

## THE SOVIET PROBLEM WITH TWO “UNKNOWNNS”

could be produced in wartime. Likewise, wartime tank capacity of the tractor plant in Stalingrad was estimated at 12,000 T-26 light tanks.<sup>97</sup>

In his speech at the VII Congress of Soviet Councils, the chairman of VSNKh and commissar of heavy industry, G.K. Ordzhonikidze, stressed the urgent need for conversion of the Chelyabinsk tractor from naphtha to the more efficient and less flammable diesel fuel (especially important for tanks in battle).<sup>98</sup> In 1936 Eliazar I. Gurevich, now the chief engineer for conversion, traveled again to the U.S. to place orders for the essential equipment, which was manufactured by Ingersoll Machine Tools and several other plants in Rockford, near Chicago.<sup>99</sup> In 1937 the first Soviet diesel tractor “Stalinets-65” was made in Chelyabinsk.

As predicted by Knickerbocker in 1931, the tractor plant in Chelyabinsk proved to be the best prepared for mass production of tanks. In 1939 it began production of the artillery prime mover “Stalinets-2”; in 1940, the self-propelled heavy howitzer SU-152 and tank T-34; and in December 1940 it released the first Soviet heavy tank KV (Klim Voroshilov). In October 1941, as the German army advanced into Soviet territory, the plant was combined with several smaller plants evacuated to Chelyabinsk from the European part of the U.S.S.R., including the Kirov tractor plant from Leningrad (formerly Krasny Putilovets) and diesel engine-building factory No. 75 from Kharkov. On October 6, 1941, the combined tractor plant in Chelyabinsk was renamed Chelyabinsk Kirov

Plant.<sup>100</sup> It became subordinate to the Commissariat for Tank Industry (Narkomtankprom) and switched exclusively to production of tanks; hence, the city of Chelyabinsk was nicknamed Tankograd (Tank City). In 1943 the KV was replaced by the KV-85, and in November 1943 the IS (Iosif Stalin) replaced the KV-85. In December 1943 the plant started production of ISU-152 assault guns. In record time, the Kirov Plant became one of the main armories for the front, delivering 180 heavy tanks and 100 T-34s per month by 1944. At the end of the war, the Chelyabinsk plant was also producing V-11 and V-12 tank diesel engines. A total of 18,000 tanks, 48,500 tank diesel engines, and over 17 million units of ammunition were manufactured at the plant during the war years. The plant’s ability to manufacture diesel engines for tanks was especially important because Germany did not succeed in developing a diesel-powered tank before the end of World War II.<sup>101</sup> (figure 15)

### “Mad tempo” and a parting of the ways

For carrying out its Russian assignments, Albert Kahn’s firm had to be paid in hard currency that the Soviets mostly obtained from the export of wheat to the U.S., shipped at the height of the mass famine in Povolzhye and the Ukraine. The Politburo decree of August 29, 1930, emphasized that “timely implementation of the mandatory grain collection quota is vital for industrial development in our country and most and foremost for such industrial giants as Magnitostroi and Cheliabstroi.” The decree was preceded on August 24 by a letter to

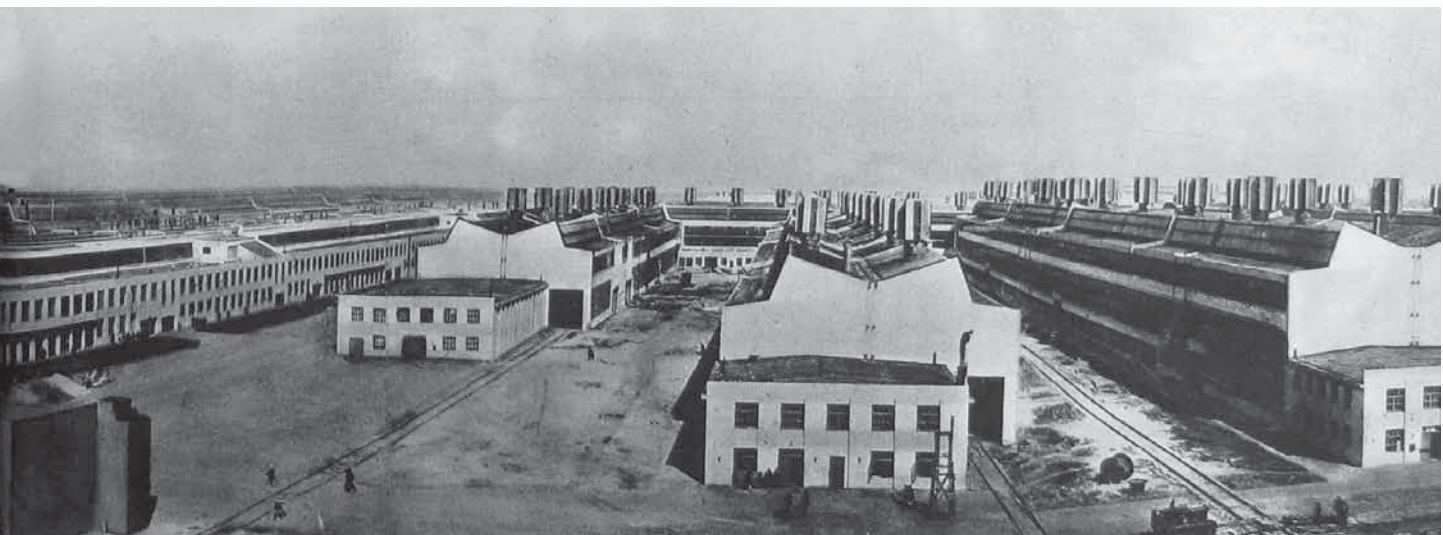




Figure 15. Assembled T-34 tanks at Chelyabinsk Tractor Plant, 1943. Photo courtesy of Chelyabinsk Tractor Plant Museum.

V.M. Molotov from Stalin, from his vacation house at the Black Sea, where he wrote:

Each day we are shipping 1–1.5 million *poods* [16–24 thousand tons] of grain. I think this is *not enough*. We must immediately raise the daily export quota to 3–4 million *poods* at a *minimum*. Otherwise we risk being left without our new metallurgical and machine-building plants. . . . In short, we must *accelerate* grain export at a *mad tempo*.<sup>102</sup>

But despite the relentless pressure on the peasants to meet unrealistic production quotas and drastic cutbacks of all provisions in the cities, with the poor harvest in the summer of 1931, the Kremlin's hard currency reserves continued to decline. It was compounded during the Great Depression by the sharp drop in prices of raw materials other than grain exported by the U.S.S.R. On August 20, 1931, the secretary of the Central Committee, L.M. Kaganovich, reported to Stalin about a shouting match during a meeting of the Politburo over the payments for completed orders and placement of new orders in the U.S., and he asked Stalin for instructions. He also reported that "the Germans [had] easily agreed to lower the interest rate because they badly need our orders."<sup>103</sup> Stalin responded on August 25 by telegram:

Due to difficulties with hard currency and unacceptable credit terms, I propose to ban placement of new orders in America, call off any negotiations for new orders that have already begun, and, wherever possible, terminate the contracts for orders which have already been negotiated, transferring those orders to Europe or our own plants. I propose to make no exceptions, neither for

Magnitostroi and Kuznetsstroi, nor Kharkovstroi, Dneprostroi, AMO, and Avtostroi.<sup>104</sup>

Many of these "*strois*" were Kahn's sites.<sup>105</sup>

Under this pressure, things indeed accelerated at a "mad tempo." Stalin wrote to Kaganovich on August 25, 1931:

The foreign currency shortage is not the only problem. The main problem is that if we don't drop the new orders placed in America on the *draconian credit terms* that America practices, we may lose the *preferential terms* we have secured in Germany, Italy and England (and will secure in France).

Kaganovich responded to Stalin on August 26:

We have received your telegram about the orders in America. It solved our disagreements even more radically than we thought. We immediately sent a telegram to America to stop all new orders. Tomorrow we will review the orders portfolio and see which can be placed in Europe and which in the U.S.S.R.

And Stalin to Kaganovich on August 30: "America aims its efforts to devastate our foreign currency reserve and fundamentally disrupt our currency situation. America today is the main force in the financial world and our main enemy." Kaganovich responded to Stalin on August 31:

Dear Comrade Stalin! We understood your suggestion about America just as you meant it, as a great maneuver which must force Americans to change their terms. We are in a much better position to do it now, since the main orders for our industrial giants have been completed.