Russian History and the Myth of the Cold War:  
Western Capitalism as the “Builder of the Workers Paradise”  

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Introduction: The White Elephant  

Since 1992, Soviet Communism was no longer fashionable. Major media signaled their friends that Stalinists were now “conservatives.” The new threat is from “nationalist” who, as it turns out, were the same all along. The BBC hack-documentary on North Korea declared that country a “fascist dictatorship” on the “right of the political spectrum.” Again, the same movement is at work: if the system is to condemn something, it must be rightist. Suddenly, communist, nationalist and fascist are the same thing. For historians, the problem is that communism was never the problem in American policymaking, nationalism was.

The Cold War is a myth. It never happened. This is fairly easy to prove by showing the billions of dollars the US and western Europe invested in the Soviet economy. There was no break in this, and at critical times, the USSR was bailed out by cheap grain sales from Archer-Daniels-Midland and other conglomerates.

As always, the mythic “Cold War” does have a grain of truth to it, but it has little in common with the “fear of communism” that policymakers neither understood nor feared. The problem was when the east sought to create a large, powerful trading bloc outside of western control. Then – and only then – threats about “tyranny” and the “Red menace” could be heard. Even in those exceptional times, corporate America continued to irrationally invest in “building socialism.”

So it is not entirely surprising to read that President Ford refused to meet with Solzhenitsyn so as to not “prejudice” Brezhnev at a summit held later. Reagan did the same thing, only meeting with liberal dissidents like Sakharov (Kengor, 2010). Both presidents, ostensible anticommunists (but still willing to profit from Moscow), were willing to work with the Soviets but never “Russian nationalism.” This cries out for explanation. The Cold War was anything but a war. Russian nationalism was the target, not “Marxism.”

Sanctions have been put on Putin's Russia that have never been advocated at the height of the gulag system. The President of nationalist Russia has been the target of what Stephen Cohen calls “ongoing extraordinary irrational and nonfactual demonization of Putin” from the west. No Soviet dictator was even remotely treated so harshly. A shooting war with Russia is a very real possibility. There was not a moment where even vociferous disagreement was possible with the USSR.

The west is broke, deeply indebted, bereft of leadership, and slowly falling into poverty. Yet, the main foreign policy objectives of this country are to overthrow pro-Russian governments in Uzbekistan, Belarus, Kyrgyzstan and Armenia. At a low point in the American legitimacy, she is willing to risk a nuclear war for the first time in her history. Anti-war protests have predictably been silent, since the corporate behemoth only financed them when defending the USSR. There is no “peace movement” calling for negotiation with Russia just like there is no peace movement protesting the absurd Afghan war. The US engages in provocative war games in Ukraine and Bulgaria with little domestic protest. This never occurred during the “Cold War.” The “no nukes”
groups no longer exist precisely at the time where nuclear war is very possible.

The US defends the “integrity” of Ukraine today but accepted her absorption into the USSR yesterday. The US sends agents into Ukraine to overthrow the government, but refused to countenance the idea in 1956 or 1968. The US military is lauded by left and right alike as heroic, superhuman and morally without spot. Yet, soldiers coming home from Vietnam were attacked physically by protesters at the behest of major media. The constant seems to be that fighting the USSR was considered a bad idea and officially rejected. A nationalist and non-communist Russia is a threat to world peace.

*The Greatest Open Secret: The West as the “Builder of Socialism”*

The Obama administration overturned the “trade embargo” on Cuba on December 17 of 2014. The implication is that the US was an enemy of Marxism and thus, the embargo was begun to force the left out of Cuba. Nothing can be further from the truth. The west built socialism, not only in the early stages, but throughout the Soviet experience. This dirty secret of western economics is barely mentioned, let alone analyzed. In his 1985 work on Soviet technology, TW Luke writes:

The Bolsheviks stressed to Soviet workers, managers, and intellectuals the centrality of industry over agriculture in the NEP of 1921. Trotsky notes, 'We [the Soviet Union] are in a process of becoming a part, a very particular part, but nonetheless an integral part of the world market . . . Foreign capital must be mobilized for those sectors of [Soviet] industry that are most backward.' . . . These technological imports were to be limited because the Bolsheviks recognized the dangers of dependencies on the core, especially technological dependence. For example, resolutions of the 14th Party Congress in 1925 stressed the 'whole series of new dangers' in Western trade and advocated domestic technical development to prevent the USSR from becoming, in Parrot's words, 'an appendage of the capitalist world-economy'. Still, as Sutton notes 'the penetration of early Soviet industry was remarkable, Western technical directions, consulting engineers and independent entrepreneurs were common in the Soviet Union.' Even so, throughout the 1920s the Soviet state tightly regulated foreign access to suit its technological needs (Luke, drawing from Sutton 1985: 339).

Not only did the US and western Europe build the USSR, but did so as their own populations were struggling. The west was so involved in building socialism that the 14th Congress, mentioned above, was concerned about the loss of Soviet independence.

From the same article,

The impact of imported technologies differed from industry to industry and from region to region. In the oil industry, for example, they were vital. Petroleum exports in 1926-1927 doubled 1913 exports. Alone, they provided 20 percent of Soviet foreign exchange earnings: 'the importation of foreign oil-field technology and administration, either directly or by concession, was the single factor of consequence in this development (Sutton, 1968:43). While the overall imports of expertise and technology dropped in value from the 1893-1913 levels, the Bolsheviks' bureaucratically planned
economy stressed the need for post-1918 imports to be directed toward cost-efficient and economically necessary production to fit the planned industrial program of the regime (Luke, 1985: 339-340, also drawing on Sutton).

The significance here is that the Cold War was a myth. No war features one combatant feverishly investing in building their opponent. Western capital was not anti-communist, but saw the Soviet system as the perfect version of itself: a totally centralized economy run by experts from one source. Capital looked upon Gosplan with envy, as Gosplan was identical in its powers to the small group of financial conglomerates that control the US economy in 2015. They approve or reject all investments, set targets, measure economic growth, dictate the amount of money in circulation, manipulate statistics and in all respects – down to the last detail – control the American economy with little reference to the market. Gosplan is no different institutionally or ideologically from the American financial elite, as not a penny is invested in the US economy without their direct approval and control. Needless to say, the royalist and Orthodox emigre groups were infiltrated by both FBI and KGB, and rejected, often violently, from having any role in the global ideological realm. Had the west not subsidized the USSR, communism would not exist.

Stalin himself admitted that two-thirds of early Soviet industrial products and development were of American origin (Chase-Dunn, 1980). Trade and aid to the USSR was constant, and often comprised the highest technology available. There has been no meaningful trade sanctions on the USSR throughout most of her history. Hence, the Cuban embargo or the Vietnam War had little to do with Marxism or the USSR. The fact is that the infrastructure of Castro and Ho Chi Minh was largely produced in the US.

The propulsion systems for much of the Soviet Navy and significantly, at Haiphong Harbor were from American firms. Nixon and Johnson actively went out of their way to stop any move to stifle trade with the USSR, and even in the midst of the Vietnam War. The Gorki Truck plant was shipping hundreds of vehicles a month to North Vietnam with the full blessing of the State Department. Of course, it was Ford's plant and it was largely staffed by Americans. Henry Ford created the Soviet automotive industry, especially in the development of trucks. His Gorki plant was also making rockets and other military equipment for the USSR without comment from the US. Soviet rockets were fired on Ford GAZ-69 chassis (cf. Sutton for the details on these).

In 1968, Fiat motors created the world's largest automotive plant in the world at Volograd. ZIL was created by New Britain Machine Company. Nixon personally approved the Kama truck plant deal, the creation of an automotive and trucking plant creating 100K vehicles per year in 1972, which at the time was more than all US automakers put together. The plant itself came to occupy 36 square miles, every inch created by the US (Berliner, 1976, His Innovation Decision in Soviet Industry is a useful analysis of these inputs).

In Korea, the North Korean Army and China were using trucks made by Ford and tractors by Caterpillar. Soviet fighters were equipped with Rolls Royce engines sent to Stalin by the British automaker. As Anthony Sutton explains, it was the elite, including Maurice Stans, Peter G. Peterson, Peter Flanigan, Averell Harriman and Robert McNamara that have created the infrastructure for constant and lucrative trade with the “enemy” USSR. All evidence from the State or Commerce Departments has not been declassified. Only though insistent demands have these documents been granted to the public. It is highly likely that the unclassified papers from 70 years ago are largely detailed agreements between American capital and the “Soviet enemy.”
The Ural Steel complex that served as the heart of Soviet industrialization was 100% American. The McKee Corporation built the world's largest steel and iron plant in the world in the USSR:

Organization methods and most of the machinery are either German or American. The steel mill “Morning” near Moscow, is said to be one of the most modern establishments of its kind in the world. Constructed, organized and started by highly paid American specialists, it employs 17,000 workers and produces steel used by motor plants, naval shipyards and arms factories (U.S. State Dept. Decimal File, 861.5017, Living Conditions/456, Report No. 665, Helsingfors, April 2, 1932)

The 1932 KHEMZ plant in eastern Ukraine was created by GE, and is 250% more powerful than anything GE had in the US. Sutton writes:

Major new units built from 1936 to 1940 were again planned and constructed by Western companies. Petroleum-cracking, particularly for aviation gasoline, as well as all the refineries in the Second Baku and elsewhere were built by Universal Oil Products, Badger Corporation, Lummus Company, Petroleum Engineering Corporation, Alco Products, McKee Corporation, and Kellogg Company (Sutton, 1973: ch 4; online edition, no page numbers).

The Federal Reserve Bank of New York sent $1 billion in aid to Trotsky and the Red Army (Washington Post, Feb. 2, 1918). The First Five year plan had all of its military equipment built by American firms. Sergei Nemetz of Stone and Webber, along with Zara Witkin supervised most of the military construction for the first two Five Year Plans using American capital desperately needed at home.

Carp Exports supplied the Soviet Union with all its high tech military parts. It was based on New York City. Electric Boat Company of Groton, Connecticut built the soviet submarine fleet with express permission of the State department in 1939. Skoda Armaments of Czechoslovakia is a subsidiary of the Simmons Machine Tool Corporation of Albany, New York. Ball Bearings were built in the USSR by Bryant Chucking Grinder Company of Springfield, Vermont.

All told, 90% of all Soviet industry was created in the US or western Europe. There, by definition, can be no Cold War. Capital does not require markets in order to be profitable. Once one rejects the formulaic division of the world into “Soviet” and “American” camps, all 20th century history appears differently. One of the most telling quotes is from the Russian language work: The Political History of the Russian Emigration, written by SA Alexander:

Despite the growing popularity of the right-wing in the emigre environment, it is only the leftists that found a response in western governments. Most significantly, the leftists in exile were feted by the financial and industrial sector interested in trade with the Soviet Union. The “All Emigre Russian Unity” conference was called at the best of American capital, and the Soviet financial elite were invited. Conferences subsequent to this were called by capital in Cannes, Genoa, The Hague
and Lausanne (Alexander, c 1930, translation mine).

While comments like these are fairly common in Russian, there is a very explainable refusal for western myth-makers to believe that communism is identical to capitalism and the US was not anti-communist, but rather anti-nationalist. There has never been an explanation offered that would give capital any reason whatsoever to fear the USSR.

In a curious turn of events, after the Second World War

As an ally of the victorious capitalist core powers, the USSR gained many unexpected technological windfalls in the aftermath of World War II. New technical inputs in weaponry, electronics, nuclear power, aircraft and chemicals were expropriated from Germany and other Axis powers from 1945 to 1950. Allied lend lease equipment, especially heavy bombers and airplane engines, was also 'reverse engineered' from 1942 to 1953. The USSR dismantled and shipped home 25 percent of the industrial plant in the western zones of Germany, along with additional industrial equipment constituting 65 percent of all motor vehicle production, 75 percent of all rubber tire capacity and 40 percent of all paper and cardboard-producing capacity in eastern Germany (Luke, 1985: 343).

This is extremely significant in that these patents were at least in part financed by American firms. They represent decades of research and millions of dollars in grants. Yet, Stalin brings them home without a peep from the west.

**The Vietnam Era**

Between 1965 and 1985, the Soviet Union, Cuba, Vietnam and the rest of the Soviet Bloc was constructed by American firms. Alcoa built Soviet aluminum. American Chain and Cable created the machine Tool industry. Ingersoll Rand built much of the heavy duty transport infrastructure (under Automatic Production Systems, a shell company). Betchell created the construction industry. Boeing was heavily invested in Soviet aviation while building the bulk of the American air force. Dow Chemicals, DuPont and Dresser industries were competing to see who will build the more advanced Soviet chemical plants. IBM was helping create the more modern computer industry while Gulf General Atomic was helping put nuclear missiles together for the USSR.

Much of this was made easier by the US-USSR Trade and Economic Council, a pet project of Vice President Bush and Commerce Secretary Malcolm Baldrige in the 1980s. Just a partial list of members include Abbott Laboratories, Allen Bradley Gleason Corporation, Allied Analytical Systems, Ingersoll Rand, International Harvester, Kodak, American Express, Archer Daniels Midland, Armco Steel, Monsanto, Cargill, Occidental Petroleum, Caterpillar, Chase Manhattan, Pepsi Co., Chemical Bank, Phibro-Salomon, Coca Cola, Ralston, Continental Grain Seagram, Dow Chemical and Union Carbide. All members of this Council had substantial investments in the “Soviet enemy” and, through their philanthropic organizations, created the “peace movement.” (Erikson, 1991)

In 1985, the San Jose Mercury News reported confirmation from State and Commerce Departments that
The most sensitive, state-of-the-art semiconductor manufacturing equipment
got to the Soviet Union after first being shipped to Switzerland. Creed
[spokesman for Commerce] said the material shipped to Cuba, and additional
equipment the Cubans were unable to obtain, would have given them the
capability to produce semiconductors and integrated circuits. The report stated
that such trade was “illegal.”

Research into the existence of such a law has been disappointing. It would have made
little difference especially since the technology had already been either granted or taught to the
USSR by the US. Such an alleged “prohibition” would be absurd. It is very possible that, if there
were laws concerning this trade, it would be very easy to evade, and the Justice Department
(dwarfed by most of the legal departments of the companies above) would have to prove that the
equipment could not be used for something else.

The US Senate created hearings entitled Transfer of United States High Technology to the
Soviet Union and Soviet Bloc Nations in 1983. Testimony from these hearings included William
Norris, the CEO of Data Control Corporation of Minnesota, who had written in 1973:

We have offered to the Socialist countries only standard commercial computers, and
these offerings have been in full compliance with the export control and
administrative directives of the Department of Commerce. . . CYBER is a generic
name denoting a line of computers. The least powerful model is the Control Data
6200 which is installed at the Dubna Nuclear Research facility near Moscow (from
Senate, 1983, archives, 61).

The State Committee of the Council of Ministers of the USSR sealed a huge deal with
Data Control in 1973. While openly denying it in public, Norris and the Department of
Commerce squashed all inquiries into the investment and aid project. The Soviets stated that
Data Control will:

Build a plant for manufacturing mass storage devices based on removable
magnetic disk packs with up to 100 million byte capacity per each pack. The
yearly plant output shall be 5,000 device units and 60,000 units of magnetic
disk packs (approximate estimate). It is expected that 80% of the plant output
will be-30 mega-byte devices and 20% will be 100 mega-byte devices. . . To
build a plant to manufacture line printers to operate at a speed of 1,200 lines per
minute. The yearly output shall be 3,000 devices (approximate estimate). . . To
build a plant for the manufacture of process control oriented peripheral devices,
including data collection, analog/digital gear, terminals etc. The annual plant
output for all devices, including data collection, is estimated as approximately
20,000 units (from Sutton, 1986: ch V, dedicated to the Data Control Corp).

And if this is insufficient, we read:

To organize within the Soviet Union manufacturing of Control Data Corporation
licensed remote communication equipment and analog to digital components for
standalone use within technological process control systems. It must be kept in mind that such devices and components must satisfy requirements of both the Soviet Union and Control Data Corporation. Control Data Corporation evaluates that it can buy back approximately $4,000,000 worth of these products. . . Control Data Corporation is prepared to assist the USSR in obtaining the financing needed to accomplish the above noted objectives (ibid).

From this eye opening chapter by Sutton, the entire soviet computer industry was created by American firms. In 1959, the Model-802 system was sold to the USSR from Elliot Automation Ltd, an English firm. This is part of General Electric, one of the major offenders in this category. European branches of US firms were selling advanced computer equipment to the USSR at roughly $40 million per year (ibid).

During the Vietnam War, giants such as Union Carbide, General Electric, Armco Steel, Bryant Chucking Grinder, and Control Data were just the wealthiest of American capitalists with regular deals in building Soviet industry. This was in 1973, and every bit of it was approved by Johnson and Nixon during the war. Thus, the war against Vietnam could not have been motivated by “anti-communism,” but is likely the result of the fear in the breasts of American business if China and Russia were to combine forces, the US would become superfluous.

The Overmann Commission (1919)

If the above seems impossible, then hopefully this section can put those fears to rest. The western love affair with the USSR was shown to be overwhelming as early as 1919. The Rohrback Commission in the US Congress did not exist. Unfortunately, amateur researchers usually bite off more than they can chew, and this non-existent “Commission” has been used as a club to beat revisionists over the head with for years.

However, the Overmann Commission was quite real. The facts unearthed led to a firestorm of denunciation by the State Department, the British government and academia. In a fit of total dishonesty, it is connected to “Joe McCarthy” regardless of the fact that it took place in 1919. There is good reason for establishment figures to condemn it in unison, since those testifying before the committee were major figures themselves. The fact that their testimony is censured from each and every history textbook on the USSR should give an indication of the quality of academic study on this topic.

Those testifying were Professor Harper of the University of Chicago, an eyewitness to the revolution before the Bolshevik takeover. The head of the Methodist Mission to Petrograd George A. Simons. The latter, while rejecting all forms of antisemitism, says that “I have a firm conviction that this thing [the Red forces] is Yiddish, and one of its bases is in Brooklyn, NY” (Overmann, CR, 112; all pages come from the Report itself) He goes on to explain (113-116) that most of the Soviet activists he met with in Petrograd and elsewhere were Yiddish speakers primarily. He also adds that the only reason the American delegation was unwilling to recognize Lenin was the Brest Treaty (118).

Then, RB Dennis, professor at Northwestern who had been living in Russia from 1917-1918 on a grant from the YMCA. Roger Simmons, from Hagarstown MD, was in a Commerce Department Mission in the USSR as Trade Commissioner with the Red state. He was there for 1 months in the transition period. His entire purpose was to help build the Soviet Union through grants and raw materials from the US. This puts to lie any “war” between the west and the USSR
in its early stages (294). His claim was that the Bolsheviks were made form the “least desirable” social elements of the population. This was part of the reason for the reticence to invest in the USSR, since these were the lower level workers.

He attended a huge business consortium taking place in Grand Rapids MI where about 800 businessmen were deciding how best to begin investing in the USSR. He speaks of their “misinformed” admiration for the Soviet Union and the potential for profit there (304). In fact, a large part of the Overmann commission was aimed at discerning the ideas of the American capitalist class relative to the USSR. Most of those testifying said it was positive.

Raymond Robbins was part of the Red Cross in Petrograd and elsewhere from 1917-1918. He describes the work of a William Thompson, a wealthy banker negotiating loans for the Soviet government. Moreover, he was speaking to the Red Cross about coordinating an infrastructure for an entire set of new newspapers supporting the revolutionaries. Thompson, a millionaire, used the Petrograd branch of the National City Bank. All told, Thompson used that branch to funnel about 12,000,000 rubles for the revolutionaries (not merely the Bolsheviks), which was, in 1918, about $1 million. Part of the problem was that even motivated Americans had no idea who was who. There was a sense that there were left “revolutionaries,” and that's where the bulk of foreign money went. The Red Cross was granted about $3 million monthly from both private and state sources in America to “interpret the revolutionary groups to the army and to peasant villages of how absolutely indispensable to save the revolution to keep the front and defeat the German militarist autocracy” (777)

Thus, the small fraction of information this author culled from the more than 2000 pages of testimony here is sufficient to demonstrate that the history of the Red Revolution is largely mythical, and deviation from this fairy-tale can and has been met with dismissal and ridicule.

**Conclusion**

There was no “Cold War.” Socialist was built by western capital until at least the death of Stalin. By the 1950s, the Soviets had educated enough of their own in western methods of production such that they were not needed for every sector of the economy. Regardless, the USSR was fed on a constant stream of food from American capitalists, American universities praised the USSR as a matter of course (or some form of socialism) and all major capitalists enterprises were invested in the USSR or a satellite state consistently.

Both before and after Stalin's liquidation of just about everyone that irritated him, the US, apparently not “afraid of the Soviet experiment” was contributing massively to the Soviet industrialization drive. The number of competent technicians were just not available to man such a project and therefore, the capitalists were called in. The entire myth of the Cold War would collapse if this open secret was discussed. Capitalism and communism were not foes, but sisters that occasionally became jealous of each other.

The broader point, however, is that Stalin and the Soviet system in general was able to pursue “socialism” in an environment where even the capitalist powers were willing to aid in the development of this new “experimental” economy. The Cold War must be revised considering the major American investments in the USSR, both pre- and post-Stalin.
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These Works are the essential reading for the western involvement in all facets of the Soviet economy. Many are taken from Sutton's own work.

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