁴⁵⁹ Without an alternative supply source, the customs response put the organization in a quandary.

The second reason for the spread of smuggling in the region was the monitoring organizations' inability to establish firm control over Japanese concession goods. Since Japanese concessions began their operations in Sakhalin, there had been no record of the quantity and types of concession goods. The concessions provided no reports regarding the balance of goods in warehouses. Because of heavy workload and staff shortage, customs inspections on the concessions had been irregular. The food and consumer goods import situation involving the Sakhalin concessions remained "uncontrollable" as observed by the DVO GTU in 1936.⁴⁶⁰ Overall, for various reasons, the local Soviet authorities, including customs, were unable to firmly regulate the financial operations of the concessioner regarding the import and trade of duty-free goods.

Another important rationale for concession workers' smuggling of goods was their small wage relative to the sum of the norm of goods they could purchase in the concession stalls based on a collective agreement. Despite yearly attempts of Soviet authorities to balance two indexes, this problem persisted until almost the end of concession activities in Sakhalin.

Table 5. Import and sale of concession goods (in thousands of rubles, by 1 April 1940, RGIA DV f. P-4522, op.1, d.75, l. 5.)

	Imported	Sold
1935/36	2,685.7	2,459.1
1936/37	3,167.6	3,007.2
1937/38	3,923.3	4,065.4
1938/39	3,419.9	3,579.1
1939/40	2,788.3	3,151.1
Total	12,061.5	16,261.9

The norm of goods was determined by the collective agreement; however, in the first years of the concession operations, the number of imported goods was regulated solely by the enterprises' administration, due to which surplus goods accumulated on the concession warehouses. Therefore, the value of the goods sold to the concession workers by the enterprises, at certain years, exceeded the value of consumer goods imported to Sakhalin from Japan for the corresponding period (see table 5). Concession employees had no problem purchasing the high norm of goods established in the collective agreements. Two of the most popular ways to obtain extra money were smuggling goods bought at concession stalls to

⁴⁵⁹ RGIA DV f. P-4522, op. 1, d. 73, ll. 2,4.

⁴⁶⁰ RGIA DV f. P-2443, op. 1, d. 432, l. 8.

people working in Soviet organizations or professional smugglers, and the fattening and selling of livestock (mainly pigs) in the city market, or to Soviet procurement organizations.⁴⁶¹ In 1932 representative of the State Bank in Okha district expressed some concerns related to the financial policy of Soviet organizations involved in stocking up livestock. Sakhalin supply organization purchased pigs on the territory of the oil concession district. Purchases were conducted at premium prices as a part of promoting livestock farming policy in the area. Based on the common knowledge, pigs of concession workers were fattened with the concession's supplies. As a result, actions of the supply organizations endorsed leakage of Soviet rubles to the concession, and encouraged the sale of contraband goods in a hidden form.⁴⁶² Nonetheless, the region's general food supply issues forced the relevant Soviet organizations to turn a blind eye to the source of purchased livestock.

The main reason for smuggling on the island – the poor supply problem – was enabling local inhabitants and organizations, who were deprived of alternatives, to get involved in the illegal schemes or deals in the twilight zone of the Sakhalin market. The premises for smuggling, which was not in a scope of the customs authority to eliminate, remained unsolved virtually until the end of the concessions operations in the region, leaving the customs employees to deal with the results.

IV.2 Evolution of the fight against smuggling

Sakhalin customs was supposed to closely follow the instructions of the higher customs authorities to effectively perform its functions. On the other hand, the close cooperation with other local monitoring organizations, and, at times, the auxiliary position of the institution, made the other organizations alter the customs decisions regarding the concession affairs. The analysis of the archival materials could show which of the tendencies prevailed in the battle against smuggling.

IV.2.a The fight against smuggling in the 1920s: "lack of the local peculiarities"

During the first years of Sakhalin's customs operations, its statistics showed a moderate increase in smuggling cases (Tables 6 and 7), but still small compared with the volume of the foreign duty-free goods imported to the region annually. Also, the number of cases in the Okha district grew notably slower than in Aleksandrovsk.

Table 6. The scale of smuggling in Aleksandrovsk (1925–1937, RGIA DV f. 4506, op. 1, d. 12, l. 49, f. 4506, op. 1, d. 16, l. 60, f. 4506, op. 1, ll. 5, 21, 27).

	Number of	Value of	Value of
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⁴⁶¹ RGIA DV f. P-4398, op. 1, d. 3, l. 85.

⁴⁶² RGIA DV f. P-4398, op. 1, d. 1, l. 58.

	cases	smuggled goods (rubles)	imported goods on the concession (rubles)
1925 (5/15–12/31, including Okha)	11	2,345	125,166 (machines included)
1926/27 (until 4/1/27, including Okha)	13	254	109,794
1927/28	74	3,834	573,782
1928/29	145	5,371	340,155
1929/30	442	21,530	1,519,070
1931	471	214,687	1,043,063
1932	471	133,340	1,284,411
1933	304	89,264	1,730,912
1934	244	44,003	
1935	503	69,555	2,740,306
1936	333	58,278	2,677,047
1937	157	23,511	1,818,084

Table 7. The scale of smuggling in Okha (1926–1938, RGIA DV f.P-2443, op. 1, d. 192, l. 216; f. P-4506, op. 1, d. 11, ll. 1, 10, 16).

	Number of cases	Value of smuggled goods (rubles)	Value of imported goods on the concession (rubles)
1926/27 (including Aleksandrovsk)	13	254	109,794
1928	15		3,026,271
1929 (until 9/1)	35	950	2,330,057
1930 (until 10/1)	123	2,756	4,352,714
1931	233	56,404	1,410,730
1932 (until 10/1)	265	119,162	
1933	319		
1934	448		
1935	534	213,146	2,290,150
1936	367		
1937	294		
1938	46		

Out of 21 smuggling cases in operational year 1925–26, only eight—less than a half—were linked to the illegal sale of concession goods. Based on the obtained statistics, Aleksandrovsk’s customs manager, disregarding the terrible supply problem, claimed that smuggling on the island was not widespread.⁴⁶³ Moreover, in Sakhalin, the fight against smuggling was confounded by the lack of effective guidance from higher customs authorities.

⁴⁶³ RGIA DV f. P-2470, op. 1, d. 211, l. 96.

The first inspection of Aleksandrovsk customs was conducted in 1927 since “their (Sakhalin customs –V. A.) work was generally little known to the Department (the DVO GTU – V.A.); meanwhile, their activities take place in front of foreigners, and therefore it is necessary that the work there is raised to the proper level.”⁴⁶⁴ Concurrently, while examining Aleksandrovsk’s customs operations, the inspector was primarily focused on the technicalities of the cargo and passenger inspections—which was traditional for customs functions—rather than on the peculiarities of the local struggle against smuggling. Hence, the following years saw no significant progress, as the yearly report to the DVO GTU in 1928 characterized the confiscation proceedings in Aleksandrovsk as insignificant, with only 59 cases totaling 3,349 rubles, while the value of imported consumer goods for the 1927/28 operational year was estimated at 573,782 rubles.⁴⁶⁵ In another report to the DVO GTU in October 1928, Okha’s manager mentioned only 15 smuggling cases associated with attempts to bring concession goods to the mainland.⁴⁶⁶ With moderate growth in its number of cases in the succeeding years, Okha customs continued to lag.

The first revision of Okha customs since its establishment in July 1926 was conducted by the assistant chief of the DVO GTU, V. A. Shcheritsa, in September 1929.⁴⁶⁷ The inspector admitted that the remote location and the lack of proper communications compelled local customs officials to follow guidance from other local authorities. Moreover, the structure of the Japanese concession monitoring system facilitated the close cooperation of customs and, in some cases, its compliance with the orders of other Soviet organizations. In May 1930, in a letter to A. I. Kapterov, the newly appointed manager of Okha customs, Shcheritsa characterized the smuggling situation in the district as “accidental and *lacking local peculiarities*”.⁴⁶⁸

During the first years of the fight against smuggling on the island, customs officials predominantly dealt with concession employees as smugglers and individuals as recipients of contraband goods; as the concessioners, so the local Soviet organizations were not directly involved in any smuggling cases in the 1920s. With the lack of serious conflicts between the customs and Japanese enterprises regarding the fight against concession goods smuggling, regional and central customs authorities focused elsewhere on the local customs work areas.

IV.2.b Fight against smuggling in the beginning of the 1930s: rise of awareness

With the start of the new decade, the number of smuggling cases in Aleksandrovsk had rapidly increased (Table 6). In operational year 1929–1930, 422 smuggling cases with a sum of 21,530 rubles were recorded in Aleksandrovsk district, the majority of which (417) were linked to the illegal sale of coal concession goods by the enterprise’s employees to the local

⁴⁶⁴ From the 1926/27 operational year the DVO GTU report to the GTU (RGIA DV f. P-2443, op. 1, d. 104, l. 13).

⁴⁶⁵ RGIA DV f. P-2443, op. 1, d. 192, l. 258.

⁴⁶⁶ Ibid, l. 216.

⁴⁶⁷ RGIA DV f. P-2443, op. 1, d. 90, l. 191.

⁴⁶⁸ Ibid, l. 246.

population or the resale of concession goods by professional smugglers.⁴⁶⁹ On the other hand, there was virtually no progress in the fight against concession goods smuggling by Okha customs. During institution's second inspection in September 1930, most of the 123 smuggling cases, totaling 2,756 rubles, involved the detection of goods found in the baggage of passengers arriving on the island. Only several cases of the illegal purchases of concession goods were detected during the attempts to take them out of Okha.⁴⁷⁰ The customs head pointed out local officials' distinct attitude toward the trade of concession goods to the local population: "[I]n the Okha region, the resale of the Japanese goods by workers and employees of the concession is widely practiced. This phenomenon is considered normal by the local authorities since the entire Sakhalin Island is in a privileged zone and enjoys the right of duty-free import to supply the population with imported consumer goods."⁴⁷¹ Meanwhile, according to paragraph 22 of the Concession Contract, imported concession goods could not be sold on the USSR's domestic market. The historiography has widely covered the oil concession's active assistance to the Sakhalinneft Trust since its establishment in 1927.⁴⁷² However, the legal ground for the Soviet enterprise's usage of concession property remained uncertain. Thus, GTU inspector A. N. Izrailev, doubting the expertise of local authorities, considered this situation unclear and requiring a resolution by the central customs administration.⁴⁷³ On the other hand, risking a possible violation of customs legislation, Izrailev called the work of the institution fair during a meeting at the DVO GTU.⁴⁷⁴

In 1931, the small case count in Okha may have been due to the attitude of local authorities, including customs, toward the purchase of concession goods by the local population and organizations unrelated to the Japanese concessions. With the irregular inspections of the GTU officials in Sakhalin and the periphery's inconsistent communications with the Central government, the duty of exposing the true scale, methods, and subjects of smuggling lay on the shoulders of inexperienced local customs officials.

In July 1931, a Vladivostok customs employee named A. I. Kaptenor, who previously held customs operational and administrative positions,⁴⁷⁵ began his stint as Okha's customs manager. The upsurge in smuggling cases in 1932 (almost twice from the previous year) indicated the special focus of the new administration on this particular line of work. (Table 7)

⁴⁶⁹ Regardless of the substantial increase in the smuggling cases, based on the poor supply situation in the region, high supply norms, and the fact that the value of imported consumer goods exceeded the total annual wages of the worker count in 1930, the Far Eastern Rabkrin (a governmental establishment in the USSR responsible for scrutinizing the state, local, and enterprise administrations) transport and communication group's inspection deemed the Aleksandrovsk customs fight against concession goods insufficient (RGIA DV f. P-4562, op. 2, d. 1, ll. 246-247).

⁴⁷⁰ RGIA DV f. P-2443, op. 1, d. 90, l. 276.

⁴⁷¹ Ibid, l. 276.

⁴⁷² The authors use this information in order to show the contribution of the Japanese concession to the development of the oil industry in the region (*Марьясова*. С. 106-107); the economic dependency of the Trust on the oil concessions since the start of the operations (*Шалкус*. История становления и развития нефтяной промышленности на Сахалине. С. 149); or the improvement of the relations between the Soviet monitoring organizations and the concession in the late 1920s (村上, p. 279).

⁴⁷³ RGIA DV f. P-2443, op. 1, d. 90, l. 277.

⁴⁷⁴ RGIA DV f. P-2443, op. 1, d. 250, l. 135.

⁴⁷⁵ RGIA DV f. P-4398, op. 1, d. 1, l. 2.

In February 1932, the DVO GTU sent Sakhalin customs information regarding the concessioner's financial operations involving Soviet currency.⁴⁷⁶ In a letter, the department emphasized the importance of concession employees' involvement in the fight against the illegal trade of concession goods. Remarkably, the document had no instructions as to the punishment for local organizations that buy duty-free goods from the concessioner. Working closely with the local Joint State Political Directorate (OGPU) detachment, Okha customs was able to prosecute several professional smugglers – the concession employees. One of them, A. V. Panferov – a clerk in the concession stall; based on his and other witnesses' testimony, he started buying and selling smuggled goods in Blagoveshchensk back in 1924. Upon arriving in Okha, he got access to concession goods through work and illegally supplied flour and other goods to his brother and other people, starting from the middle of the 1920s. In turn, his brother was making pies out of the concession supplies, giving the proceeds to Panferov.⁴⁷⁷ Another concession stall clerk G. F. Hamzin admitted that he was selling his norm of concession goods to the people who had no connection to the concession at higher prices for the profit for several years.⁴⁷⁸ Overall, trying to follow the instructions of the higher authorities, the customs officials, unraveled the state of affairs when the concession goods were a steady income source for part of the Sakhalin population. However, a lack of experience in combating the illegal distribution of concession goods led to modest results in the number of smuggling cases.

IV.2.c Smuggling case #47 as an indicator of the divergence in the customs authorities' anti-smuggling approaches

Besides the rise in the number of cases, the Okha customs administration also began paying attention to new emerging types of smuggling. For the first time in Sakhalin customs history, not only concession workers and local people but also the oil concession itself and Soviet organizations (government agencies, enterprises, etc.) were prosecuted for the illegal trade of concession goods. Kaptenor explained that while the local Soviet organizations' purchases of concession goods without the permission of Far Eastern officials were more the rule than the exception for Sakhalin, the increasing frequency of such purchases was “the greatest evil . . . inflicted on our financial system.”⁴⁷⁹ In response, based on Article 164, paragraph c, of the 1928 Customs Code,⁴⁸⁰ customs decided to take legal action against organizations purchasing concession goods. The “great evil” pertained to the accumulation of Soviet currency in the hands of the concessioner as a result of the duty-free goods trade; that is, the foreign concessions used Soviet rubles for their employees' salaries, local taxes, and insurance payments. The enterprise did not have to undergo unprofitable currency exchange procedures, which ultimately abridged the cost of natural resource extraction on the island,

⁴⁷⁶ RGIA DV f. P-4398, op. 1, d. 4, l. 9.

⁴⁷⁷ RGIA DV f. P-4398, op. 1, d. 1, l. 11.

⁴⁷⁸ Ibid, l. 10.

⁴⁷⁹ RGIA DV f. P-4398, op. 1, d. 4, l. 54.

⁴⁸⁰ Smuggling is defined here as the sale of goods imported from abroad duty-free or with a reduced duty to a third party for a fee without an established permit not for the purpose of marketing.

leading to a reduction of repayments paid by the Japanese enterprise to the USSR based on the Concession Contract.⁴⁸¹

While in some cases the Sakhalintrust was permitted by the Regional Executive Committee and the Party organization to purchase concession equipment. Other Soviet organizations frequently did not have any such permission. In 1932, customs was able to determine the scale of unauthorized purchases by some Soviet organizations in the previous year: the Sakhalintrust – 13,873 rubles, the Far Eastern Railway Construction Organization – 14,380 rubles, the Labor Inspection – 506 rubles, and others. To discourage the concessioner from participating in illegal trade, Kaptenor hoped for support from the local organizations. However, Okha officials, who enjoyed concession goods, did not cooperate well in customs' fight against smuggling. Meanwhile, when customs began prosecuting some of them for smuggling at the beginning of the 1930s, these organizations' hostility toward customs significantly complicated its employees' lives.⁴⁸² The concessioner also complained about its inability to reject the requests of Sakhalin organizations, expressing its concerns in a correspondence to Okha customs: "On the basis of supply, the concession in the past had many incidents . . . The authorized representative of the Sakhalintrust, Mr. Chernov, in the past, had sent a letter to the concession with threats in a case of the refusal to supply employees of some state bodies, and indicating that the need for such supply if it is impossible to obtain from other sources, arises from the concession agreement, and, in any case, it is mandatory for the concession [to follow] orders of the State administrative bodies."⁴⁸³ Disregarding this explanation, Okha customs proceeded further with its smuggling cases against the enterprise. It estimated the oil concession's smuggling operations in 1931 at 26,284.88 rubles (the sum of illegally sold items and fines) and included it in its smuggling case #47.⁴⁸⁴

The motive behind customs' categorical actions was not novel and originated from its lack of experience in dealing with foreign enterprises on Soviet soil,⁴⁸⁵ along with its lack of instructions from higher authorities. In a June 1932 letter to the OGPU anti-smuggling commissioner in Okha, the customs complained that despite frequent inquiries to the DVO GTU, they did not receive any instructions regarding changes in punitive measures in smuggling cases or their termination.⁴⁸⁶ Another possible reason for customs' actions against the illegal trade of concession goods could be linked to the manner in which other monitoring organizations interacted with the concessioner. In the same letter, Kaptenor noted that the other monitoring

⁴⁸¹ According to the Concession Contract, signed 14 December 1925, the Japanese concessions in Sakhalin had to pay to the USSR from 5 to 15 percent of their gross income annually (*Марьясова*. С. 95, 113).

⁴⁸² Reactions of the local Soviet organizations to the measures taken by the customs to make organizations responsible for making illegal purchases can be illustrated by this fact: Okha customs issued a decree, approved by the DVO GTU, about confiscation of two iron safes illegally purchased from the oil concession. When the customs officials began to confiscate the aforementioned safes, the chairman of the District Executive Committee began to threaten the customs chief with arrest, in case of the customs decree enforcement. (RGIA DV f. P-2443, op.1, d. 296, pp. 10-11)

⁴⁸³ Letter from the oil concession administration to the authorized representative of the NKTP from 28 April 1932 (RGIA DV f. P-4522, op.1, d. 20, l. 57).

⁴⁸⁴ RGIA DV f. P-4398, op. 1, d. 4, l. 53.

⁴⁸⁵ In a letter to the OGPU anti-smuggling commissioner in Okha in June 1932 Kaptenor admitted that none of the customs staff had previous experience in the fight against smuggling (RGIA DV f. P-4398, op. 1, d. 4, l. 72)

⁴⁸⁶ RGIA DV f. P-4398, op. 1, d. 4, l. 69.

organizations have strengthened their supervision of the concessioner.⁴⁸⁷ In the isolation of the remote East Coast, the approaches of other organizations compelled Okha customs to adopt a more decisive approach.

The DVO GTU harshly criticized the bold actions of customs. The department explained that the customs manager “got carried away with the isolated facts from the activities of the concession, such as selling of the concession [goods to] the organizations” instead of helping suppress the trade of concession goods over the collective agreement norms in Okha and other concession sites.⁴⁸⁸ Punitive actions against the concessioner without the consent of higher authorities led to a change in Okha customs leadership, a decision founded on the concessioner’s complaints against customs’ actions. On 19 June 1932, the concession raised a protest to the NKTP representative that despite instructions from higher authorities, Okha customs started to actively collect fines. In its letter to the NKTP’s authorized representative on 3 July 1932, the concessioner complained that Okha customs began conducting seizures of their property, securing a fine imposed on the concession.⁴⁸⁹ The concession officials asked the NKTP representative to *give directions* to Okha customs “to change its (Okha customs – V. A.) attitude toward us and stop actions that entail delays and difficulties in the work.”⁴⁹⁰ The concession ended up escalating the issue to the international stage, applying through the Japanese consul in Khabarovsk to the Soviet government to decide on the actions of Okha customs.⁴⁹¹ The concessioner, well acquainted with Soviet legislation and documents regulating concessions activities, produced a sustainable response to the customs’ complaints, leading to a decrease in the authority of the Soviet monitoring organizations in the eyes of concessions representatives.

As for Okha customs’ smuggling case #47 of 1932, the GTU decided that it should be deferred based on the following argument. The Soviet organizations pressured the concessioner to sell duty-free goods to them, and the concessioner, warned by customs officials, immediately stopped selling unauthorized duty-free goods to local organizations in 1932.⁴⁹² Consequently, the Soviet institutions involved in this illegal trade have not been prosecuted. However, the GTU stated that in case the concessioner would disclose similar unlawful operations in the future, this case could again be brought up to light and added to the new materials.⁴⁹³

To avoid repeating the previous situation, the DVO GTU limited the local customs’ authority over the concessioner. In March 1932, in a letter to Okha customs, the DVO GTU noted, “[C]oncerning the making of any requirements to the concessionaire, it is necessary to observe special caution; it is always better to put an arising question that does not find direct instructions in the laws of the USSR or the concession guidelines before the Department.”⁴⁹⁴ According to the DVO GTU, well-grounded customs decisions would help strengthen customs’

⁴⁸⁷ RGIA DV f. P-4398, op. 1, d. 4, l. 73.

⁴⁸⁸ RGIA DV f. P-2443, op. 1, d. 295, l. 16.

⁴⁸⁹ Upon the discovery of the confiscation of tents for the new workers of Okha customs, the DVO GTU instructed the customs to urgently cancel the confiscation order. (RGIA DV f. P-4398, op. 1, d. 1, l. 72.)

⁴⁹⁰ RGIA DV f. P-4522, op. 1, d. 20, l. 45.

⁴⁹¹ RGIA DV f. P-2443, op. 1, d. 295, ll. 42-43.

⁴⁹² RGIA DV f. P-2443, op.1, d. 405, l. 55.

⁴⁹³ RGIA DV f. P-2443, op.1, d. 406, l. 11.

⁴⁹⁴ RGIA DV f. P-2443, op. 1, d. 300, l. 29.

authority in the concessioner's eyes. The central customs administration then encouraged local customs to focus on Soviet workers and institutions—direct accomplices of the concessions in violating Soviet law.

The inexperienced local customs officials couldn't make a convincing enough argument about the punitive measures against foreign enterprise to challenge the practices of those who were well-versed in the Soviet legislation concessioner. The "reckless and ill-conceived" actions of Okha customs jeopardized the prestige of the Soviet power in the international arena, causing the backlash of the higher authorities, who, in turn, made efforts to neutralize the situation.

IV.2.d The priorities of the central customs authorities regarding the fight against concessions' goods smuggling

Despite the central customs authority's rhetoric on a decisive combat against Soviet organizations' practice of acquiring concession goods, none of the local organizations were prosecuted for smuggling after 1932. The GTU decisions contributed to this situation. In June 1934, the coal concession in Aleksandrovsk sold 250 shovels to Aleksandrovsk port to speed up coal loading for Kamchatka. Customs was informed through the regional communist party organization that this purchase was approved at the level of the Far Eastern party organization. While the GTU stated that no other institutions except the GTU and the NKVT could give such permission in the future, the transaction was retroactively approved in March 1935.⁴⁹⁵

In 1935, when the head of the DVO GTU, G. Ya. Voitovich, conducted an inspection of Okha customs, the illegal trade of concession goods by concession employees was reestablished as the primary form of smuggling on the island.⁴⁹⁶ The workers sold the goods to the local population and in the mainland markets upon leaving the island. To discourage this practice, Voitovich decided that workers leaving Sakhalin could bring a one-month norm of food supplies and a one-year norm of consumer goods. In October that year, case #47, which Okha customs opened in 1932, was again brought to the attention of the central customs administration by the DVO GTU. This was because in the last two years, 1934 and 1935, the concession continued its practice of providing supplies for workers, exceeding the established collective agreement norms. Moreover, the concessioner provided temporary workers with goods outside the collective agreement. In 1934, the concession sold 650 blankets to temporary workers based on the Labor Inspection's provisional permission to do so, which would otherwise be unauthorized. Nonetheless, the GTU interpreted this permission as an excuse to avoid any punitive measures. In 1935, the concessioner continued to sell blankets, clothes, shoes, and other goods to temporary workers in several concession sites despite the lack of permission. These actions of the oil concession administration could be explained by their interpretation of the collective agreement: the supply norms determined by the document were only at a minimal threshold, and the concession could increase them.

In June 1935, in a letter to the DVO GTU, the GTU explained that it had not considered cases involving the supply of temporary workers beyond the norms as smuggling; there was no

⁴⁹⁵ RGIA DV f. P-2443, op. 1, d. 405, ll. 1-8.

⁴⁹⁶ RGIA DV f. P-2443, op.1, d. 409, ll. 1-2.

reason to bring up smuggling case #47. Moreover, the GTU supported the concession's interpretation of the collective agreement, admitting that the supply norms stipulated in the document were minimal, and customs' attempts to prevent the concession from supplying extra goods to workers might undermine the Soviet government's authority in the eyes of foreign enterprises.⁴⁹⁷ Based on the GTU's instructions, in April 1936, the DVO GTU urged Sakhalin customs to be flexible when dealing with concessioners. This flexibility, which was required of customs officials, had to be practiced "in an atmosphere of the most sensitive attitude to the solicitudes that our Party and Government are currently dedicating to living conditions, material needs, and cultural services of the working people of the [Soviet] Union."⁴⁹⁸ This statement had a direct connection to the program for raising workers' and peasants' material and cultural status as part of the second five-year plan, adopted at the XVII Congress of the Communist Party of the Soviet Union in 1934, since a considerable number of Sakhalin concession employees were Soviet citizens.

The deterioration of USSR–Japan relations in the second half of the 1930s, owing to the Anti-Comintern Pact signing in 1936, and intensified Soviet–Japanese border disputes had a negative effect on the concessions activities.⁴⁹⁹ On the other hand, the documents reveal that even in the end of the 1930s, Central authorities were open to the negotiations with the Japanese regarding the oil concession activity.⁵⁰⁰ The Soviet Government exercised cautiousness to avoid any possible provocations against Japan in Sakhalin, which could lead to undesirable military conflict. Accordingly, the GTU's position regarding Sakhalin's concession operations seemed unchanged. The priority for the institution was its control over the legitimacy of concession operations and the desire to avoid confrontation with the foreign enterprises. For the sake of the latter, the GTU was willing to dismiss minor or not-so-minor violations.

In 1937, Okha customs discovered the fact of unpermitted sale of rotten potatoes, by the oil concession, to Sakhalintrust workers. Based on DVO GTU instructions, customs opened a smuggling case built on this fact, but the collected materials were incomplete and lacked information regarding the number of sold goods, among others.⁵⁰¹ Accordingly, the correct sum of fines was impossible to determine, so the GTU advised Okha customs to limit its actions by only issuing a warning to the concessioner about the unacceptability of similar cases reoccurring in the future. Another case by Okha customs was related to the Sakhalintrust's

⁴⁹⁷ RGIA DV f. P-2443, op. 1, d. 405, l. 55.

⁴⁹⁸ Ibid, l. 53.

⁴⁹⁹ Mariasova and Stephan both connect the termination of the Sakhalintrust oil sales to the concessioner in 1937, as well as the rapid shutdown of the Due coalmines at the end of the 1930s and growing pressure on the Sakhalin concessioners with the increase in hostility between the two countries from the middle of the 1930s (Марьясова. С. 118-119; Stephan. *Sakhalin*, p. 135-137).

⁵⁰⁰ The SNK decided to renew exploration permit for the oil concession until 1941 by the Decree of the Council of People's Commissars of the USSR of 10 October 1936, and according to the 5 July 1938 Decree of the Council of People's Commissars of the USSR "About the oil concession on Sakhalin", the oil concessioner was allowed to carry out construction work to improve the infrastructure of the enterprise, and oil production and exploration work in accordance with the preliminary plan. However, the requests of the concessioner, which could jeopardize the development of the Soviet industries, were declined. (Хромов. Иностранные концессии в СССР. Часть 2. С. 277-279; Индустриализация Советского Союза. Новые документы. Новые факты. Новые подходы. Часть II. М., 1999. С. 280-285).

⁵⁰¹ RGIA DV f. P-2443, op. 1, d. 406, l. 40.

purchase of technical oil and gas pipes from the concession. Central Customs' claim was that the transaction took place before the actual permission for it was granted. However, the GTU pointed out that such permission was issued by Okha customs, which violated NKVT order #360 of 1933 stipulating that only the GTU or its departments could grant permissions for the trade of duty-free concession goods. The GTU decided that the smuggling case could not be opened because of the fault lay with the customs office's incorrect actions, and to save the institution's face, the central customs officials chose to enforce the Okha customs permission.⁵⁰²

Whether it was unprofessionalism of the local customs officials making technical mistakes, the decisive intention of the central customs authorities to avoid conflicts with the concessioner, which could escalate to the international level, or both, after smuggling case #47 was shelved, the GTU limited customs actions to warning the foreign enterprises against repetition of the unlawful acts. The misinterpretation of the central customs authorities' approach by the regional and local employees regarding the fight against smuggling of the concession goods could serve as a perfect example of the imperfections of the Soviet administrative-command system, formulated by Paul R. Gregory: "The vast majority of resource-allocation decisions were pushed down to lower levels, where they were made by opportunistic agents. The nested dictatorship was thus a battlefield of superiors and subordinates, where the superior (dictator) imposed force and coercion on his agent to limit opportunistic behavior. The dictators (note: plural) imposed coercive orders on their subordinates based on incomplete and inaccurate information, and the subordinate was confronted with a mass of confusing, ill-devised, and apparently arbitrary instructions for which he was personally responsible",⁵⁰³ where "resource-allocation decisions" could be interpreted as a instructions about prosecution of specific kind of possible perpetrators involved in illegal concession goods trade.

Regarding the fight against concession goods smuggling, Sakhalin customs officials were put in virtually impossible position. As the Soviet institution they had to follow the general customs laws and specific regulations of the foreign enterprise activities on the island; the unexperienced customs employees, without a sufficient guidance had to singlehandedly substantiate their vision of the legal norms, which should ideologically and practically correspond to very broad instructions of the higher authorities, competing with a significantly more legally savvy concession administration, while simultaneously dealing with other Soviet organizations' opposition. In times, the overall trends of the local organizations' approach towards the concessions affairs influenced the decision-making process of Sakhalin customs officials. However, the caution preached by the central authorities towards the Japanese concessions overall determined how conflicts between the customs and the concessioner were dealt with, leaving the local customs officials to deal with their blunders locally.

Conclusion

The overall approach of the Soviet authorities in Moscow towards the Japanese concessions in Sakhalin, while being influenced by various factors, largely disregarded the local

⁵⁰² RGIA DV f. P-2443, op. 1, d. 435, ll. 1,5.

⁵⁰³ Paul R. Gregory. *The Political Economy of Stalinism. Evidence from the Soviet Secret Archives*. (Cambridge: Cambridge University Press, 2004), p. 270.

conditions, leaving the officials in North Sakhalin to deal with the emerging problems, as well as with the consequences of their actions, virtually alone. The fight against the illegal trade of the concession goods by the local customs illustrated this state of affairs. While the concession goods were essential for the local industries and population due to the insufficient supply of the region throughout the time of the foreign enterprises' activities, the instruments of the fight against it, which were at the disposal of local authorities, were not sufficient or effective enough to stop the smuggling. In the instructions to the customs, the higher ranked authorities repeatedly pointed out the need and importance of preventing the concession goods from being sold on the domestic market. However, the countermeasures of the local customs exposing illegal actions of the concessionaires led to the critique of the institution's reckless actions or incompetence.

The insufficient communication with the higher ranked authorities and the structure of the monitoring organizations over the foreign concessions enabled the local organizations to work together closely. The customs coordinated its actions and even followed the instructions of other local organizations and commissions. However, the fight against the illegal trade of concession goods put customs employees in a precarious position. Following the legal norms, they had to use punitive measures or restrict access to the concession goods for their colleagues. Since in the cases against the Soviet organizations, the concession enterprises were also involved, it was the central authorities who found excuses to dissolve the situations, guided by the general accommodating strategy towards the Japanese counterparts.

N.A. Beliaeva pointed out, that “the uniqueness of the customs institutions of the Far East lays ... in the fact that even during the years of war (WWII – V.A.) they continued to perform peacetime work”.⁵⁰⁴ Even prior to the start of the Great Patriotic War, due to the sharp reduction in mining volumes of the Japanese concessions, the export of goods from Sakhalin virtually stopped, while volume of imported for the concessions cargoes was significantly reduced, until it stopped completely with the end of Japanese concessions in Sakhalin in 1944. While an impressive amount of lend-lease cargo passed through some Far Eastern customs in the first half of the 1940s,⁵⁰⁵ the volume of work of the Sakhalin customs remained insignificant until the end of the war. The reorientation of the trading routes to the South, with the annexation of the southern part of the island by the USSR in 1945, led to the subsequent abolition of the northern posts several years later. The customs establishment process started on the island yet again. The peculiarities of this process will be discussed in the following chapter.

⁵⁰⁴ *Беляева Н.А.* Таможенная служба в условиях Второй мировой войны: общие проблемы и региональные особенности // Таможенная политика России на Дальнем Востоке, 2015. №3(72). С. 102.

⁵⁰⁵ More than 47% of the lend-lease cargoes went through the Far Eastern customs (In Ibid, p. 98).

Chapter 4

Sakhalin customs after WWII. New territory. New challenges (1945 – early 1950s)

Introduction

Significant changes in the history of the Sakhalin region have been caused by the dramatic events of WWII. Southern Sakhalin and the Kurile Islands were absorbed into the USSR territory. Consequently, this has led to the structural transformation of power and population composition of the region. The rise of the USSR's prestige in the international arena and then a transition to the Cold War influenced the process of the development of its foreign trade. These factors, together with the geographical location of Sakhalin, determined the development of Soviet customs institutions in the region.

The key sources related to the customs history in the Soviet period are textbooks for those studying to become Soviet employees of customs and other foreign trade institutions.⁵⁰⁶ Although they contain valuable materials about customs theory, these types of publications were highly ideological, lacking an objective approach toward the topic. This type of source did not focus on regional customs history. Mentioning of the Sakhalin region or even the Far East is occasional. Textbooks about Russian customs history represent modern historiography since its emergence at the end of the 20th century.⁵⁰⁷ In these publications, Far Eastern customs history, let alone Sakhalin history, was given little attention as well. The only exception is a textbook about customs policy in the Far East by N.A. Beliaeva, which summarizes the regional customs policy's main tendencies in the Far East after WWII. However, even in this research, Sakhalin customs is only brought up in terms of the expansion of regional customs authorities' independence and reduction of the role of Vladivostok customs.⁵⁰⁸

This research primarily aims to analyze the process of application of Soviet customs' specific nature to the local conditions by Sakhalin customs officials after WWII. The study of the main customs activities and the relations with the GTU and with other local, regional, and central Soviet organizations in the post-war period are essential milestones in achieving this goal.

The first section of this chapter is dedicated to the study of changes in the Sakhalin economy and administrative structure after WWII to understand specific conditions for the local customs operations on the island. The migration processes that heavily influenced operations of the new customs in southern Sakhalin are depicted in the following section, along with the work description of the local customs officials regarding the Japanese and Korean inspections. Sections 3–4 discuss the inspections of overseas vessels, execution of control and inspection functions, and fight against smuggling, respectively, which cover the essential parts of customs functions. Interactions with the local and central authorities during the customs employees' operational work are valuable sources for understanding the dynamics of relations within the center and periphery and different local and central organizations in a particular historical context. The last section, "Korsakov customs as a part of the MVT (the Ministry of

⁵⁰⁶ Внешняя торговля СССР. 283 с.; Александров Д.А., Дмитриев С.С. Таможенное дело в СССР. 233 с.

⁵⁰⁷ Кисловский, 592 с.; Соломеин, 248 с.

⁵⁰⁸ Беляева. Таможенная политика России на Дальнем Востоке. С. 123-124.

Foreign Trade). Relations with the MVT institutions on Sakhalin,” is dedicated to the interactions between the MVT institutions analyzes in the Sakhalin region to emphasize the specific place of customs in the Ministry system on the example of Sakhalin.

I. Economic development, changes in the administrative structure and customs establishment in South Sakhalin after WWII

The Soviet economy has been dramatically damaged by the years of war. The Northern Sakhalin industry suffered from labor shortages and equipment wear. Compared with that in the 1920s, Sakhalin could not rely on foreign capital support in the form of concessions. However, the USSR significantly benefited from the inclusion of economically advanced Karafuto (South Sakhalin) as part of the Soviet territory, inheriting a well-developed industry, agriculture, and infrastructure.⁵⁰⁹ All enterprises with more than 10 workers and agricultural farms with an area of over 50 hectares were nationalized based on the decree of the Presidium of the Supreme Soviet of the USSR of 2 February 1946.⁵¹⁰ Nationalized enterprises included paper mills, pulp factories, coal mines, sawmills, seaports, and fisheries.⁵¹¹ Along with the various enterprises, local banks were nationalized, and public funds were seized. The Japanese currency was exchanged for Soviet rubles at a 1:1 rate.⁵¹² After the end of WWII, the region's leading industries were fishery, oil, coal, timber, pulp, and paper. Fish and other marine

⁵⁰⁹ In order to diminish the achievements of the Japanese and emphasize the successes of the victors, Soviet authors mainly stated that the Karafuto economy after the end of WWII was in a bad shape, equipment was absolute and insufficient, urgent changes were needed. The head of the Civil administration D. N. Kriukov pointed out in his memoirs: “...The patriots of the Motherland...went to the Far East to restore the economy of the country's only region located on hundreds of islands of the Pacific Ocean, which was ruined by the Japanese militarists... Many railway bridges, ports and cement port shelters had not been repaired for more than ten years, were in a dilapidated state, were worn out. 17 coal mines, 15 fish canning factories, a paper mill in Tomari, and a number of other enterprises were closed. Equipment from them was exported to Japan.” (*Крюков Д.Н. Гражданское управление на южном Сахалине и Курильских островах 1945-1948 гг. (очерки и воспоминания). Южно-Сахалинск, 2012. С. 14, 27*). “The forty-year territorial division of Sakhalin has led to large negative consequences for the development of its economy. The southern part of Sakhalin and the Kuril Islands for many years remained typical colonial areas within the Japanese Empire... Everything was aimed at maximizing the extraction of natural resources. This led to their significant and irrecoverable loss: for 40 years in the southern part of the island, the Japanese cut down almost all the industrial forest ... the reserves of coal, fish, crabs, and seafood were damaged.” (*Леонов и др. Область на островах. С. 75-76*). However, plausibility of this statement put into question by the information about the development of the Sakhalin forestry after WWII: “After the end of the war, the demand for timber grew rapidly... In 1946, the volume of timber harvesting and removal amounted to 824 thousand and in the next year already - more than 1 million cubic meters.” (In *ibid*, p. 107). In turn, Russian researchers admit that Karafuto economy was well developed, and difficulties of the post-war transitional period were rapidly overcome: “From the end of September 1945, the Soviet administration began to restore order on the islands. In the shortest possible time, normal operation was restored to most of the Japanese civilian institutions of industrial, commercial and communal enterprises, as well as banks.” (*Бок, Высоков и др. Экономика Сахалина. С.100*).

⁵¹⁰ *Высоков и др. История Сахалина и Курильских островов. С. 457.*

⁵¹¹ *Савельева Е.И. От войны к миру (гражданское управление на Южном Сахалине и Курильских островах 1945-1947 гг.). Южно-Сахалинск, 2012. С. 37.*

⁵¹² Yuzuru Tonai, “Soviet rule in south Sakhalin and the Japanese community, 1945-1949” in Svetlana Paichadze and Philip A. Seaton, ed., *Voices from the Shifting Russo-Japanese Border. Karafuto/Sakhalin* (Abingdon: Routledge, 2015), p. 85.

products were a valuable source of nutrition for the malnourished Soviet population. At the same time, oil fields produced a much-needed fuel to develop and recover the domestic industry and agriculture. The completion of the pipeline construction from Okha to the mainland in 1942 has led to optimizing the transportation process.⁵¹³ These products were exclusively shipped domestically. Other products of the Sakhalin industry, along with domestic consumption, were exported. According to the customs officials' reports, popular export items in the post-war years were coal and semi-coke; cellulose and paper at large replaced the traditional Sakhalin subject of export—timber.⁵¹⁴ Only semi-coke was shipped abroad exclusively because it was not used in the Soviet Far East.⁵¹⁵ The majority of the imported items such as salt, sulfur, boats, glass, cement, and food items were used for local industries' needs.⁵¹⁶

Soviet foreign policy in the Far East, as well as traditional economic relations in the region, largely influenced foreign trade flows of goods in Sakhalin. With the increase of the USSR's prestige in the international arena after WWII, its economic relations with the capitalist countries were strong, accounting for almost 40% of the USSR's international turnover.

Table 8. Turnover of the USSR with industrialized capitalist countries (million rubles) (Внешняя торговля СССР с капиталистическими странами. М., 1957. С. 15-16).

Year	Cumulative turnover	With industrialized capitalist countries	Share (%)
1946	5,690	2,181	38.3
1948	10,129	3,009	29.7
1950	13,002	1,949	14.9
1955	26,116	3,909	14.9

A significant quantity of paper accumulated in the paper mills warehouses was exported to the United States, the United Kingdom, France, the Netherlands, and other European countries.⁵¹⁷ However, with the gradual deterioration of relations with the United States and the start of the Cold War,⁵¹⁸ from the late 1940s, the list of trade partners of the USSR that were economically involved with Sakhalin was limited mostly to North Korea, China, and Japan. Close economic relations with North Korea and China were a part of Soviet strategy to help the two emerging communist states “to re-establish the traditional Russian positions in Northeast Asia sanctioned

⁵¹³ *Высоков и др. История Сахалина и Курильских островов. С. 419; in 1952 new oil pipeline to the mainland was completed. (Бок, Высоков и др. Экономика Сахалина. С.111).*

⁵¹⁴ Report of Korsakov customs head I.S. Serebrennikov to the GTU from 1 December 1947 (GIASO f. P-183, op. 1, d. 11, l. 103); results of inspection of Korsakov customs activities by the GTU in April 1948 (GIASO f. P-183, op. 1, d. 11, ll. 71-73); report of Korsakov customs head G.G. Baskaev to the GTU in 1951 (GIASO f. P-183, op. 1, d. 72a, l. 7, f. P-183, op. 1, d. 65, l. 44).

⁵¹⁵ RGAE f. 413, op. 13, d. 5562, l. 23.

⁵¹⁶ Report of Korsakov customs head I.S. Serebrennikov to the GTU from 1 December 1947 (GIASO f. P-183, op. 1, d. 11, l. 103); results of inspection of Korsakov customs activities by the GTU in April 1948 (GIASO f. P-183, op. 1, d. 11, ll. 71-73); report of Korsakov customs head G. G. Baskaev to the GTU in 1951 (GIASO f. P-183, op. 1, d. 72a, l. 7, f. 183, op. 1, d. 65, l. 44).

⁵¹⁷ GIASO f. P-183, op. 1, d. 24, ll. 158-188; f. P-183, op. 1, d. 17, ll. 60-64, 92, etc.

⁵¹⁸ Stephan, *The Russian Far East*, pp. 249-251.

by the Yalta and Potsdam conferences.”⁵¹⁹ In 1946–1950, the share of the USSR in North Korea’s turnover was approximately 90%.⁵²⁰ Predominant Sakhalin export item was coal, whereas agricultural products, such as pigs, rice, and fruits, were imported to Sakhalin.⁵²¹ However, after the start of Korean War in 1950, the turnover between Sakhalin and North Korea decreased, and the export of coal was suspended.⁵²² Export to China mainly comprised coal and paper from Sakhalin, whereas cement, boats, and salt were imported. After the Chinese Communist Party’s victory in the Chinese Civil War in 1949, the volume of goods trade between the two countries more than doubled (from 987,9 million rubles in 1949 to 2306,1 million rubles in 1950).⁵²³ However, according to the customs documents, although the export of paper to China during the Korean War continued, the export of coal was suspended because of the “international climate.”⁵²⁴

Conversely, the trade with Japan was a continuation of the long-term economic relations. Despite understandable political hostility of Japan toward the USSR after the war caused by the loss of the territories in the North and the Japanese POW problem,⁵²⁵ Japan continued to import Soviet Sakhalin coal as it did in the pre-war period, along with the coal concessions activities. Sequentially, Japan supplied the Soviet fishing industry with boats, steam engines, and spare parts.⁵²⁶ In the researched period, Sakhalin coal was virtually an exclusive Soviet import item for Japan.

The First Soviet authority in Karafuto—military government—was established on 27 August 1945, and was replaced by the Civil Administration at the 2nd Far Eastern Front headquarters at the end of September.⁵²⁷ Soviet authorities heavily relied on the former Karafuto officials, business people, and technical experts to solve administrative issues and reconstruct the local economy.

Newly annexed territory went through several administrative changes as a part of the Soviet State. On 2 February 1946, the south Sakhalin region (oblast), as a part of the Khabarovsk region (krai), was established by the order of the Presidium of the Supreme Soviet of the USSR. On 2 January 1947, the south Sakhalin region was eliminated, and its territory became a part of the administratively independent of the Khabarovsk Sakhalin region. The region comprised Sakhalin Island and the Kurile Islands. Furthermore, by the amendment of the Soviet Constitution on 25 February 1947, southern Sakhalin became an integral territory of the RSFSR.

⁵¹⁹ Robert A. Scalapino, “The Political Influence of the USSR in Asia” in Donald S. Zagoria, ed., *Soviet policy in East Asia* (New Haven: Yale University Press, 1982), p. 58.

⁵²⁰ Внешняя торговля СССР с социалистическими странами. Москва, 1957. С. 183.

⁵²¹ RGAE f. 413, op. 13, d. 5061, ll. 3, 24-25.

⁵²² GIASO f. P-183, op. 1, d. 72a, l. 7.

⁵²³ Внешняя торговля СССР с социалистическими странами. С. 37, 38, 44.

⁵²⁴ GIASO f. P-183, op. 1, d. 86a, l. 106.

⁵²⁵ Wolf Mendl, “The Soviet Union and Japan” in Gerald Segal, ed., *The Soviet Union in East Asia. Predicaments of Power* (London: Heinmann, 1983), p. 52.

⁵²⁶ Kazuyuki Kinbara, “The Economic Dimension of Soviet Policy” in Gerald Segal, ed., *The Soviet Union in East Asia. Predicaments of Power* (London: Heinmann, 1983), p. 103.

⁵²⁷ Высоков и др. История Сахалина и Курильских островов. С. 45; John J. Stephan, *Sakhalin*, p. 155.

Otomari (Korsakov) customs with posts in Okha and Aleksandrovsk was established on 17 December 1945, by the decree of the People's Commissariat of the Foreign Trade of the USSR, and it started to operate on 3 April 1946.⁵²⁸ The primary function of the regional customs was to control over the passage of goods across the Soviet border, which included the checking of documents, cargo inspection, control and inspection functions, fight against smuggling, and customs statistics, for the protection of the State monopoly of foreign trade.⁵²⁹

For the establishment of the customs network in southern Sakhalin, on 31 December 1945, customs officials were sent to Kholmsk according to the Vladivostok customs decree #6 of 10 January 1946 (post-factum). 15 January 1946 they reported to Vladivostok the start of customs post operations.⁵³⁰ Regardless of the administrative division of Sakhalin on Sakhalin (northern Sakhalin) and south Sakhalin (southern Sakhalin and the Kuril Islands) regions, the jurisdiction of the newly established customs extended to all Sakhalin ports (northern and southern). With the absence of Japanese customs officials or consultants among the new customs staff members, newly arrived "mainland" personnel had to rely on their own experience and other Soviet organizations to determine the scope of work there. Customs posts in North Sakhalin, with the reorientation of traffic flows to the south of the island, stopped playing a crucial role in the region's shipping. Customs controllers there were responsible for the inspections of a few vessels coming to the northern ports for coal.⁵³¹ Posts were abolished officially in 1948, and the customs buildings were rented to other Soviet organizations.⁵³²

The management system evolution of the Far Eastern customs was similar to the management trends in the Far East after WWII, in which the Party and State organs in each district reported directly to Moscow. Newly established Korsakov customs reported directly to the GTU—the structural division of the MVT. After the end of WWII, the role of Vladivostok customs as a regional center was gradually diminishing. Vladivostok became a leading naval base for the Soviet Far East, a city closed to foreigners. The volume of traffic through the Vladivostok port dropped significantly.⁵³³ However, right after the war, Vladivostok continued to be an important port for international trade. In 1947, out of 373,000 tons of cargo exported from the Soviet Far East (based on the "Dalvneshtrans" data), 181,000 tons (48.5%) were exported from Vladivostok and 192,000 tons (51.5%) from Sakhalin. Out of 242,000 tons of imported products, 174,000 (71.9%) were imported through Vladivostok, whereas Korsakov ports' share was only 5.1% (12,600 tons).⁵³⁴ Vladivostok customs continued to play, to some extent, a significant role as a consulting center for Korsakov customs. First customs authorities came to Sakhalin based on Vladivostok's customs order. The Deputy Head of Vladivostok customs inspected Korsakov customs in 1947 following a GTU order.⁵³⁵ Occasionally, Vladivostok customs officials guided Sakhalin colleges regarding the proper customs function implementation. For instance, in 1949, Korsakov customs sent a bill of the landing of goods

⁵²⁸ GIASO f. P-183, op. 1, d. 11, l. 2.

⁵²⁹ Внешняя торговля. С. 128-132.

⁵³⁰ GIASO f. P-183, op. 1, d. 11, l. 23.

⁵³¹ GIASO f. P-183, op. 1, d. 18, l. 51.

⁵³² RGAE f. 413, op. 13, d. 6212, l. 2; f. 413, op. 13, d. 5928, l. 4; GIASO f. P-183, op. 1, d. 82, ll. 44-45.

⁵³³ Беляева. Таможенная политика России на Дальнем Востоке. С. 124.

⁵³⁴ RGAE f. 413, op. 13, d. 5562, ll. 8, 13.

⁵³⁵ GIASO f. P-183, op. 1, d. 11, l. 51.

from Sakhalin to Vladivostok, where the vessel went through the customs clearance. Vladivostok customs *instructed* Korsakov customs that if an overseas ship is calling in several Soviet ports, bills of landing issued in every port should be sent directly to the GTU.⁵³⁶ However, by the beginning of 1950, Korsakov and Vladivostok's correspondence shrunk mostly to routine paperwork between neighboring customs.

During the first years of Korsakov customs operations, the GTU was sending special inspections yearly to Sakhalin to bolster the supervision over the new customs and help to eliminate the shortcomings of the organizational period. The inspections of Soviet customs by the GTU were a common practice after WWII, which was caused by the numerous problems in the institutions' work.⁵³⁷ The results of inspections often entailed significant changes in the customs work, such as establishment or abolishment of customs posts, staff changes, including customs heads and strategic changes in a line of functions.

II. International migration in Sakhalin region after WWII and customs work

After the end of WWII, the Sakhalin region faced dramatic transformation with the recognition of southern Sakhalin and the Kuril Islands as a part of the USSR. Throughout the hostilities of brief Soviet-Japanese conflict, bulk of the Karafuto enterprises and agriculture remained untouched. During the journey to south Sakhalin and the Kuril islands in September 1946, A.I. Mikoian (member of the Politburo and the People's Commissar (Minister) of the Foreign Trade in 1946) focused his attention mostly on the provision of the developing local industries with the staff and, understandably, inclusion of the local economy to the Soviet system.⁵³⁸ The provision of Sakhalin industry with workers became a challenging task for the local authorities. During the years of war, North Sakhalin inhabitants' number decreased by 18% from 1941 to 1945 because of the population's mass mobilization and migration.⁵³⁹ In early 1945, approximately 380,000 people lived in Karafuto. When the military government was established in late August 1945 in southern Sakhalin, 88,000 Karafuto inhabitants left for Hokkaido, and approximately 24,000 were able to get to Hokkaido by fishing boats afterward.⁵⁴⁰ With the insufficient number of Soviet newcomers after the end of WWII, the remaining Japanese and Korean inhabitants were engaged in the development of Soviet Sakhalin and the Kuril Islands economy. Initially, the work of majority of the enterprises was promptly normalized, since the Japanese, heads of the private firms, were not suspended from work. In order to make an account of the remaining Japanese population the Council of People's Commissars of the USSR issued a decree №263 of 2 February 1946 on the issuance of temporary certificates and registration of the Japanese population of South Sakhalin and the

⁵³⁶ GIASO f. P-183, op. 1, d. 48, l. 62.

⁵³⁷ Кисловский. С. 311-312.

⁵³⁸ Микоян А. И. Так было: размышления о минувшем. Москва, 1999. С. 487-490.

⁵³⁹ Ткачёва Г. А. Динамика численности и состава населения Дальнего Востока в 1941-1945 гг. // Ойкумена. 2007. №1. С. 63.

⁵⁴⁰ Jonathan Bull, "Occupation-era Hokkaido and the emergence of the Karafuto repatriate. The role of repatriate leaders" in Svetlana Paichadze and Philip A. Seaton, ed., *Voices from the Shifting Russo-Japanese Border. Kararafuto/Sakhalin* (Abingdon: Routledge, 2015), p. 66-67.

Kuril Islands.⁵⁴¹ The Soviet authorities paid special attention to the recovery of fishing industry, which suffered during landing of the Soviet Army on the islands coasts. In the end of February by a resolution of the Military Council of the Far Eastern Military District 9000 non-working Japanese were recruited to work in the fishing industry.⁵⁴² While the local economy started to recover, with the start of repatriation of the Japanese in the end of 1946, labor shortages could jeopardize the achieved success. Accordingly, the local administration, took decisive measures to reduce the repatriation rate. In July-August 1947 the Chairman of the Sakhalin Executive Committee D.N. Kriukov forbade the transportation of the Japanese to the repatriation camp in Kholmsk due to the labor shortage in the region.⁵⁴³ However, the Central Authorities stopped this practice to fulfill the obligations under the repatriation agreement. In 1949, when the first stage of repatriation was over, approximately 357,000 people left Sakhalin and the Kuril Islands.⁵⁴⁴

Since the region desperately needed human resources, foreign workforce recruitment became a convenient solution. The USSR signed an agreement with Korea about the recruitment of workers for the Far Eastern enterprises. Based on this agreement Korean workers came to work in the Sakhalin fishing, timber, and paper industries from 1946 to 1949.⁵⁴⁵ They also worked in Kamchatka and Maritime region. After WWII, the labor migration of Chinese and Korean workers to the enterprises of Soviet Far East was carried out on the basis of bilateral international agreements. Korea formed close political and economic relations with the USSR after the war (in 1945, a Soviet military mission was established in northern Korea). The high unemployment rate in post-war Korea was a significant factor as well.⁵⁴⁶ Newcomers and returnees based on Soviet legislation and international treaties had to be subjected to both standard and specific procedures by Soviet authorities, including customs.

II.1 Japanese returnees and customs inspections

The repatriation of the Japanese population of south Sakhalin, the Kuril Islands, and other territories occupied by the Soviet Union was preceded by negotiations about the conditions of this process. Owing to the defeat of Japan in the war, it could not negotiate directly with the USSR. Instead, the negotiation process was conducted by the United States. Based on the temporary agreement between the two countries concluded on 27 November 1946, the first group of returnees from Sakhalin arrived in Hakodate in early December 1946. The formal agreement was concluded soon after on 19 December 1946.⁵⁴⁷ From the place of leaving, repatriates were relocated to the transition camp in Kholmsk #379, which was established on 11 November 1946. Afterward, they were transported to Hakodate (Hokkaido)

⁵⁴¹ Крушанова Л.А. Миграционная политика СССР на Дальнем Востоке (середина 1940-х – 1970-е гг.). Владивосток, 2014. С. 124.

⁵⁴² Ibid, p. 124.

⁵⁴³ Ibid, p. 127-128.

⁵⁴⁴ Высоков и др. История Сахалина и Курильских островов. С. 459, 460.

⁵⁴⁵ Кузин А. Т. Послевоенная вербовка северокарийских рабочих на промышленные предприятия Сахалинской области (1946-1960-е гг.) // Россия и АТР. 2010. №3. С. 148-149.

⁵⁴⁶ Ващук А.С., Чернолуцкая Е.Н., Королева В.А., Дудченко Г.Б., Герасимова Л.А. Этномиграционные процессы в Приморье в XX веке. Владивосток, 2002. С. 107.

⁵⁴⁷ Tonai, pp. 94-95.

on Japanese vessels. The head of the Civil Administration Department of South Sakhalin D. N. Kriukov was appointed as a chair of the Committee for Returnees. The Committee regulated the order for the repatriation. "Initially, the leaders and owners of enterprises, merchants, officials and 'other bourgeois elements,' part of the intelligentsia, employees who had family members in Japan...were taken out. Secondary went workers of enterprises and workshops, peasants - after the harvest in 1947, and some of the rural employees."⁵⁴⁸

Information concerning the baggage and currency allowance for Japanese repatriates may vary depending on the publication. For example, Yuzuru Tonai brought up the difference between data in Savelieva's book (returnees were not allowed to bring funds in either currency to Japan) and Kim's article (each returnee was allowed to bring up to 1,000 yen with them).⁵⁴⁹ However, in most of the published sources, 100 kg of household goods are mentioned as an allowance for every returnee.⁵⁵⁰ The newspaper for the Japanese population of Soviet Sakhalin "*Shinseimei*" (new life) published information about the most popular categories of returnees' baggage: clothing, bedding, and other necessary personal items.⁵⁵¹ Regarding export norms of various items of passengers' luggage, customs officials were guided by the decree of the GTU #21 (op.) of 9 July 1938. Based on the Decree of the Council of People's Commissars of the USSR of 21 March 1928, "On the export, import, transfer abroad and from abroad of currency and stock values," returnees were not allowed to bring with them Soviet currency and securities. Paperwork related to goods smuggling cases of Japanese repatriates was provided based on the 1928 Customs Charter, where items above limits were confiscated without fines payment (Art. 168). No paperwork or receipts were issued to the owner of the confiscated items, so returnees did not have an opportunity to send an official complaint to the GTU regarding their lost valuables.⁵⁵² Therefore, customs officials used both international agreement norms and customs legislation as instruction for the inspections.

With the start of the Soviet-Japanese war, part of the Japanese population of the Karafuto was relocated to other parts of the country. Therefore, the number of the Karafuto population before the war—approximately 380,000 people⁵⁵³, could not be correlated with the final number of the Japanese repatriates. According to the resolution of the Council of People's

⁵⁴⁸ Ким И. П. Политическое, социально-экономическое и демографическое развитие территории, присоединенной к Российской Федерации после завершения Второй мировой войны (Восточная Пруссия, Южный Сахалин, Курильские острова) 1945 – первая половина 1949 года // Россия и островной мир Тихого океана. 2010. №2. С. 288-289.

⁵⁴⁹ Tonai, p. 95.

⁵⁵⁰ Подпечников В. Л. О репатриации японского населения с территории южного Сахалина и Курильских островов // Вестник Сахалинского музея. 2003. № 10 (203). С. 258; Tonai, p. 95.

⁵⁵¹ 新生命 1946 年 11 月 16 日、p. 2

⁵⁵² Documents about the detention of contraband items and documents drawn up during direct seizure of smuggling with the list of confiscated items were not issued to the Japanese repatriates upon the GTU order. However, based on the researched archives, it is unclear whether or not decree about smuggling confiscation of the customs head, which was issued after the inspections had been handed over to the repatriates. On the decree form was information about the ability to appeal against it in the GTU within a month when traveling abroad. Based on the lack of information about any appeals from Japanese returnees, it could be strongly suggested that they did not receive any documentation about their property's confiscations during customs inspections. (GIASO f. 183, op. 1, d. 11, l. 77).

⁵⁵³ Bull, p. 64.

Commissars of the USSR of 2 February 1946 #263, registration of south Sakhalin population was over by October the same year; 65,400 “Russians” and 274,586 Japanese, Koreans, Chinese, and “representatives of the other local nationalities” were living in the region, approximately 263,000 of whom were Japanese.⁵⁵⁴ However, Tonai, based on the Russian published source, estimated Karafuto population by 1 July 1946, at 290,000 people, including 278,000 Japanese.⁵⁵⁵ The close number is found in Podpechnikov’s article. Based on the GIASO data, he counted the number of former Karafuto inhabitants by 1 July 1946, at 305,806 people, of whom 277,649 were Japanese.⁵⁵⁶ Based on the number of repatriates (see Tables 9–12), Kim’s data seem dubious since the number of repatriates exceeds the figure she named. During the first stage of repatriation, which occurred after the end of WWII, not all of the Karafuto inhabitants had an opportunity to get to Japan. Any other nationals, but the Japanese did not have a right to be repatriated. During the negotiations process between the USSR and Japan after normalization of relations between two countries in the middle of the 1950s, the right to go to Japan was granted to other nationals—the members of the families of the Japanese, and in 1957–1960, 2,294 people, including 592 Japanese left Sakhalin.⁵⁵⁷ Apart from the Japanese, the majority of the indigenous people of Sakhalin—Ainu—were repatriated as well.

Together with the civil population of the south Sakhalin and the Kuril Islands, POWs were repatriated from the camp in Kholmsk to Japan as well. According to E.L. Katasonova Japanese troops captured in Sakhalin and the Kuril Islands were transported to camps in Syberia and the Russian Far East. However, the author does not mention a specific destination and number of relocated POWs.⁵⁵⁸ Based on the memorandum of the People’s Commissariat of Internal Affairs of the USSR addressed to I.V. Stalin, V.M. Molotov, L.P. Beria on the implementation of the decision of the State Defense Committee #9898 of 23 August 1945, on the reception and placement of Japanese prisoners of war from 26 February 1946, 12,271 POWs were left in Korea and the Kuril Islands (specific number of people for the Kuril Islands was not mentioned), and 3,736 POWs were sent to work on plants in Khabarovsk, Komsomolsk-on-Amur, and in Sakhalinneft Trust (without any specific number for Sakhalin).⁵⁵⁹ However, S. I. Kuznetsov, referring to the bulletin of the All-Japan Association of Former Prisoners of War (1994, # 10) indicated that the number of POWs who have been sent to work in oil refineries of the Khabarovsk region and Sakhalinneft Trust was 5,000 people.⁵⁶⁰ Regardless of the inconsistencies in the occurred data, it is clear that the exact number and point of departure of POWs in Sakhalin and the Kuril Islands after the end of the war is hard to establish based on the published sources.

⁵⁵⁴ Ким. Политическое, социально-экономическое и демографическое развитие. С. 288; Ким И. П. Репатриация Японцев с южного Сахалина в послевоенные годы // Вестник Российского Государственного Университета им. И. Канта. 2009. №12. С. 26.

⁵⁵⁵ Tonai, p. 92.

⁵⁵⁶ Подпечников. С. 257-258.

⁵⁵⁷ Высоков и др. История Сахалина и Курильских островов. С. 457.

⁵⁵⁸ Катасонова Е. Л. Последние пленники второй мировой войны: малоизвестные страницы российско-японских отношений. М., 2005. С. 54-56.

⁵⁵⁹ Военнопленные в СССР. 1939-1956. Документы и материалы. М., 2000. С. 240-241.

⁵⁶⁰ Кузнецов С. И. Японцы в сибирском плену (1945-1956). Иркутск, 1997. С. 51.

The number of the civil population and POWs returnees to Japan from south Sakhalin and the Kuril Islands vary in publications following the sources used by the authors as well (see Tables 9–12).

Table 9. Number of inspected Japanese repatriates and Korean workers (GIASO, f. P-183, op. 1, d.23, ll. 2, 42, 61)

Year	Number of inspected repatriates	Number of inspected Korean workers (arrival)	Number of inspected Korean workers (departure)
1946	11,789	5,422	
1947	157,959	6,547	
1948*	93,834 (114,158)	6,241(16,658)	5,442 (6,763)
1949	4,708	3,560	
1950	32	—	-
Total	268,322(288,322)		

*The first number is the data from the customs inspection by the GTU (GIASO f. P-183, op. 1, d. 11, l. 136); the number in parentheses is statistics of Korsakov customs (GIASO f. P-183, op. 1, d. 33, l. 47).

Table 10. Number of Japanese repatriates boarding ships for Hakodate at Holmsk (GIASO f. P-183, op.1, d. 1, 12- 14, 26-29, 39-44, 62)

Date	Number of boats	Number of repatriates
December 1946	4	5,689
February 1947	4	6,100
April to December 1947	114	160,849
May to November 1948	82	114,158
June to July 1949	3	4,708
February 1950	1	32
Total	208	291,536

Table 11. Number of repatriates arriving at the Hakodate Repatriation Center, 1946-1949 (Bull, p. 67.)

Date	Number of repatriates from Sakhalin (Karafuto)	Number of repatriates from other areas (the Kuril Islands, Manchuria, Korea, and China)	Total number of repatriates
December 1946	5,306	396	5,702
January 1947	6,103	0	6,103
April to December 1947	158,744	22,121	180,865
May to December 1948	104,494	9,579	114,073
June to July 1949	4,709	0	4,709
Total	279,356	32,096	311,452

Table 12. Number of Japanese repatriates and POWs leaving Sakhalin in 1946-1949 (Подпечников. С. 258)

Date	Repatriates	POWs	Total
December 1946	3,076	1,690	4,766
May to October 1947	159,120	4,071	163,191
May to November 1948	108,281	2,462	110,743
June to July 1949	4,934	77	5,011
Total	272,335	8,303	283,711

Podpechnikov estimated the number of returnees from 1946 to 1949 at 280,638 people, based on the border guards' materials from the State Historical Archive of the Sakhalin Region (GIASO f. P-494 (Transit Camp №379)).⁵⁶¹ Julia Din, based on the same materials as Podpechnikov used, calculated the number of returnees at 295 957 people (279 608 civilians and 16 349 POW); however, author did not present annual data in her publication.⁵⁶² This discrepancy testifies to the possible miscalculations. However, all of these data options are not matching either customs statistics or statistic of the Repatriation Center in Hakodate. Bull voices the amount of 279,356 repatriates from Sakhalin and 32,096 repatriates from other areas (the Kuril Islands, Manchuria, Korea, and China) based on the Hakodate Repatriation center statistics (Table 11).⁵⁶³ Table 9 represents the statistics of the Japanese repatriates who went through the customs inspection. Japanese arriving at camp №379 in Kholmsk in the first place were subjected to the customs inspections, which were occurring in a particular covered space. Before the inspections, returnees could not enter the camp territory and, consequently, board a ship. In some cases, at the end of 1946, returnees had to spend some time in a camp before boarding. Some returnees had to wait for several weeks in the camp until the beginning of 1947 for transportation, whereas the customs was already finished with the required formalities. The first days of Japanese repatriates in the camp were described in the article published in the "*Shinseimei*" newspaper on 16 November 1946. The camp was portrayed as a large building, with nearby tents well protected against cold weather. It was located on a high hill near the sea. When asked about life in the camp, the worker of the Karafuto Coal Trust Oikawa-san cheerfully answered that "We were really warmly welcomed. Everyone took a bath and even received vaccinations. We are grateful for the kindness of the Soviet authorities to prevent various diseases that have a tendency to occur in a group life."⁵⁶⁴ People living in a camp praised camp authorities for the opportunity to receive free hot meals three times a day and reach cultural life (lectures, movies, newspapers). The author of the article informed readers about the treatment center and hospital, comprising several departments located in the camp. Special attention was paid to the case of Mitsue-san—the first woman in a camp who gave a berth to the healthy boy in the camp hospital. Presumably, this merry description of the camp life was, at large, addressed to the future newcomers to put them at ease. At the same

⁵⁶¹ Подпечников. С. 258. (Based on the yearly calculations of the author, the number of repatriates is accounted at 283 711 (Table 12)).

⁵⁶² Дин Ю.И. Репатриация айнов Южного Сахалина после Второй мировой войны. // Россия и АТР. 2021. №4. С. 85.

⁵⁶³ Bull, p. 67.

⁵⁶⁴ 新生命 1946 年 11 月 16 日、p. 2

time, the birth of the children while at the camp could be one of the reasons for the mismatch of the customs' inspection data with other sources. There was a completely different picture of Kholmsk camp life painted by Naoki Amano based on the memories of the Japanese returnees.⁵⁶⁵ He mentioned a metal fence surrounding the camp territory. Takizawa-san, who spent a month in the camp while being an elementary school student, shared stories about this period. Despite being served dishes similar to the stew, because of its low quality, people preferred to eat food that they have brought to the camp. Repatriates could shower only once a week, whereas the toilet was outside of the camp building—a hole in the ground with two footboards on the sides.⁵⁶⁶ The number of people who were born and died while in the camp remains unclear. However, the likelihood of a high mortality rate for malnourished people living in unsanitary conditions was very high, which could be yet another reason for the data variance.

The number of inspected people was not the only source of customs statistics regarding returnees. Based on the Soviet customs practice, the Master's Declaration⁵⁶⁷ with an additional list of documents, that had to be submitted to the customs authorities by the captain of an overseas vessel. The Hatch Note, which was one of the documents, attached to the Master's Declaration contained information about the number of passengers. Based on this data, the exact number of the Japanese leaving Kholmsk for Hakodate from 1946 to 1950 could be determined. The signatures of the Soviet officials, including customs employees, and captain of the ship (Japanese citizen) on the document could indicate the reliability of this particular type of source. However, these documents did not specify categories of people boarding the steamboats. Thus, the number of POW among the passengers remains unclear. In 1946, 5,689 people on four ships traveled to Hokkaido, the amount which is not the same for the other presented sources.⁵⁶⁸ It is relatively close to the number in Table 11 (5,702) but significantly different from Table 12 (4,766). In his article, V.L. Podpechnikov mentioned only two ships that took repatriates to Hakodate in December 1946, whereas based on the Master's Declarations, the number of ships was four.⁵⁶⁹ An incomplete list of the returnees used by Podpechnikov could be the reason for the data mismatch. One of the Japanese boats that took the returnees from Kholmsk to Hakodate in early December 1946 was named Unzen Maru. Amano talks about 1927 passengers who boarded the ship.⁵⁷⁰ Meanwhile, in the Master's Declaration of the ship 1918 people were accounted for as the passengers.⁵⁷¹ The reason for this slight difference (less than ten people) is unclear but could, at least partially, relate to the death of some passengers while aboard.⁵⁷²

While the number of returnees' data in Tables 9-12 is the same or discrepancies are small, the biggest mismatch is occurring in 1947. It is unclear if all of the repatriates arrived to

⁵⁶⁵ 原暉之、天野尚樹『樺太四〇年の歴史：四〇万人の故郷』全国樺太連盟、2017年、pp. 326-327.

⁵⁶⁶ Ibid, p. 327.

⁵⁶⁷ Document required for customs clearance of the vessel, containing basic information about the vessel. It indicates the name of the vessel, nationality of the vessel, tonnage data, a brief description of the goods, the number of passengers, date and hour of arrival (departure); port of arrival (departure), etc.

⁵⁶⁸ GIASO f. P-183, op. 1, d. 13, ll. 214, 230, 231, 243.

⁵⁶⁹ Подпечников. С. 258.

⁵⁷⁰ 原、天野、pp. 323-324.

⁵⁷¹ GIASO f. P-183, op. 1, d. 13, l. 231.

⁵⁷² One of the returnees was recalling death of his grandfather on board of the ship to Hakodate (原、天野、p. 327.)

the Repatriation Center in Hakodate from Kholmsk. If some of them arrived from the different place it could be a reason for the data difference in Tables 10 and 11. The difference in about 3000 people between data in Tables 9 and 10 for the same period could relate to the group of POW transportation, which didn't undergo customs inspections. The difference between the number of returnees in Hakodate Center (158,744) and the number of Japanese travelling from Kholmsk (160,849) for the same period in 1947 may serve as an indirect evidence for this theory.

According to the existing legislation, upon the confiscation from the repatriates by the customs officials, precious metals (including products made of them), currency and securities, and other goods were processed differently. Precious metals products confiscated as smuggling or exceeding the passenger rate according to the regulations of the GTU #221-6 of 1941 were sent to the Department of the Ministry of Finance.⁵⁷³ Before the transportation, products were stored in customs pantry; however, without proper security. Every seizure of currency and securities was documented in a receipt, filled by customs employees, based on which the confiscated items were taken to the local branch of the State Bank.⁵⁷⁴ Smuggled goods were subjected to sale by customs at auction, upon entry into force of a customs decree on confiscation of these goods, according to Article 183 of the 1928 Customs Charter.⁵⁷⁵ Korsakov customs was handing confiscated goods to the city finance department for subsequent sale at an auction. However, based on the poor cooperation between institutions, cases of delays in goods transfers from customs storage and, accordingly, late organization of auctions were encountered.⁵⁷⁶

By the time of the first inspection of Kholmsk customs post, which occurred in July 1946, the post's staff consisted of two people because of the limited amount of operations there.⁵⁷⁷ Meanwhile, with the start of repatriation in November 1946,⁵⁷⁸ the majority of human resources were concentrated in Kholmsk. Only 15 people were accounted as a staff of Korsakov customs (including posts) in 1946, insufficient numbers to exercise customs procedures considering the burden of returnees' inspections. Korsakov customs head requested 15 people from Vladivostok to solve the problem. However, the GTU decided to send only five people in November 1946.⁵⁷⁹ The deputy head of the GTU explained his decision referring to the customs officials' ability to inspect up to 700 people per day, based on other customs experience, not considering local conditions and peculiarities of the returnees' inspections.⁵⁸⁰

At the beginning of 1947, 10 Vladivostok officials have been sent to Kholmsk to help Sakhalin colleges, but by the summer of the same year, only four Vladivostok customs staff was left. Combined with six Korsakov customs staff members, these officials were responsible for the inspections of Japanese repatriates. In a decree from May 1947, the head of the customs

⁵⁷³ GIASO f. P-183, op. 1, d. 11, l. 56.

⁵⁷⁴ Ibid, l. 54.

⁵⁷⁵ Таможенный кодекс Союза ССР (утв. Постановлением ЦИК СССР, СНК СССР 19.12.1928; art. 183).

⁵⁷⁶ GIASO f. P-183, op. 1, d. 3, l. 3.

⁵⁷⁷ GIASO f. P-183, op. 1, d. 11, ll. 23,24.

⁵⁷⁸ Ibid, l. 53.

⁵⁷⁹ GIASO f. P-183, op. 1, d. 18, ll. 30, 38.

⁵⁸⁰ GIASO f. P-183, op. 1, d. 19, l. 9.

Korotchenko explained reasons for sending Vladivostok customs employees back to the mainland. Although on inspection duty, one of the inspectors went to the town cafeteria, where he got drunk and made a brawl. Another inspector, assigned as a leader of the group responsible for the monitoring of the moral norms of his colleagues, got drunk with the newly hired controller of Korsakov customs. Both of them wearing customs uniforms broke into the group of the Japanese on the way to board the steamer.⁵⁸¹ Combined reasons for the return of another group of employees to Vladivostok were explained by the head of Korsakov customs I.S. Serebrennikov in his report to the head of the GTU from 30 June 1947, along with the description of the working conditions of customs officials in the repatriation camp and the obstacles they were facing. Two of the officials were sent to Vladivostok for alcohol abuse, one was removed from work by the local representatives of the Ministry of State Security, two were recalled back, and one went on vacation and did not get back. Moreover, four remaining staff members were mostly absent on a line of duty due to the poor health conditions.⁵⁸² Apparently, despite the urgent need for active customs officials in Kholmsk, Vladivostok customs management was not particularly scrupulous in selecting suitable personnel.

The labor discipline of the local customs officials also left much to be desired. With a virtual absence of monitoring of customs officials' work by customs head M.D. Korotchenko (21 August 1946, to 10 June 1947), because of his alcohol abuse, employees started to follow the example of the customs administration, frequently abusing alcohol while on duty.⁵⁸³ Inspector of Vladivostok customs Guseva, during her work in Kholmsk inspecting Japanese repatriates described the influence of the customs head's bad habit on the institution operations as follows: "Comrade Korotchenko did not come to the camp at all, and if he was [there] twice, he was drunk. The officials felt the slack, and discipline began to fall, they (officials - V. A.) began to go to the teahouse⁵⁸⁴ for a drink. Once, Mitiakin and Vandyshev almost got into a fight in the hall (of the teahouse - V. A.). I once went to the customs office to see the head comrade Korotchenko, on the way I noticed that inspector Sandin and another soldier was taking Korotchenko to the customs office drunk, I had to go back so I could not resolve a number of issues with him. I also want to say about the senior inspector Minaev, he also drinks, once he got drunk in the teahouse, burst into tears there and did not come to work at the camp. With this kind of leadership, the work won't move".⁵⁸⁵ The camp administration refused to provide military officers to help customs with inspections. Numerous complaints about the slow pace of returnees' inspections of local authorities going through the GTU put extra pressure on local customs officials.⁵⁸⁶

⁵⁸¹ GIASO f. P-183, op. 1, d. 17, l. 57.

⁵⁸² GIASO f. P-183, op. 1, d. 19, l. 24.

⁵⁸³ GIASO f. P-183, op. 1, d. 11, ll. 52-53, 63-65.

⁵⁸⁴ *Tsainaia* (teahouse) – type of Russian (Soviet) catering, which took the form of a state-owned enterprise operating on the principles of commercial trade based on the decree of the Council of People's Commissars of the USSR of November 1945. It was focusing primarily on serving "common" people. Based on the opinion of the catering professionals vodka was added to the menu of the t. to attract customers to fulfill the revenue plan. (Журавлев С. В. Коммерческие чайные – послевоенная альтернатива советского общепита?// Труды института Российской истории РАН. 2017. №14. С. 302-303.)

⁵⁸⁵ GIASO f. P-183, op. 1, d. 11, l. 65.

⁵⁸⁶ GIASO f. P-183, op. 1, d. 11, ll. 12, 13, 15, 17, 21, etc.

Limited resources and poor working conditions were severe problems that Korsakov customs officials had to face. On the customs meeting in 1947, the deputy head described the hardships that the customs employees had to face during the Japanese repatriates inspections: "...When the work on the inspection of the repatriates began, all the customs officials were transferred to Kholmsk to inspect the repatriates. As you know, we had to work 14-15 hours daily and there were cases when we worked almost round the clock, rested for 2 hours and went to work again, seven days a week..."⁵⁸⁷ In order to improve the schedule by saving time on paperwork during the inspections, the head of customs Ia.N. Kuznetsov established new customs practice, which was implemented from 1 June 1947.⁵⁸⁸ Confiscated currency and securities were dropped into the special boxes and counted daily by the special commission, comprised the camp representative, checkpoint representative, and customs officials. The box system issue helped to reduce working hours and allow employees to have days off. However, numerous data inconsistencies and corrections in receipts, as well as the inability to verify the accuracy of the calculations, were revealed during the inspection of customs operations by the head of Vladivostok customs I.N. Serduk in June 1947.

Consequently, the head of the GTU D.A. Aleksandrov canceled the newly established order by the telegram from 22 June 1947, enabling customs personnel to return to the receipts issuing system.⁵⁸⁹ The newly appointed head of Korsakov customs I.S. Serebrennikov emphasized that after the box system was abolished, understaffed employees had to work for 12–14 hours daily without any weekends. In addition, without access to the camp canteen, they could purchase only a limited amount of products from the local stall.⁵⁹⁰ Overall, poor living conditions, personal shortage, and lack of support from the central authorities and regional organizations and departments significantly complicated the work of customs officials.

The main cornerstone of negotiations between the USSR and the United States regarding repatriation was a timeframe of process. Although the United States was concerned about Soviet propaganda influence over Japanese civilians and POW during their prolonged stay in the USSR and called for repatriation as soon as possible, the Soviet side was interested in using the Japanese as a workforce for the economic recovery of the country after the long-lasting war, delaying the process.⁵⁹¹ With the clash of interests between the two countries, the individual interests of Japanese citizens were not a priority. With the significant limitation of baggage and currency allowance (100 kg, 1,000 yen per person), some of the returnees tried to conceal goods—prohibited from export from the USSR or above the limits of permitted export—during customs inspections in Kholmsk camp for subsequent transportation to Japan. Prohibited items, even those kept in pockets or wallets, would be counted as smuggled if a person gives a negative response concerning carrying any potentially banned items during the interview before the personal inspection. The most popular methods of concealment of goods were sewing currency and securities under the lining or double layer of clothes (belt, collar,

⁵⁸⁷ GIASO f. P-183, op. 1, d. 11, l. 63.

⁵⁸⁸ GIASO f. P-183, op. 1, d. 19, l. 54.

⁵⁸⁹ Ibid, l. 18.

⁵⁹⁰ Ibid, l. 24.

⁵⁹¹ David J. Dallin, *Soviet Russia and the Far East* (Hamden, Conn.: Archon books, 1971), pp. 274-276; Камасонова. С. 51-52.

etc.) and accessories (bags, wallets, etc.),⁵⁹² hiding in a double bottom or double sides of suitcases, bags, cans, cinerary urns, etc.,⁵⁹³ concealing inside different food or beverage containers within food products,⁵⁹⁴ and hiding on their own body or in clothes (tie between the legs,⁵⁹⁵ under the insoles of the shoes⁵⁹⁶, inside belts, etc.),⁵⁹⁷ in a ball of thread, or in various sewing supplies.⁵⁹⁸

Along with the more common methods of concealment of smuggling, customs officers also encountered more elaborate cases. Japanese yen (11,580 yen) were concealed in a tin can that had been cut in a circle, soldered, and sealed with a factory label indicating the price,⁵⁹⁹ 6,400 yen was laid at the bottom of a wooden box with the remains of the body and sealed with black paper.⁶⁰⁰ Another example of returnees ingenuity is a special box, made of Japanese yen, covered with paper and silk: to give the yen a plain paper look, money was stacked together and was covered with black paint, which could only be removed with a special solution; then, they have been concealed under the lining of the bag. The customs officials could not wipe off the paint, and banknotes became an exhibit for educational purposes.⁶⁰¹ One of the returnees made two wallets, a cigarette case, and a small case out of glued together Japanese yen.⁶⁰² Some of the returnees made similar objects, mixing money with paper.

In some cases, repatriates combined several smuggling methods in an attempt to conceal their valuables. For example, in smuggling case #47/46 of 20 December 1946, the returnee attempted to distribute a sum of 36,300 yen within his baggage. He put some of the money in a metal can with grain, another part was sewn up in a canvas of backpack (a specific section of the bag is not depicted in an act), some of the money was laid between two pieces of cardboard at the bottom of the backpack, and the rest of them were concealed in a ball of thread.⁶⁰³

Fight against smuggling (GIASO, f. P-183)

Year	Number of smuggling cases	On a sum of	Involving Japanese returnees	Involving the Korean workers
1946	87	263,081 rubles 64,830 yen	73	
1947	345	2,411,795	344	-

⁵⁹² GIASO f. P-183, op. 1, d. 6, ll. 29,31,35, 77,87, 101, 115, 127, 137,143, 151, 155,167,171,175,177,189, etc.

⁵⁹³ Ibid, ll. 3, 9, 41,47,85, 97, 103, 109, 117, 139, 141,145,161,173,183, etc.

⁵⁹⁴ Ibid, ll. 64, 75, 125, 147, etc.

⁵⁹⁵ Ibid, ll. 83, 89, 179, etc.

⁵⁹⁶ Ibid, l. 119.

⁵⁹⁷ Ibid, l. 149.

⁵⁹⁸ Ibid, ll. 83,99, 129, 131,143, 159,163,165, 169, 187, etc.

⁵⁹⁹ Ibid, ll. 33.

⁶⁰⁰ Ibid, l. 107.

⁶⁰¹ Ibid, l. 155, 157.

⁶⁰² Ibid, l. 165.

⁶⁰³ Ibid, l.153.

Year	Number of smuggling cases	On a sum of	Involving Japanese returnees	Involving the Korean workers
		rubles		
1948	261	228,334 rubles 90,096 yen	215	36 (33 cases canceled by the GTU)
1949	46	72,758 rubles 1,185 yen		
1950	9	7,130 rubles	–	–
1951	4	9,896 rubles	–	–
1952	5	2,800 rubles	–	–
1953	1	300 rubles	–	–

Although most of the smuggling cases were related to Japanese repatriates, elaborate methods of concealment of smuggled items combined with the workload of understaffed customs personnel come across a thought that many more concealed items remained hidden.

The inspection of the Japanese repatriates became a severe challenge for the understaffed customs employees. On the other hand, the intrusive personal checks and thorough belongings examination, along with the humiliating necessity to conceal rightfully owned property became a sad memory for the Japanese people leaving their lost home.

II.2 Korean workforce and customs inspections

Korean workers came to Soviet Sakhalin for various periods, sometimes only for a season, sometimes for 2 or 3 years, depending on their labor agreements. Upon the end of the labor agreement, migrants had a right to exchange Soviet currency with Korean banknotes if the amount was confirmed by the head of the Soviet enterprise where they had been working.⁶⁰⁴ In November 1946, the deputy head of the GTU instructed Sakhalin customs about Korean workers' baggage allowance. Returning home from Sakhalin, workers could take with them personal items and fish up to 50 kg, industrial goods received as a bonus worth up to 250 rubles. The Soviet currency was prohibited for export.⁶⁰⁵ The prevention of the smuggling of Soviet rubles across the Soviet border was one of the main tasks for the Sakhalin customs officials.⁶⁰⁶

Based on the Master's Declaration, the steamboat "Novosibirsk," which came to Korsakov in summer 1948, was one of the ships used for the workers' transportation back to Korea. In terms of the procedure of confiscation of baggage items of Korean workers during customs inspections, Korsakov officials were guided by a decree of the GTU #21 (op.) of 9 July 1938. Based on this decree, there were not specific export limits for particular passenger's

⁶⁰⁴ Ващук и др. С. 107.

⁶⁰⁵ GIASO f. P-183, op. 1, d. 19, l. 11.

⁶⁰⁶ Ibid, l. 35.

items, except for the vague wording that “items must not exceed the personal need.”⁶⁰⁷ Based on this norm, Korsakov customs head had to use mainly common sense and previous experience to determine “personal need” limits of items popular with Korean workers—textile (particularly fabrics; with the concentration of textile industry in South Korea⁶⁰⁸, due to the political tension on the Korean peninsula, Korean workers coming to Sakhalin, mostly, from the North, had difficulties in obtaining textile products while in motherland). Korsakov customs head then M. Umanets limited fabric allowance to 15–18 m on average per person considering baggage weight norms. However, based on the regional communist party leaders’ complaints addressed directly to the GTU, the head of the GTU D.A. Aleksandrov, personally instructed local customs authorities regarding the baggage norms of departing Korean workers. However, his instructions could not solve the problem right away. At first, he agreed with Umanets about matching the number of goods to personal needs. However, in his next telegram from July 1948, he instructed not to confiscate products purchased on salary means without any explanation about the mechanism of workers’ earnings legitimacy verification. Only in October in the same year did Korsakov customs receive a clarification that a document from the place of work with an indication of salary amount and purchased goods list should become a basis for the export permit. Under the new system, customs officials, receiving confirmation documents, had to allow Korean workers to bring with them hundreds of meters of different textiles and spools of thread, amounts hardly limited to “personal need.”⁶⁰⁹ Generally, such generosity could be explained by the intervention of party bodies interested in maintaining the international prestige of the USSR, in the eyes of foreigners, combined with the desire to motivate the urgently needed workforce for a useful job.

The number of Koreans left in Karafuto at the end of WWII was about 23,500 people.⁶¹⁰ They had been brought to Sakhalin by the Japanese in the 1930s to work in the coalmines, pulp factories, and fisheries.⁶¹¹ During the negotiations between the US and the USSR concerning the repatriation of the Japanese from Sakhalin and the Kurile Islands, the destiny of the Koreans was not discussed. Moreover, some international (most of Sakhalin's Koreans came from southern Korea, which was under American military occupation) and local (a severe shortfall in the labor force and lack of available transportation means) circumstances made immediate repatriation impossible. Because of the economic difficulties of post-war Sakhalin, the living conditions of the Koreans did not improve much. This situation made some of them try to look for alternative ways to return to their homeland. Border forces detained a group of Koreans in December 1946, who had lived in Korsakov since the Karafuto period. They had illegally purchased passports from Korean citizens, who came to Sakhalin on labor contracts, and using these passports, they attempted to get on board of the steamboat bound for Korea. Based on

⁶⁰⁷ GIASO f. P-183, op.1, d. 35, l. 2.

⁶⁰⁸ In 1940s South Korea's share of textile manufacturing output was 84,5% (Charles R. Frank Jr., Kwang Suk Kim, Larry E. Westphal, *Foreign Trade Regimes and Economic Development: South Korea* (NBER, 1975), p. 7).

⁶⁰⁹ GIASO f. P-183, op.1, d. 35, ll. 3,5,6,29,33.

⁶¹⁰ Кузин А. Т. Проблемы послевоенной репатриации японского и корейского населения Сахалина // Россия и АТР. 2010. №2. С. 80.

⁶¹¹ Stephan, *Sakhalin*, p. 161.

the customs decree, Soviet currency (55,970 rubles), which this group of people attempted to bring with them to Korea, was recognized as smuggling and seized.⁶¹²

The considerable number of Japanese repatriates and the Korean workforce subjected to inspections became a severe challenge to the personnel of Korsakov customs. Lack of experience, insufficient help, and guidance from the GTU, insufficient staff, and tough working schedule complicated the work of customs officials. Conversely, an impressive amount of smuggling detection, introduction to the new elaborate smuggling methods, and the need to make independent decisions became a valuable experience for the institution.

III. Changes in regional customs structure (posts) and personnel dynamic relating to the inspections of overseas vessels

Based on the results of the first GTU inspection in July 1946, which occurred only 3 months after the newly established institution started its operations (3 April 1946), the customs officials focused mainly on overseas vessels inspections, neglecting other work (control and inspection tasks, calculation, and collection of duties)⁶¹³ Despite the light workload, the GTU inspector identified incorrect paperwork related to the ship's inspections.⁶¹⁴ By the time of the inspection, 12 staff members were present in Korsakov customs (according to the staffing table, the number supposed to be 15), which was considered a sufficient number for the current work volume. In 1947 number of customs staff remained unchanged; however, with a large number of Japanese returnees subjected to customs inspections, available personnel, even with the help of Vladivostok colleges, could not cope with the increased work volume. Head of Korsakov customs I. S. Serebrennikov emphasized in the summer of 1947 that understaffed employees had to work for 12–14 hours daily without any weekends.⁶¹⁵

Another problem that occurred due to the limited necessary staff in Kholmsk and the negligence of local customs administration was the lack of employees' arrangement by the areas and places of work. Without permanent dislocation of staff at customs posts despite the existing customs decree #3 of 3 September 1946, cases of loading and departure of ships abroad without customs control in Uglegorsk, Shakhtersk (Toro), and Makarov occurred in 1947.⁶¹⁶ In the same period, on average, a team of two to three customs officials was inspecting overseas vessels, which could not ensure accurate results. Consequently, the number of smuggling detection cases was insignificant.⁶¹⁷ Of the 345 cases of detected smuggling in 1947, only one case was related to the ships' crew members. The shortage of staff enabled customs, in some cases, to inspect vessels by only one staff member, who was torn between several neighboring harbors. For example, in September 1947, a customs official had to check ship in Uglegorsk. The next day, he had to move to Shakhtersk, covering a distance of 20 km on foot for another inspection with no other available means of transportation.⁶¹⁸

⁶¹² GIASO f. P-183, op.1, d. 8, l. 3.

⁶¹³ GIASO f. P-183, op. 1, d. 11, ll. 2-5.

⁶¹⁴ Ibid, l. 3.

⁶¹⁵ Ibid, l.24.

⁶¹⁶ Ibid, l. 56.

⁶¹⁷ Ibid, l. 52.

⁶¹⁸ Ibid, l. 70.

Apart from the lack of human resources, low qualification of the personnel remained a serious problem for Korsakov customs in the first years of its operations.

Table 13. The educational level of Korsakov customs staff (GIASO, f. P-183, op. 1, d. 11)

Year	Number of employees	Higher degree	Unfinished higher education	Secondary education	Unfinished secondary education
1946	12	–	–	1	11
1947	15	–	–	6	9
1948	14	1	–	4	9
1949	22	1	–	8	13
1950	16	–	1	10	5
1951	4	–	1	2	1

The study of the technical minimum of customs operations (since July 1946) was introduced within the customs to enhance their professional qualifications. It was a common practice within the Soviet customs during the post-war period. Despite the organization of 27 lessons in summer and autumn dedicated to customs procedures study, overall, the level of training of workers remained low. The local training system for inexperienced employees (English and customs theory classes) helped somewhat optimize the quality of customs work (the number of comments on the conduct of customs office work by the GTU inspection decreased in 1948 compared with that in the previous year).⁶¹⁹ In 1948, out of 11 people taking customs theory tests, eight passed, but only three received a high mark. The reasons for these unpromising results were stated in a report of the customs inspection by the GTU of 4 July 1949. They included a lack of clear organization of training and proper guidance and control by the head of the customs, and a large number and low level of teachers' qualifications.⁶²⁰ Due to the staff's low qualification, many ships were allowed to load/unload cargos despite lacking required documentation (such as permission from the MVT or its divisions)⁶²¹ Altogether statistics, paperwork on cargo operations have been in poor condition; occasionally, the legality of the passage of goods was impossible to establish.⁶²² When I.S. Serebrennikov was appointed as the head of Korsakov customs in June 1947, he attempted to fix flows with documentation related to the inspections of overseas vessels (cargos were allowed through only according to the permits of the MVT, reporting on the passage of goods has been adjusted, etc.) However, most inspections, especially on the posts, were performed by only one person, which led to insufficient quality of this direction of customs work.⁶²³

During the inspection of 1948, the problem of the mobility of customs employees related to the geographical remoteness of Sakhalin customs posts from each other was brought up once again. Not only an insufficient number of staff members but also the difficulty of transportation from one location to another led to the problem of customs function

⁶¹⁹ GIASO f. P-183, op. 1, d. 11, ll. 80-81.

⁶²⁰ Ibid, l. 150.

⁶²¹ Ibid, ll. 51-52.

⁶²² GIASO f. P-183, op. 1, d. 23, l.1.

⁶²³ GIASO f. P-183, op. 1, d. 11, ll. 73-75.

execution.⁶²⁴ The net of customs posts was widened to solve it. In 1948, new posts were open in Nevelsk, Makarov, Uglegorsk, and Makarievka.⁶²⁵ To ensure the functioning of the network of posts, the number of customs employees significantly increased in 1948 in comparison with the previous year: 28 units, including posts officials. With the incensement in the number of customs staff involved in vessel inspections to a group of three to four people, the quality of these inspections improved, leading to correct paperwork and an increase in the number of smuggling cases (eight cases in 1948).⁶²⁶ However, it was a temporary improvement. Initially, 29 staff members were approved as Korsakov customs personnel for the next year, including posts, but the number was abruptly shrunk to 22 by the GTU latter of 15 February 1949.⁶²⁷ Based on the data number of calling ships to the different ports was uneven throughout the year, leaving the posts' personnel without work for months. This situation could let the GTU to the decision about customs staff reduction.⁶²⁸ For example, with only eight overseas vessels in Makarov harbor in 1948,⁶²⁹ it was considered more efficient to send Korsakov staff members during ship calling there. Consequently, in 1950 permanent customs post in Makarov was abolished. In 1948–1949, cases of the release of goods by customs without official permission and cases of mechanical inspections of ships due to the small number of inspectors and lack of special equipment such as overalls, feeler gauges, and flashlights still occurred in the customs practice. In Korsakov, several officials conducted most of the inspections, but only one employee did it at the customs posts, which led to numerous mistakes in related paperwork. The case of departure of the ship without customs clearance occurred in May 1948.⁶³⁰ One of the big problems was, virtually, there was no physical control over these operations from the customs head.⁶³¹

In 1950, newly appointed head G. G. Baskaev attempted to implement a series of measures to improve the institution's performance in customs inspections conduct. All the documentation had to be checked by the executive head of the customs. The identified shortcomings in work had to be discussed at the special meetings, and regular inspections of the work of posts had to be conducted.⁶³² He also put an effort to the improvement of the qualification level of the personnel. In 1950, classes were covering special sections of customs work concerning the specific working conditions of the Korsakov customs. English lessons were resumed. Because of the qualified teachers and attendance control, academic performance improved significantly in comparison with the previous year. In 1951, because of the drastic staff reduction, only four people remained operational personnel of the customs. Fortunate to be chosen were well-proven employees, three of whom had completed educational customs courses in Riga.⁶³³ Although possessing theoretical knowledge, the inspector and the controller

⁶²⁴ GIASO f. P-183, op. 1, d. 11, l. 71.

⁶²⁵ GIASO f. P-183, op. 1, d. 23, l. 19; f. P-183, op. 1, d. 11, l. 131.

⁶²⁶ GIASO f. P-183, op. 1, d. 23, l. 24.

⁶²⁷ GIASO f. P-183, op. 1, d. 11, l. 148.

⁶²⁸ Ibid, l. 131.

⁶²⁹ Ibid, l. 131.

⁶³⁰ GIASO f. P-183, op. 1, d. 23, l. 61; f. P-183, op. 1, d. 11, ll. 119, 134-135.

⁶³¹ GIASO f. P-183, op. 1, d. 11, l. 136.

⁶³² Ibid, ll. 177, 178.

⁶³³ After the end of WWII, as a part of the measures to strengthen the personnel, educational courses were opened at Riga Customs. (*Кисловский*. С. 312.)

could not always apply it correctly in practice. The customs paperwork inaccuracies continued to occur, mostly due to poor control over the customs posts operations and overall paperwork by the customs management.

The working discipline remained the big problem in the institution's work. Rare post inspections cited violations of labor discipline and abuse of authority. During the British steamer's loading in Makarov, inspector P.M. Ivanov received alcohol as a gift from the captain. Employees of Kholmsk post worked only on the days of vessel arrivals.⁶³⁴ Even with a limited amount of work on the posts, lack of proper control has caused numerous work violations. Although most of the customs officials had been transferred to Sakhalin from other Soviet customs because of the inability to find suitable candidates locally, low professional qualifications and frequent violations of labor discipline remained significant problems, which hindered the adequate performance of the institution (Table 13). Several cases were connected to tardiness, absenteeism, drunken appearance at the workplace, consumption of alcohol on duty, etc. Cases of administrative or criminal punishment were relatively rare and related to either unfulfilled financial responsibilities to the customs or extortion and bribery at the camp for the Japanese repatriates. Vladivostok customs employees who moved to Kholmsk to handle Japanese returnees' inspections were also involved in labor discipline violations, including serious cases. For example, one of the controllers was misappropriating property from the Japanese.⁶³⁵ Constant staff rotation, aggravated by the staff shortage, was due to cadres' problems. From the early summer of 1947 to April 1948, eight new people were hired, and nine were fired because of low qualifications or labor discipline violations.⁶³⁶ Such factors as the frequent changes of customs heads (five people from 1946 to 1949), many of whom were dismissed when the institutional works were not done more effectively, exhaustingly long working hours during Japanese returnees' inspections, and poor communications with the remote post employees couldn't contribute to the building of a team spirit as well.⁶³⁷ The conflicts of the customs head with the employees furthermore complicated citation. Based on the deputy head of the customs Kuznetsov's opinion, character flaws of the customs head put a strain on his relations with the personnel: "He [Korotchenko] was an arrogant person; he took criticism from customs officials as a personal insult, so the customs officials could not speak out and point out shortcomings. For example, we can say about the inspector comrade Zakharov, who was fired from his job because of personal accounts, inspector Kravtsova was fired in the same manner. On the part of Comrade Korotchenko, a complete clamping of self-criticism was allowed."⁶³⁸ A court dispute between another customs head I.S. Serebrennikov and customs employers concerning business trip expenses payment has led to the excessive bureaucracy accusations of the customs head by the central customs administration.⁶³⁹

To the existing troubles with labor discipline, more severe violations were added in the 1950s: forgery of financial documents and illegal receipt of funds. The controller and the senior

⁶³⁴ GIASO f. P-183, op. 1, d. 11, ll. 195-196, 201.

⁶³⁵ Ibid, l. 58.

⁶³⁶ Ibid, l. 79.

⁶³⁷ Ibid, l.120.

⁶³⁸ Ibid, ll. 64-65.

⁶³⁹ Ibid, l. 84.

accountant responsible for these violations were fired.⁶⁴⁰ A lonely beam of light in the customs cadres' history shone in 1951 when, for the first time, two customs employees (controller and janitor) were awarded the rank of "udarnik."⁶⁴¹

The stream of Japanese and Korean passengers ceased to flow in the 1950s. Moreover, in 1951, the number of foreign vessels and cargo turnover had sharply decreased because of the start of the Korean War. In 1950, the percentage of foreign ships was 73, but in 1951, it fell to 12. This situation led to a significant reduction in the customs personnel.⁶⁴² In a report regarding work results in 1951, customs authorities stated that because of the abrupt staff reduction, personnel was not able to keep up with vessel inspections, especially when ships were calling simultaneously in different island's harbors. Korsakov customs authorities suggested that the establishment of customs in Kholmsk and an increase in staff members would solve these problems.⁶⁴³ However, in a report of 1952, the customs administration continued complaining about the inability to inspect properly every overseas vessel and, consequently, provided adequate control over the export and import of cargos for the same reasons. In 1951, customs officials, because of the staff shortage, were not able to monitor the process of loading and unloading of cargos in some harbors distant from Korsakov and had to delegate these duties to port administrations and the Sakhalin branch of Eksportles.⁶⁴⁴ The following year, three foreign vessels (two Japanese and one Chinese) were not inspected by the customs; the border service and employees of the Inflat⁶⁴⁵ conducted necessary procedures instead. With the reduction of operational staff to three people in the first half of 1953, 13 overseas vessels coming for coal to the northern and central Sakhalin ports—Makarievka (Due), Oktiabrskii, Mgachi, and Bashniakovo—were inspected by the border service.⁶⁴⁶ Korsakov customs sent special instructions to Sakhalin border service authorities to streamline the paperwork.⁶⁴⁷ However, correspondence regarding proper inspection conduct between the customs and other institutions involved in vessel inspections has not been found in the sources, which could be one reason for the low productivity of the fight against smuggling in this period.

The number and destination of overseas vessels were the determining factors for the number of staff and customs posts' location. Sequentially, a sufficient number of customs posts, provided with a capable team, were key to efficient customs inspections.

⁶⁴⁰ GIASO f. P-183, op. 1, d. 11, ll. 206-207.

⁶⁴¹ Shock worker achieving increased productivity, one of the manifestations of the Soviet labor ideology; GIASO f. P-183, op. 1, d. 86a, ll. 110-111.

⁶⁴² GIASO f. P-183, op. 1, d. 11, l. 204; f. P-183, op. 1, d. 86a, l. 110.

⁶⁴³ GIASO f. P-183, op. 1, d. 86a, l. 106.

⁶⁴⁴ All-Union export-import association, carrying out operations for the export from the USSR and the import into the USSR of all kinds of timber materials in processed and unprocessed forms, as well as cellulose, paper and other materials; GIASO f. P-183, op. 1, d. 86a, l. 105.

⁶⁴⁵ Soviet shipping agency, providing communications with coastal organizations and comprehensive service of foreign vessels in ports

⁶⁴⁶ GIASO f. P-183, op. 1, d. 114a, l. 17.

⁶⁴⁷ Ibid, l. 4.

Table 14. Overseas vessels inspections (GIASO f. P-183, op. 1, d. 11)

Year	Number of inspected vessels (incoming ship/leaving ship)	Cargoes (tons)	Number of inspected ships' crew members	Number of inspected passengers	Number of inspected baggage units	Import cargoes (tons)	Export cargoes (tons)
1946	31 (18/13)	53,544	1,763	17,211	54,453	34,393	19,151
1947	286	126,883	17,113	164,506	345,763	16,312	110,571
1948	309	132,279	17,442	105,517		14,732	117,547
1949	156(83/73)	332,176	6,306	8,300	24,729	52,751	279,425
1950	60(37/23)	153,818	2,472	35	6,164	56,284	97,534
1951	33	39,000		–		17,000	22,000
1952	65	114,800	2,806	–	8,058	47,800	67,000
1953	104	278,900	5,317	–	16,087	62,900	216,000

Table 15. Customs staff dynamic (GIASO f. P-183, op. 1, d. 11)

Year	Number of staff units (staffing table)	Number of staff units (present)	penalties for violation of labor discipline
1946	15 (without posts)	12	12
1947	15	15 (Vladivostok customs official not included)	5 (by June 30)
1948 (by April)	28 (25—operational staff)	14 (operational staff)	
1948 (by June)		20 (operational staff)	
1949 (by January 1)	29		
1949 (by February 15)	22 (19—operational staff)	18 (16—operational staff)	11 (all year)
1950	22	19	10
1951 (by September 1)		8 (4—operational staff)	2 (all year)
1952 (by February 25)		7 (4—operational staff)	3 (all year)
1953 (by January)	6 (4—operational staff)	6 (3—operational staff)	
1953 (by July)		5 (operational staff)	

IV. The protection of the monopoly of Soviet trade by Sakhalin customs

IV.1 Fight against smuggling

According to Article 164 of the 1928 Customs Charter, “a smuggling is a) any movement of cargo (goods, valuables, and other items) across the border other than through customs institutions or through such, but with concealment from customs control, as well as the commission of any kind preparatory actions for this; b) storage and movement of goods transported across the border with offenses, provided in paragraph ‘a,’ ... g) sale of items imported from abroad by passengers without a permit established for that duty-free, as well as with the payment of duty, but without a license; d) the trade of goods imported from abroad without an established permit, although with payment duty and in the presence of permits, but intended under permits, not for marketing purposes...”⁶⁴⁸ Accordingly, any violation of the monopoly of foreign trade in the USSR was considered as smuggling. New features of the Sakhalin economy in the post-war period (the wide expansion of the sea transportation of goods due to the development of the local industries boosted by the annexation of economically industrial south Sakhalin (Karafuto)) brought new types of import smuggling. The export of the goods from the island illegally was related to the migration flows in the region, and has been described in the section 2.

The crew members of Soviet overseas vessels had a right to bring to the USSR certain types and quantities of goods for personal and family use duty-free, based on the GTU list. This list included various items of clothes, watches, briefcases, electrical appliances, bicycles, and even hunting rifles. During the customs inspections, customs officials verified crew members’ belongings with equipment notebooks, which had to be filled by the owner personally. Items that were not included in the equipment notebooks, exceeded the permitted rate, or were hidden from customs inspection were subjected to confiscation. In case of detected violations or smuggling, customs officials had the right to deprive the offender of the duty-free import of foreign origin items for 1 yr. All currency, including Soviet rubles, had to be kept in a ship's cashbox.⁶⁴⁹

From the start of Korsakov customs activities, the first smuggling cases were related to Soviet ships’ crew members’ attempts to either conceal currency and valuables from the customs employees during the inspections or sell goods of foreign origin to the locals. In 1946, the customs, with the help of police, was able to detect at least 11 cases⁶⁵⁰ of this type of smuggling. In the cases related to attempts of carrying foreign origin goods outside Korsakov port territory by ships’ crew members, the most popular items for sale or exchange were cigarettes, clothing items, fresh fruits, and watches. During the inspection of Korsakov customs activities, any communication between Sakhalin and other Far Eastern customs related to further prevention and detection of smuggling cases was not discovered. For example, Vladivostok and Petropavlovsk customs did not detect hidden Soviet rubles during the ships’

⁶⁴⁸ Таможенный кодекс Союза ССР (утв. Постановлением ЦИК СССР, СНК СССР 19.12.1928)

⁶⁴⁹ Александров, Дмитриев. С. 146-148.

⁶⁵⁰ In Korsakov customs reports nationality or occupation of smugglers haven't been clearly depicted, number is named based on the discovered protocols of smuggling cases (GIASO f. P-183, op. 1, dd. 6, 11, etc.)

inspections; sequentially, Sakhalin customs officials did not inform their colleges about this slip.⁶⁵¹

Based on the Decree of the Council of People's Commissars of the USSR of 21 March 1928, "On the export, import, transfer abroad and from abroad of currency and stock values," Soviet and foreign citizens were not allowed to take abroad Soviet rubles. On 27 November 1946, during the vessel inspection, 1,730 rubles were detected in the cashbox. Captain's third mate testified that during the departure of the ship overseas ship's cashbox was empty, and the storage manager handed over the funds received from the sale of products to the crew members and their families the next day. The manager explained it by the unavailability of the report by the time of departure of the steamer. However, he admitted that he was familiar with Soviet legislation regarding the movement of currency across the USSR border. Based on Articles 164, 167, and 168⁶⁵² of the 1928 Customs Charter, the currency was confiscated, and the storage manager was fined 1,730 rubles according to the customs manager decree of 1 December 1946.⁶⁵³ The storage manager appealed against the customs decision to the GTU by Article 180 of the Customs Charter. However, the GTU backed the decision of the Korsakov customs manager recognizing smuggling in the ship's crew member actions by the decree of 31 March 1947. Korsakov customs decree was corrected in terms of fine payment. The actions of the third mate were recognized as smuggling as well, and based on Article 169 of the Customs Charter, a fine was imposed on both parties with joint responsibility.⁶⁵⁴

Despite the possibility that some of the crew members have not been appropriately informed about rules of import and export of currency and foreign origin goods, concealment of any items from customs officials during an inspection could be seen as evidence of awareness of illegal activity. For example, during the inspection of the oil tanker "Iosif Stalin," customs officials found Soviet currency (10,800 rubles) in a pantry for linen. After the crew members' interviews, it was found that the rubles belonged to the barmaid of the inspected ship. She received the discovered rubles by selling foreign origin goods and took currency abroad from Petropavlovsk-on-Kamchatka. According to the decree of the Central Executive Committee of the Council of People's Commissars of the USSR of 21 March 1928, "About the export, import, shipment and transfer abroad and from abroad currency and stock values"⁶⁵⁵ and the Articles 164 (par. "g"), 167, and 178⁶⁵⁶ of the Customs Charter, the currency was confiscated.⁶⁵⁷ When one more similar case of Soviet currency concealment occurred on the same vessel, the ship's captain sent a letter to the customs head, asking for the termination of

⁶⁵¹ GIASO f. P-183, op. 1, d. 11, ll. 3-4.

⁶⁵² Art. 164— about definition of types of smuggling; art. 167—"Detected items of smuggling, as well as vehicles designed to transport items of smuggling across the border, are subject to confiscation..."; art. 168—"The owner of the smuggled item or the person in whose possession such item is found is subject to a fine in the amount of the value of this item determined by customs..."

⁶⁵³ GIASO f. P-183, op. 1, d. 6, l. 5.

⁶⁵⁴ Ibid, l. 12.

⁶⁵⁵ According to the Article 3 of the decree "the export abroad of bank notes of the State Bank of the USSR, state treasury tickets and a metal coin of the USSR, as well as payment documents written in the currency of the USSR... is prohibited."

⁶⁵⁶ Cases of simple smuggling, as well as qualified smuggling in the part related to the confiscation of smuggled items and vehicles (Article 167) and the imposition of fines, resolved by the customs manager to which the detained items are delivered.

⁶⁵⁷ GIASO f. P-183, op. 1, d. 6, l. 28.

the smuggling cases and the return of the funds to the owners, arguing that he had already imposed a disciplinary penalty on them.⁶⁵⁸

In some cases, crew members were not directly involved. For example, in smuggling case #12 of 15 October 1946, the accused was the Korsakov port warehouse assistant manager. The customs controller detained him at the exit from the port with 43 apples. During the inquiry, he testified that he bought apples for 800 rubles from one of the sailors of the steamer "Riga," which came from Korea. He refused to indicate the sailor's identity who sold him the apples, explaining that he could not remember him by sight. According to Articles 164 (par. "g"), 167, and 168 of Customs Charter, the apples were confiscated, and the manager was fined 800 rubles.⁶⁵⁹

In 1947, with the concentration of the customs staff in Kholmsk, occupied with the Japanese returnees' inspections, only one smuggling case of February 1 was related to a ship crew member violation of the customs legislation. One of the stokers of the steamer "Liza Chaikina" took the shoes of another stoker of the same ship. The last one bought it in Singapore as a present for his mother (in this case, he could legally go through customs inspection). The first stoker was intent to sell them in the Korsakov market on behalf of the owner, where he was detained on suspicion of smuggling. According to Articles 164 (par. "g"), 167, and 168⁶⁶⁰ of the Customs Charter, shoes have been confiscated, and the owner was fined 800 rubles (the estimated cost of a pair of shoes according to customs authorities).⁶⁶¹ The vessel's captain sent a written request to the customs about the return of the footwear to the owner. He based his claim on the excuse that the crew members involved only began working onboard recently (since August 1946), and, therefore, they were unfamiliar with "the ban on the sale of foreign origin goods in Soviet ports." In addition, he assumed that if the shoes were presented to Vladivostok customs during the inspection of the vessel, they could not possibly be a subject of smuggling.⁶⁶² The captain's request was denied, and the shoes were transported to Moscow customs for subsequent sale.⁶⁶³ In 1948, even with the increase in the number of officials inspecting overseas vessels, only four new cases of crew members smuggling were detected. This seems to be a negligible number compared with the number of ships inspected and crew members examined totaling 309 and 17,442, respectively.

In some of the smuggling cases, the owner of the smuggled goods was impossible to determine. In the case of 15 May 1948, the object of smuggling was 1,720 kg of fresh corn valued at 3,440 rubles. The vegetable was hidden in a common area of the Soviet ship, which arrived from China. The captain testified that the cargo was the remainder of a corn load transported under contract from Shanghai to Dalnii. During the interview with the crew members, the owner of the smuggling was not found. According to Articles 64 (par. "a"), 167, and 182⁶⁶⁴ of the Customs Charter, the corn was confiscated.⁶⁶⁵

⁶⁵⁸ GIASO f. P-183, op. 1, d. 6, ll. 191-197.

⁶⁵⁹ GIASO f. P-183, o. 1, d.7, l. 44.

⁶⁶⁰ Art. 164 (par. "g") – "sale of items imported from abroad by passengers without a permit established for that duty-free, as well as with the payment of duty, but without a license."

⁶⁶¹ GIASO f. P-183, o. 1, d.7, l. 24.

⁶⁶² Ibid, l.30.

⁶⁶³ Ibid, l.33.

⁶⁶⁴ Art. 182 – "If the owner of the smuggled items is not found, [the smuggled items] are confiscated."

From 1 June 1949, to 1 August 1950, with the diminishing number of Japanese returnees leaving Sakhalin, the quality of the customs inspections and overall smuggling paperwork improved; however, the number of smuggling cases detected remained low—only 12 new cases were registered.⁶⁶⁶ The cases of direct involvement of the captain in smuggling cases involving crew members continued in 1950. In Kholmsk, one of the crew members of the motor ship “Krasnogorsk” took out a piece of fabric to the port territory without the knowledge of the customs, for which he was detained and questioned. Despite the request of the captain of the ship to let the member of the crew keep the fabric due to his excellent labor discipline and breaking of the customs legislation for the first time, according to Articles 164 (par. “g”), 167, and 178 of the Customs Charter the fabric was confiscated.⁶⁶⁷

By the beginning of the 1950s, to rationalize customs activities, particular fields of customs duties were distributed among a small number of customs employees. Based on the opinion of the customs head responsible for the fight against smuggling, inspector G. P. Kliiman did not have enough experience or initiative to study and could not establish an exchange of smuggling detection experience with other Soviet customs. However, the necessity to undergo vessels’ inspections at large by only one employee due to the small number of the customs employees could lead to the low quality of these inspections as well. Consequently, only four new cases of smuggling were detected in 1951.⁶⁶⁸ A similar tendency continued the next years, mostly due to the low number of customs personnel.

The bulk of the foreign vehicles in the Sakhalin region in the researched period were transported for various Soviet organizations’ needs. Before vehicle registration at the Municipal Vehicle Department, organizations’ representatives had to obtain permission from the local customs; Soviet organizations were prohibited from selling vehicles on the balance of the organization without notification of the customs. In some cases, delays with the customs paperwork enabled downtimes in the work of Soviet organizations that were not able to use the available vehicles. In an attempt to speed up the process, the deputy head of Yuzhno-Sakhalinsk Regional Civil Administration proclaimed in a letter from 18 July 1946, that only an organization that has a right to distribute cars to organizations is the valid owner of these cars—the Civil Administration. Therefore, “[the Civil Administration] order should be the only basis for [the customs] for the registration of vehicles.” Additionally, he *ordered* the customs head to come to Yuzhno-Sakhalinsk for the car registration on site. In response to the letter, the customs head clarified that the customs, performing functions of control over the monopoly of foreign trade of the State, obeys orders of the GTU, the Minister of the Foreign Trade, and his deputies exclusively.⁶⁶⁹ Clearly, the customs prerogatives were upheld, for starting from August 1946, in letters from the Yuzhno-Sakhalinsk Regional Civil Administration to the customs administration, the first *asked* the customs to give instructions to the vehicle department concerning car registration.⁶⁷⁰

⁶⁶⁵ GIASO f. P-183, op. 1, d. 34, l. 12.

⁶⁶⁶ GIASO f. P-183, op. 1, d. 11, l. 202.

⁶⁶⁷ GIASO f. P-183, op. 1, d. 81, ll. 1-8.

⁶⁶⁸ GIASO f. P-183, op. 1, d. 86a, l. 110.

⁶⁶⁹ GIASO f. P-183, op. 1, d. 2, l. 132.

⁶⁷⁰ GIASO f. P-183, op. 1, d. 2, l. 167, etc.

After the end of WWII, some Soviet officers reentered the USSR, bringing with them foreign vehicles. To legalize their purchase, the vehicle owner had to provide accompanying documents, including proof of purchase to the customs officials upon reentry, and pay customs duty.⁶⁷¹ However, unreported vehicles entered the USSR territory as well. One of the customs functions was to provide inspections of foreign cars to determine the legality of exploitation of their use on Soviet territory.

In October 1946, in the center of the customs investigation was a German-origin Dulaste Express Werke motorcycle. The motorcycle has been resold at least three times since it was in Sakhalin. Moreover, since the whereabouts of the first detected owner of the vehicle—the head of transportation at the Yuzhno-Sakhalinsk civil airport—were unknown, the legality of the import of the vehicle was impossible to verify. Financial transactions in every case were conducted without the permission of the customs authorities. Therefore, by the order of Korsakov customs head, and according to Articles 164 (par. “a, v, e”), 167, and 168⁶⁷² of the Customs Charter, the motorcycle was confiscated, and the three latest known owners were fined 3,000 rubles with joint responsibility. One of the former owners sent an appeal request to the GTU. According to its decision, the resolution of Korsakov customs was canceled in full as an exception under the motorcycle owner’s obligation to pay the customs duty for it.⁶⁷³

According to the smuggling cases material, it is safe to say that, in the mind of the Soviet citizens, selling of foreign origin goods purchased with their funds was not a criminal act but a relatively small delinquency. It was worth trying to solve temporary financial problems, help a family, or obtain scarce commodities. These acts were not a subject of open public shaming or professional reputation hazard. The customs protection of “State interests” paled in comparison with easy and fast opportunity to obtain a small share of rare material goods.

IV.2 Control and Inspection functions

Another type of functions aiming at the State monopoly of foreign trade protection, practiced by the customs were control and inspection functions (CIF). They were executed in order to eliminate potential losses in foreign trade turnover. In the first months of Korsakov customs operations, the administration did not make any apparent attempts to implement CIF to their routine, which could relate to the newly established customs formative period’s difficulties.⁶⁷⁴ The critical notes during the first inspection of the GTU in July 1946 made the customs pay attention to this line of work. The first recovered documents related to CIF activities of the customs refer to the period of September 1946. They are customs reports related to the delays in the loading process of the Norwegian steamer “Wivern” with paper

⁶⁷¹ "Instruction on the procedure for customs clearance of vehicles imported from abroad into the USSR by the officers of the Red Army" (28 September 1945, GIASO f. P-183, op. 1, d. 2, l. 37).

⁶⁷² Art. 164 (par. "a") – "any movement across the border of goods ... besides of customs institutions or through such, but with concealment from customs control, as well as the commission of all kinds of preparatory actions for this;" par. "v" – "sale to the third party without an established permit of goods imported from abroad duty-free or reduced duty not for marketing purposes"; par. "e" – "sale of goods imported from abroad without an established permit..."

⁶⁷³ GIASO f. P-183, op. 1, d. 7, ll. 6-23.

⁶⁷⁴ GIASO f. P-183, op. 1, d. 11, l. 3.

from Makarov paper mill and quality defects of the exported paper.⁶⁷⁵ Korsakov port administration, dock crews, and Makarov paper mill administration were identified as culprits for these violations in most of the cases. Because of the substantial number of violations (13 acts in 9 days of loading) and significant downtime of “Wivern,” Korsakov customs head decided to organize an interagency meeting to analyze the reasons for the occurring situation to prevent its repetition in the future.⁶⁷⁶ Customs officials and representatives of Eksportles blamed the Korsakov port administration mostly, criticizing their methods of work. By contrast, the port representatives blamed Makarov paper mill for the low-quality paper supply. Consequently, shortcomings in the work of several Soviet institutions were identified. At the same time, the members of the meeting could not methodically summarize and categorize particular flows, which caused significant downtime of the vessel and did not discuss practical measures for the prevention of similar situations in the future—the desired outcome of the meeting was not fully achieved. The customs head applied to the prosecutor’s office to bring responsible to justice. However, the response from the prosecutor’s office of 15 February 1947, was a refusal to institute criminal proceedings. The reasons for this decision were explained as follows: regardless of the downtime of the vessel in Korsakov port, in case of its loading in Makarov, the place of its original calling, it would take more time, as it happened to the other vessel in this port, loading at the same time.⁶⁷⁷

The “Wivern” case was not typical for Korsakov customs practice due to an attempt to analyze the reasons for the delays in loading, prevent a repetition of the situation in the future, and punish delinquent organizations and employees. After this case for several years, customs limited its actions by composing CIF reports regarding negligence or other issues related to the activities of Soviet enterprises involved in export–import operations. It rarely added recommendations on how to improve involved organizations’ operations; some of the CIF reports were poorly done, and the GTU did not approve decisions on some of them.⁶⁷⁸ The inspection of Korsakov customs by the GTU representative in May and June 1949 revealed that of the 53 acts in 1948 and three in 1949, only one had confirmation of measures taken based on this act: decree of Korsakov port head, based on which the amount of the incurred loss of 542 rubles was recovered from the perpetrators.⁶⁷⁹ Without the analyses of reasons and consequences of violations, suggestions regarding the ways to prevent similar situations in the future, proper monitoring of the detected violations, and control over bringing the perpetrators to justice, CIF was not a useful tool to protect Soviet financial interests in the first years of the customs operations.⁶⁸⁰

To improve the situation, the customs administration started to implement new measures in 1949. An experienced customs inspector was assigned to supervise all the CIF operations, and all CIF reports had to be approved by the customs head. Approved documents with the name of the culprit and the sum of damage were sent to the interested parties.⁶⁸¹ In

⁶⁷⁵ GIASO f. P-183, op. 1, d. 4, ll. 2-17.

⁶⁷⁶ Ibid, ll. 18-23.

⁶⁷⁷ GIASO f. P-183, op. 1, d. 16, l. 76.

⁶⁷⁸ GIASO f. P-183, op. 1, d. 11, ll. 119-120, 140.

⁶⁷⁹ Ibid, l. 140.

⁶⁸⁰ Ibid, l. 52.

⁶⁸¹ Report from Sakhalin customs head G. G. Baskaev to the GTU (November 1949, GIASO f. 183, op. 1, d. 11, l. 200).

September 1950, the Korsakov customs head reported that the customs administration held meetings with the staff to discuss the main problems in implementing CIF and with ports' workers about the handling of foreign trade cargos with caution. During the loading–unloading process of the overseas vessels, customs employees started to observe the process unceasingly. In 1950, the customs inspected Korsakov port storage spaces with foreign origin cargos three times, detecting shortages and charging duty on a missing cargo.⁶⁸² Consequently, from 1949 amount of losses in foreign trade turnover in the region started to decrease. In 1948, the sum of losses was 115,210 rubles, whereas in 1949, it was reduced to 86,127 rubles, and the next year, it was 16,700 rubles—five times lower than that in the previous year (Table 16). According to CIF documents, three people were brought to criminal responsibility, and eight to administrative responsibility during 1949/50.⁶⁸³

On 15 November 1950, the Council of Ministers of the USSR issued a resolution “About unsatisfactory provision of safety of goods transported by rail and sea transport to Sakhalin and other stations of the Far East.” It focused on the absence of control from various Soviet organizations over the proper packaging of valuable cargos during shipping, transport, storage, and measures against it.⁶⁸⁴ According to the document, the Navy Ministry had to repair storage spaces and fence the Korsakov and Kholmsk harbors by 1 April 1951. In the cover letter to the resolution, the head of the GTU asked Soviet customs “to ensure control over the implementation of this order, and pay special attention to the issues of safety of foreign trade cargo, quality of goods, and timeliness of cargo movement to destination.”⁶⁸⁵ It is hard to establish a direct correlation between the CIF activities of Korsakov customs and the aforementioned resolution. However, the ongoing work of Korsakov customs, the establishment of frequent correspondence with various Soviet organizations, and the GTU in particular, in an attempt to reduce losses in a foreign turnover in a period before the resolution, possibly, played a role in an emerged interest in this problem on the part of the central government.

At the beginning of the 1950s, the customs continued to stick to a similar work direction as in previous years. Every quarter official inspected storage spaces of ports and paper mills, resulting in specific proposals for eliminating the detected defects. Based on the customs requirement for Korsakov port administration, special devices were made to reduce defects in the work with foreign trade cargo (wooden ladders, racks, soft shoes for loaders, etc.)⁶⁸⁶ However, with the structural changes, when all of the stationary customs posts were abolished, CIF work was generally limited by Korsakov port.

It took Korsakov customs several years to optimize CIF implementation. The efforts of the customs officials in this direction helped improve some Soviet organizations' work and reduce losses in foreign trade turnover. With the abolishment of the customs posts, CIF execution was mostly applied to Korsakov port.

⁶⁸² GIASO f. P-183, op. 1, d. 11, l. 177; f. P-183, op. 1, d. 72a, l. 8.

⁶⁸³ Ibid, l. 200.

⁶⁸⁴ GIASO f. P-183, op. 1, d. 66, ll. 108-109.

⁶⁸⁵ Ibid, l. 107.

⁶⁸⁶ GIASO f. P-183, op. 1, d. 86a, ll. 108-109.

Table 16. CIF statistics (GIASO, f. P-183, op. 1, d. 11)

Year	Number of acts	Sum of losses
1946	25 (cargo damage—16, demurrage—9)	
1947 (until June 30)	83	
1948	53	115,210 rubles
1949	18	86,127 rubles
1950	26 (cargo damage—17, demurrage—1, incorrect paperwork—1, other reasons—7)	16,700 rubles
1951	21	

V. Korsakov customs as a part of the MVT. Relations with the MVT institutions on Sakhalin

As the Soviet customs office, Korsakov customs principal goal, determining its functions, was control over the monopoly of foreign trade, which was expressed in control over the passage of goods across the borders of the USSR, and the prevention of cargo transportation without the MVT permission or in violation of the established rules. While implementing its functions, the customs was in close cooperation with other local Soviet institutions—ports, municipal financial departments, border troops, state traffic police, etc. Among these Soviet institutions were the office of the MVT representative and several All-Union Foreign Trade Associations (Soviet trade organizations, responsible for foreign trade operations), such as Eksportles, Dalvneshtrans, and Dalintorg, controlling the quality of exported/imported goods, loading operations, and related paperwork along with the customs in Sakhalin. These organizations were a part of the MVT structure.

One of the customs tasks was the minimization of financial damage related to the transportation and usage of imported and exported items. Consequently, interactions between the customs and foreign trade associations were mainly associated with this subject. As a part of the CIF implementation, customs officials observed wrapping and packing during the loading process to prevent possible cargo damage during transportation. Based on the Eksportles Sakhalin office report at the end of 1946, paper exported from Sakhalin was mainly produced during the Karafuto period, and wrapping of it was not intended for multiple shipments and sea transportation. This problem manifested itself in multiple cases of the cargo (several sorts of paper) wrapping damage during the loading process of the “Komiles” steamer intended for China in December 1946. To fulfill the terms of the contract with the Chinese company as soon as possible, Eksportles noted Kosakov port head, head of Korsakov customs, and captain of the ship that because of the inability to re-wrap the paper, it would take all responsibility for the packing tears.⁶⁸⁷ This notification enabled the customs officials to allow goods in damaged packaging for loading. The next year, for reducing steamer downtime, Eksportles representatives negotiated possible damage of paper rolls due to the wrapping damage with

⁶⁸⁷ GIASO f. P-183, op. 1, d. 18, l. 11.

importing Paper Company in Greece. Consequently, Korsakov customs received guidelines from the head of the GTU to let freely paper in a damaged wrapping on board in January 1947.⁶⁸⁸ Thus, foreign trade organizations based on the bilateral agreements with the foreign companies—importers of Soviet goods—could influence adjustments in customs inspection routines related to the monitoring of exported cargo packaging.

In the following case, actions of the foreign trade association in collaboration with the ship's captain caused potential damage to the reputation of the customs. In 1947, a vessel that was loaded with export paper for China in Nevelsk had to go to Kholmsk for the customs' clearance of the ship. However, based on the information from Vladivostok customs, local customs officials were absent there as well. Eksportles representatives and ship's administration wrote a document regarding the non-appearance of the customs representative for the steamer's registration. Consequently, the boat had to go to Vladivostok to receive the necessary paperwork from the customs. This situation made up the mind of Vladivostok customs officials in a way that "there was no proper control over the exported goods"⁶⁸⁹ by Sakhalin customs. However, based on Korsakov customs information, although because of the bulk of employees being busy with repatriates' inspections, customs officials were not able to come to Nevelsk, customs finished all necessary paperwork in Kholmsk. Thus, the aforementioned act was forged. It was the Sakhalin border guards, because of the lack of visas for the ship's crew, who refused to finish the required paperwork.⁶⁹⁰ This situation spawned an emotional correspondence between Korsakov and Vladivostok customs to shed light on all the addressees' mistakes. In response to the accusation of Vladivostok colleges, deputy head of Korsakov Customs Kuznetsov wrote in a letter of August 1947 to the head of Vladivostok customs I.V. Tsvetkov: "... You write that [at Korsakov customs] cargo goes through the ports uncontrollably, I think that our superior body, the GTU, will tell us about this, but it is not for you to judge this, before you comment on others, you should have looked well at what is going on at your [customs]. If we talk about the mistakes made by our employees, then you have no less (mistakes – V. A.) of them," also mentioning about "attempt" of Vladivostok customs to "confuse the GTU" by sending them statistical materials, which have been already sent by Korsakov customs after the inspection of the vessel.⁶⁹¹ Tsvetkov responded: "You have absolutely no reason to write that we are confusing the GTU. You do not know at all whether or not we have sent bills of lading to the GTU. The fact that we removed the bills of lading from the vessel does not yet confirm the fact of sending them to the GTU. Therefore, I do not recommend making hasty conclusions about 'entanglement' without sufficient verification...I can quite reasonably judge the uncontrolled passage of goods that took place in the Korsakov customs, based on the materials of the inspection carried out by the representative of the GTU I.N. Serdyuk. Lots of ships came to Korsakov from Vladivostok; however, in terms of imperfections, you give only one example ..." ⁶⁹² Although Eksportles representatives were one of the instigators of the conflict,

⁶⁸⁸ GIASO f. P-183, op. 1, d. 17, l. 28.

⁶⁸⁹ Letter from Vladivostok customs to the deputy head of Korsakov customs Kuznetsov (July 1947) (GIASO f. P-183, op. 1, d. 17, l. 97).

⁶⁹⁰ GIASO f. P-183, op. 1, d. 17, ll. 97-98.

⁶⁹¹ Ibid, l. 128.

⁶⁹² Ibid, l. 135.

the light was shed on serious problems in communication between Vladivostok and Korsakov customs.

The customs, in a fight with losses in international turnover, was monitoring and guiding foreign trade organizations to improve their performance. Paper products transported to Makarov port from Makarov paper mill initially were not divided into export and domestic products. Consequently, customs officials could not draw up acts on the improper storage of goods for export. To optimize the storage process of paper products for export accumulating in Makarov port, customs officials addressed this problem to the manager of the Sakhalin Eksportles office in 1948 and agreed on the paper products division during an interagency meeting in 1949. However, based on the reports of Makarov customs post officials, the situation remained the same. Left out of options, in May 1949, the customs head sent a letter directly to the Chairman of the All-Union Export–Import Association Eksportles to Moscow.⁶⁹³ The CIF reports, among other functions, were aiming to improve the activity of involved in foreign trade turnover Soviet institutions in the future, including Foreign Trade Associations. In a sense, all inaccuracies or other flaws noted by customs institutions could be analyzed and improved. During the loading of the Greek ship “Anna Statatos” bound for China in Makarov with cellulose and paper from Poronaisk paper mill in September–October 1949, based on the initial cargo documentation, all loading operations were finished 3 days earlier than planned. Respectively, early loading made it possible to reduce the amount of freight payment. Meanwhile, to effectively use the tonnage of the chartered ship, Eksportles representatives instructed the loading of an additional batch of paper on the same ship from Makarov paper mill. During the loading process of the second batch of paper, the ship's demurrage was accounted for at 1¼ days, and, consequently, the earlier loading time was reduced. In the CIF report, the customs inspector P. M. Ivanov accounted culpable for the demurrage Makarov paper mill (for slow paper feed into port) and Sakhalin office of Eksportles (for giving instructions for shipment of paper late). In response to the accusation, Eksportles representatives explained in a letter to Korsakov customs: “We believed and still believe that letting a foreign steamer with free cubic capacity chartered on a voyage cannot be considered otherwise as a crime. Therefore, we made a decision to load the maximum amount of paper products and, thereby, to receive the largest amount of currency for the country, which was done on the steamer ‘Anna Statatos.’ If we lost £ 150, we loaded tens of thousands of dollars’ worth of paper products.” Hence, in some cases, the customs formal approach could potentially be an obstacle for effective foreign trade operations.

One of the functions of the regional representatives of the MVT was observation over the implementation by all organizations located on the territory of the republic or territory (region), decisions, and orders of the Council of Ministers of the USSR and orders of the MVT, affecting issues of foreign trade.⁶⁹⁴ The representative of the MVT in the Far East emphasized in a letter to Korsakov customs head Umanets that clerical mistakes of Korsakov customs employees while clearing ships with imported cargos in 1948 caused difficulties in statistical materials

⁶⁹³ GIASO f. P-183, op. 1, d. 48, l. 52.

⁶⁹⁴ Александров, Дмитриев. С. 27.

processing for the MVT.⁶⁹⁵ However, the Korsakov customs head noted that the representative of the MVT in Sakhalin was also the manager of the Sakhalin office of Eksportles. Without any other employees in his subordination, he was not able to supervise personally arriving imported cargos. His attempts to delegate his functions to the Dalintorg⁶⁹⁶ representative were not successful because the last one was responsible for the five Sakhalin southern harbors alone. They resorted to outsourcing the acceptance of imported goods to the customs, which was not its direct function. For example, in the general act of the ship “Sevzaples” with equipment from Japan (dated 9 April 1949), the representative of the Dalintorg insisted on wording: “Handed over by the captain of the motor ship ‘Sevzaples,’ accepted on behalf of Dalintorg by a representative of Korsakov customs.” However, the customs representative declined to sign it. In the absence of the MVT representatives, customs had to get all related documentation from the captains for the later transfer to the Sakhalin commissioner of the MVT. Despite the decision of the Minister of Foreign Trade to increase the number of local staff members in 1949, it did not happen the same year, leaving the problem unsolved.⁶⁹⁷ The actions of Korsakov customs contributed to putting into focus problems of other MVT institutions; however, because of the limited resources, customs, or other organizations could not solve them locally.

Sequentially, when Sakhalin representatives of Eksportles discovered violations related to the storage or transportation of the export or import goods, they informed customs about it to take necessary measures. On 4 April 1950, the acting manager of Eksportles sent a letter to the customs and Korsakov port administration about Korsakov port's wrongdoings. In December 1949, Poronaisk paper mill shipped a batch of paper to the port. This paper was intended for transportation to Vladivostok and then for export. However, when Eksportles representatives checked the port's warehouse on March 8 of the following year, the paper was gone—shipped to a different consignee. Port representatives explained that steamers were rejecting to load the paper for export due to the poor condition of its packaging. Eksportles reminded in the letter that cargo intended for export could be removed from it only by the decision of the Council of Ministers or the MVT and asked the customs to look into the situation and bring those responsible to justice.⁶⁹⁸ Based on the letter, the customs started to investigate this incident.

Generally, the MVT institutions pursued similar goals through a critical approach to each other and other Soviet institutions, improving each other's functioning. At the same time, division in a field of responsibility—when Korsakov customs monitored the cargos while on the island or at calling vessels, foreign trade organizations were accountable for escort of goods under the transaction, in other words, upon the moment when consignee will receive the goods. The customs tended to operate “by the books,” pursuing the ultimate goal to load well-preserved good-quality export goods on a boat as soon as possible. In comparison, All-Union Foreign Trade Associations had to execute a more creative approach guided by the need to fulfill contractual obligations, considering the most effective use of freight tonnage. This

⁶⁹⁵ GIASO f. P-183, op. 1, d. 48, l. 15.

⁶⁹⁶ All-Union Export-Import Association, conducting operations for export from the USSR and import into the USSR with the countries of the Far East (Manchuria, Korea, Japan, etc.)

⁶⁹⁷ GIASO f. P-183, op. 1, d. 48, l. 45.

⁶⁹⁸ GIASO f. P-183, op. 1, d. 66, ll. 66-67.

diversity at large defined differences in approach for the customs and other local institutions subordinate to the MVT.

Conclusion

During the first years of Korsakov customs activities aimed at the protection of the monopoly of foreign trade of the USSR in the region, difficulties of the organizational period were combined with time and resources exhaustion on the Japanese and the Korean inspections. When international migration flows seized, and the number of posts and personnel was drastically cut at the beginning of the 1950s, the overall quality of the customs performance improved. Conversely, limited resources enabled customs to concentrate its efforts in Korsakov port, whereas, in other Sakhalin harbors, the quality of inspections remained low, mainly because inspections were conducted individually or by other Soviet organizations, inexperienced in customs work.

Relations with the GTU were characterized by uncompromising demand for control over Soviet customs legislation compliance on the one hand and insufficient help with the optimization of working and living conditions on the other hand. The demands were based on the general Soviet customs practice, without considering the local conditions (low number of customs personnel, especially during returnees' inspections, etc.). Although the GTU was able to show some flexibility in the decision-making process related to Sakhalin customs activities (some of the smuggling cases were canceled based on the individual circumstances of the involved people, norms of baggage allowance for the Korean workers were increased, etc.), initiatives and requests of Korsakov customs officials (specially dedicated boxes for currency confiscated from the Japanese repatriates, personnel and posts increase requests, etc.) were rarely supported. Instead, the materials of the yearly GTU inspections were the most effective and swift means of optimization of the customs work.

Despite being directly subordinated to the GTU, to execute its functions effectively, the customs had to be in constant contact with the local Soviet organizations. Technical nuances and human factors played a significant role in the general success of interdepartmental work. The main problem for the proper execution of this cooperation was the difference in the general approach and goals of each organization. The customs actions and requirements focused on the protection of the State monopoly of foreign trade were frequently regarded as an obstacle to effective operations of local institutions, individuals' welfare, and even international trade itself. Even pursuing similar goals with the other MVT institutions in the Sakhalin region, customs' particular approach and tasks led in some cases to confusion and misunderstanding.



Japanese and Soviet names of the posts of Korsakov customs

(on the bases of the decree of the Presidium of the Supreme Council of the RSFSR on 15 October 1947,
Sakhalin settlements bearing Japanese names were renamed)

Nishisakutan – Boshnyakovo

Kitakozawa – Telnovsk

Tōro – Shakhtersk

Taihei – Udarniy

Esutoru – Ulegorsk

Chinnai – Krasnogorsk

Tomarioru – Tomari

Maoka – Kholmsk

Honto – Nevelsk

Naihoru – Gornozavodsk

Ōtomari – Korsakov

Shiritori – Makarov

Shikuka – Poronaïsk

Conclusion

The new customs institutions in Russian Sakhalin were created and re-created three times (in 1910, 1925, and 1945), and each time they functioned in different geopolitical and socio-economic conditions of the island. The officials behind the decision-making process concerning the establishment of customs on the island each time largely disregarded the economic conditions of the territory as well as the consequences of the establishment of the customs for the island's development. However, the reasons for this approach in the Imperial and Soviet periods were fundamentally different and related to the institution's place and functions in the customs system of the State.

In the Imperial period, the dignitaries deliberately disregarded the virtually undeveloped North Sakhalin economy since the establishment of the customs had more to do with Russo-Japanese relations in the region rather than with the State financial policy in Sakhalin. According to their expectations, increasing the prestige of the Russian authority in a remote territory due to the creation of customs institutions was supposed to reduce the number of foreign ships illegally coming to Sakhalin's shores. However, the Government's expectations were not met. According to the observations of Sakhalin officials, the establishment of customs only in Aleksandrovsk on the West coast of the island did not reduce the number of foreign ships entering Russian waters near Sakhalin illegally. An adequate response to the smuggling problem could lay in the strengthening measures of customs control, including new customs institutions establishment. After establishing the customs in Vladivostok, the increasing number of customs posts on the Russian-Chinese border was an example of such an anti-smuggling policy. However, numerous proposals of the local officials to strengthen the fight against smuggling, including establishing a customs post close to the Japanese border in Pilevo – a place of illegal transportation of foreign goods to the mainland, remained unanswered by the Government. Even when Japanese alcohol became the predominant subject of smuggling after WWI, the Central customs authorities neglected numerous requests of the island's customs about the establishment of customs control along the Russian-Japanese border. The desire to avoid border confrontation with Japan was probably why the central officials virtually allowed the penetration of smuggling from Sakhalin to the mainland, prioritizing good relations with Japan maintenance over the possible financial gain. This was because while the Russian Far Eastern authorities were concerned about the increasing military power and ongoing expansion of the Japanese capital in the region, the general relations between the two countries after the end of the Russo-Japanese war were amicably favorable.

When Soviet customs were established in northern and southern Sakhalin (1925 and 1945, respectively), the Central and local officials had a vague impression of the economic potential of the territory. This was due to the fact that before the Soviet power dissemination on the northern (1925) and southern (1945) parts of the island, these territories were either occupied by the Japanese for five years or a part of Japan for about four decades. However, compared to the Imperial period, the Soviet Union monopoly of foreign trade protection became the main incentive for establishing the customs in the remote territories of the State, reducing the decision about the opening of the institution in both cases to a mere technicality.

The functioning of customs institutions in the free port conditions created similar adjustments in the Imperial and Soviet institutions' work; however, the difference in the attitude of the Central Government towards the economic development of the region made the authorities assess the nature of this phenomenon differently. The free port in northern Sakhalin remained almost intact throughout the Imperial period, except for the alcohol excise tax, which was introduced in 1909 before establishing the customs. The main reason for the free port establishment was the difficulty of providing the inhabitants of the Russian part of the remote island with goods of domestic origin. The reports of the customs officials about a small share of foreign goods on the Sakhalin market, as well as the information about the self-sufficiency of the majority of the local population engaged in agriculture, seemingly did not draw the attention of the regional or central officials to the regional supply mechanism. Along with the lack of investment in the local economy and infrastructure investments, in particular, this situation paints a picture of the general scarcity of initiative of the Imperial Government in the island's development.

The establishment of the only customs post operating on the East coast of Sakhalin during the Imperial period was related to the entrepreneurs' initiative and regional officials' support of the island's natural resources development. State approval of the private oil venture request could seem contradictory to the general government's economic policy on the island. In fact, it was a part of the state strategy toward the economic development of Sakhalin, which consisted of predominantly administrative means of promotion of private capital (predominantly Russian) for the development of Sakhalin's natural resources. However, without a considerable State investment in the island's economy, the private enterprises, lacking the resources, were mainly misfortunate. Due to the termination of operational activities of oil companies on the island, the newly established post was in effect functioning only for two years. The Sakhalin customs manager in Aleksandrovsk was the only official, considering the establishment of the new post premature, compared to other regional and central officials, optimistically connecting the establishment of the customs on the East Coast with the rapid development of the oil industry; he predicted the small scope of work for the customs officials combined with significant difficulties in the living and working conditions.

If the central government in St. Petersburg was set on the free trade course in Sakhalin, due to the slow development of the island's economy and local market's small capacity, the free port establishment in Soviet Sakhalin at the end of 1925 was caused by the supply crises, as a result of the dissemination of the customs tariffs on European trade with some exceptions for the Maritime region on northern Sakhalin. However, compared to the Imperial period, the free port was considered a temporary phenomenon by the Soviet officials, which was supposed to be abolished when the domestic economy reached a certain level, allowing a steady supply of the remote territory with domestic goods. Indeed, due to the economic development of the country, the share of foreign goods in the Sakhalin market gradually decreased throughout the 1930s. The significant investments in the Far Eastern economy starting from the first Five-Year plan period involved the financial means for the Sakhalin industries' rapid development, including the fish industry, coal mining, and oil production. However, the inability to provide domestically produced equipment for the Sakhalin enterprises created conditions for the

frequent extension of permits for the preferential import of foreign goods intended for the island.

The free port existence in North Sakhalin both in the Imperial and Soviet period distinguished the island from the mainland as a special duty-free zone. Special measures, such as cargo and baggage inspections upon boat leaving for the continent, were imposed to prevent the penetration of the chip duty-free and excise-free goods from the island to the mainland. In the Imperial period, the start of duties collection from foreign goods that were transported to the mainland by Sakhalin customs in 1911 led to the route reorientation of the foreign goods delivery to the mainland to another place of entry for the steamships in Sakhalin, where customs control was absent. In the Soviet period, the Sakhalin customs exemption from vessels and cargo inspections of coastal ships by the GTU in 1928 left the loopholes for the illegal penetration of preferential goods from Sakhalin to the mainland. It was due to the fact that most of the steamers on their way from Sakhalin entered some bays on the mainland lacking customs control. While the share of the illegal transportation of the preferential goods from Sakhalin to the mainland was insignificant in comparison to the other types of smuggling in the region, it remained throughout the existence of the free port on the island.

In their work, customs officials had to follow the legislative norms, which frequently did not take into account specific nuances of the institutions' work on the island. The attempts of the local customs officials to adapt their work to the local conditions and create good relations with the local officials heavily relied on the response from the higher authorities. In turn, the customs operations efficiency, as well as local employees' needs, was rarely a priority for the higher officials, who were willing to accept local customs suggestions only if they did not go against the current priorities of the government in the region.

The efforts of the local customs to improve the fight against smuggling on the island during the imperial period fell short since a majority of the local initiatives were not supported by their superiors. On the other hand, the attempts of the institution to adopt other aspects of the work to the local conditions could be considered overall successful. The changes in the vessels' inspection procedure by Aleksandrovsk customs head, which were caused by the undeveloped Aleksandrovsk pier infrastructure, were approved by the administration in Khabarovsk. Moreover, during conflicts between the local officials and the customs, the latter usually found support in the Khabarovsk Customs District. The mediation of the regional administration significantly contributed to the normalization of relations between the local customs and the Sakhalin Governor in the first years of the customs operations on the island.

In the Soviet period, however, the lack of communication with the higher customs authorities created significant challenges for the customs. The specific part of the island's customs work was related to the monitoring of the concession goods imported to North Sakhalin duty-free and prohibited for sale on the domestic market. Regardless of the rising share of Soviet goods on the Sakhalin market, the poor supply problem remained during the Japanese concessions operations on the island, creating strong demand for the concession goods among the local populations and organizations. The attempt of local customs officials to improve the monitoring over the concession goods distributions: initiative about the ticket books establishment was approved by the higher customs authorities. However, the

prosecution of the concession administration for the illegal sale of the concession goods by Okha customs according to the Soviet legislation norms led to the accusation of the Soviet Government of bias and unfair actions toward the Japanese enterprise. In turn, this led to the harsh criticism of the Okha customs' "ill-conceived" actions and instructions about a more cautious approach towards the concessioners' actions on the island since the actions of the customs harmed fragile Soviet-Japanese relations. The numerous attempts of the local customs, as well as the DVO GTU, to prosecute the concessions administration for the unlawful actions with the concession goods, according to the legislative norms, were repeatedly thwarted by the GTU in Moscow, which was guided by the Soviet leaders' directives regarding the Japanese concessions affairs.

Compared to the previous period, the customs institutions were not acting independently on the island, being a part of the supervision system over the Japanese concessions, among other Soviet institutions. The paradox of the customs work lay in the fact that while following orders of the local institutions related to the Japanese concessions supervision, the customs was simultaneously prosecuting Sakhalin organizations and institutions for the illegal purchase of concession goods. However, the GTU tactic of avoiding punitive actions against the Japanese concession led to a lack of consequences for the local organizations as well.

In the post-war period, the GTU control over the affairs of Sakhalin customs increased even further. The regular inspections of the customs performance, along with the increased amount of reports to Moscow, became the primary method of the institution's performance evaluation. The establishment of Soviet customs on the former Japanese territory with the well-developed infrastructure assured a large number of vessel inspections since the local economy, not significantly damaged by the years of war, was able to recover promptly. However, the lack of clear understanding of the development vectors in the Sakhalin economy by the GTU officials led to prompt (sometimes changes occurred more than once in one year) but crude decisions regarding Sakhalin customs number of personnel and posts locations, which were largely based on the work volume of the post in a limited period of time, and did not take into account (or considered only partially) the suggestions of local customs officials. However, the changes occurring in the passengers and cargo turnover of the numerous Sakhalin ports outpaced the changes in the customs structure, leading to a decrease in the efficiency of customs inspections.

The inspections of the Japanese repatriates, occurring mostly in 1946-1949, became a severe challenge for the local customs officials, who had to work seven days a week with extended working hours for months. The requests of the local officials to increase the personnel in Kholmsk (the place of the inspections) were only partially satisfied. On the other hand, an attempt by Korsakov customs head to simplify the paperwork to reduce the inspection time was rejected by the GTU as inefficient, leading to the continuation of the long shifts for the customs staff.

In accordance with its functions, the customs had to work closely with the number of Soviet organizations on the island. However, compared to the previous period, after WWII, the better-qualified employees of the institution directly subordinated to GTU didn't follow orders of other local or regional organizations, independently brushing aside attempts to violate its authority on the island.

The regional consciousness of local officials and merchants, which started to grow in the Russian Far East around establishing unified administration there in 1884, remained during the turbulent years of WWI, the Russian revolution, and foreign intervention. Moreover, after establishing Soviet power in the region, it continued to grow when a regional cohort of local officials formed a strong network, which Moscow had trouble controlling. The situation changed during the purges of the 1930s, leading to the destruction of regional elites and centralization.

The regional trend was partly reflected in Sakhalin customs history since both 1910 and 1925; the customs institutions there were created on the initiative of the provincial officials. However, in the Imperial period, while the Customs Inspector in Khabarovsk was exercising his authority over the customs in Aleksandrovsk, the officials never tried to pursue a regional agenda, following the orders from St. Petersburg. The changes in the regional dynamic of customs work were highlighted during the Japanese concessions operations in Sakhalin. While the Central authorities were asking for flexibility from the regional and local officials to avoid open confrontation with the concessioner, the regional judgment frequently didn't meet Moscow's expectations. The GTU officials often did not support the DVO GTU instructions to Sakhalin customs. On the other hand, unlike the free port establishment in Soviet Sakhalin, the decisions of the customs officials in Khabarovsk and Vladivostok regarding concessions affairs did not deliberately contradict the central policy. After WWII, when Korsakov customs got directly subordinated to Moscow, the initiative of local officials to optimize customs inspections procedure due to the difficult working conditions was promptly stopped by the GTU, and in general, the customs was following the orders of the higher authorities. Overall, it seems that the regional and local customs officials were trying to do their job based on the legislative norms, instructions from their superiors, and to the best of their abilities throughout the period covered in this study. The occurring detours from this course were related to the extreme local conditions (such as the supply problem), poor working conditions, and lack of experience or qualification.

The central authority frequently disregarded the suggestions of the Sakhalin and regional subordinates, which led to inefficient decisions regarding the local customs work regulations. However, with the island's small population and the limited capacity of the Sakhalin market (at least until the end of WWII), these decisions usually had little impact on the regional economy. The local customs work related to the country's international affairs was the focus of the central authorities. If Sakhalin officials were instructed to rely on their judgment while dealing with the duty-free concessions goods or norms of baggage for Korean workers, they still had to do it within the narrow framework of customs legislation. On the other hand, the authorities in Moscow showed impressive flexibility, which included the revision of the existing legislative norms. Sometimes, these alterations were caused by factors obscure to the local customs.

Regardless of the occurring similarities, the history of Sakhalin customs between 1910 and the early 1950s could not be seen as a gradual development of the customs service on the island. In each of the three separate periods, Sakhalin customs history appeared as an application of the general customs regulations and adaptation of the customs work to the new specific conditions.

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