

REVIEW OF
WALL STREET
*AND THE BOLSHEVIK REVOLUTION*¹
BY ANTONY C. SUTTON
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232 PAGES)

CHRISTIAN RIPPEL

One barrier to mature understanding of recent history is the notion that all capitalists are the bitter and unswerving enemies of all Marxists and socialists. This erroneous idea originated with Karl Marx and was undoubtedly useful to his purposes. In fact, the idea is nonsense. There has been a continuing, albeit concealed, alliance between international political capitalists and international revolutionary socialists —to their mutual benefit. (Sutton 2011, p .17)

The open-minded reader should bear two clues in mind: monopoly capitalists are the bitter enemies of laissez-faire entrepreneurs; and, given the weaknesses of socialist central planning, the totalitarian socialist state is a perfect captive market for monopoly capitalists, if an alliance can be made with the socialist powerbrokers. (Sutton 2011, p.17)

I
ABOUT ANTONY SUTTON

Antony Sutton (1925–2002) was a British-American scholar in the libertarian tradition and professor of economics and history at California State University as well as research fellow at Stanford Uni-

¹ The page references of Sutton 2011 refer to the publication of the book *Wall Street and the Bolshevik Revolution* in 2011 by Clairview (218 Pages).

versity's Hoover Institution. He was educated at the universities of London, Göttingen and California.

Among his interesting and investigative works are the trilogies of the involvement of Wall Street in the rise of the Bolsheviks, the Nazis and Franklin D. Roosevelt, his recognized examinations of «Western Technology and Soviet Economic Development: 1917-1965» as well as publications on gold («The War on Gold», «Gold for Survival», «Gold vs. Paper»), the Federal Reserve Bank and organizations as Skull and Bones. His works have not yet gained a broader recognition in the academic world as they might deserve and as it would be fertile to broaden the academic horizon concerning recent totalitarian history and the old antagonism between left and right.

Harvard history professor and expert on Russian history Richard Pipes values Sutton's work the following as he states: «Sutton comes to conclusions that are uncomfortable for many businessmen and economists. For this reason, his work tends to be either dismissed out of hand as "extreme" or, more often, simply ignored» (Pipes 1984, *Survival is Not Enough*, p. 290).

Political scientist and American geostrategist Zbigniew Brzezinski states: «For impressive evidence of Western participation in the early phase of Soviet economic growth, see Antony C. Sutton's Western Technology and Soviet Economic Development: 1917-1930, which argues that "Soviet economic development for 1917-1930 was essentially dependent on Western technological aid" and that "at least 95 per cent of the industrial structure received this assistance"» (Brzezinski 1970, *Between Two Ages*, P.135).

II INTRODUCTION INTO THE BOOK REVIEW

It should be highlighted in the first place, that Sutton dedicates his book to the «unknown Russian Libertarians, also known as the greens» who in his own words «in 1919 fought both the Reds and the Whites in their attempt to gain a free and voluntary Russia». As well unfortunately Sutton was not able to update the original ver-

sion of «Wall Street and the Bolshevik Revolution» from 1974 during his lifetime, as more recent research results would probably intensively enrich Sutton's realizations already made in 1974. However, Sutton's research appears to be fastidious and his conclusions aim to avoid superficiality as he for example refuses to rely on the Sisson Documents, which he reveals as forgeries or as he assumes that the banker Jacob Schiff, often cited as a source of funds for the Bolshevik Revolution was actually against the support of the Bolshevik regime.

As he attaches high importance to his sources, his assumptions are not sold to the reader as facts and his conclusions can neither be labelled as simplifying. As this book review for obvious reasons just aims to scratch what is considered by me to be the most important of the results of Sutton's investigations, concerning further interest, an exhaustive reading of Sutton's book is highly recommended.

III LENIN'S RETURN TO RUSSIA IN APRIL 1917

It was not until the Bolsheviks had received from us a steady flow of funds through various channels and under varying labels that they were in a position to be able to build up their main organ Pravda, to conduct energetic propaganda and appreciably to extend the originally narrow base of their party. (von Kühlmann, German minister of foreign affairs, to the Kaiser, December 3, 1917, cited from Sutton 2011, P.39)

We neither knew nor foresaw the danger to humanity from the consequences of this journey of the Bolsheviks to Russia. (Max Hoffman 1929, *War Diaries and Other Papers*, 2:177, cited from Sutton 2011, P.40)

At the very beginning of the book Sutton discusses the return of Lenin in a party of 32 Russian revolutionaries in April 1917 and a few months later almost 200 Menshevik Russian revolutionaries

from Switzerland across Germany and Sweden to Petrograd, Russia (now Saint Petersburg) to join Trotsky «to complete the revolution». As Sutton states:

Their trans-Germany transit was approved, facilitated, and financed by the German General Staff. Lenin's transit to Russia was part of a plan approved by the German Supreme Command, apparently not immediately known to the Kaiser, to aid in the disintegration of the Russian army and so eliminate Russia from World War I. (Sutton 2011, P.39)²

Sutton outlines that the other main motive for the German assistance (transferred in part through the Nya Banken in Stockholm, owned by Olof Aschberg) was —besides removing Russia from World War I— the control of the post-war Russian market, which would be a crucial stimulant for current and later American financial involvement in Russian revolutionary activities as well.

IV

GUARANTY TRUST COMPANY, RUSKOMBANK, OLOF ASCHBERG AND MAX MAY

Guaranty Trust used Olof Aschberg, the Bolshevik banker, as its intermediary in Russia before and after the revolution. Guaranty was a backer of Ludwig Martens and his Soviet Bureau, the first Soviet representatives in the United States. And in mid-1920 Guaranty was the Soviet fiscal agent in the U.S.; the first shipments of Soviet gold to the United States also traced back to Guaranty Trust. (Sutton 2011, P. 163)

Guaranty Trust Company, at the end of World War I found itself among the largest trust companies in the United States and was

² For further sources on this Sutton (2011, P.169, fn.1) lists: Michael Futrell, *Northern Underground* (London: Faber and Faber, 1963); Stefan Possony, *Lenin: The Compulsive Revolutionary* (London: George Allen & Unwin, 1966); and George Katkov, *German Foreign Office Documents on Financial Support to the Bolsheviks in 1917*, *International Affairs* 32 (Royal Institute of International Affairs, 1956).

owned by the J.P. Morgan firm.³ The company played in accordance to Sutton a key role in the financial support of the Bolsheviks often as well involving the Swedish banker Olof Aschberg, who later became the nominal head of Ruskombank, the first Soviet international bank (founded in 1922). Along his research, Sutton develops evidence and consistently supposes that Guaranty Trust Company became the Soviet fiscal agent in the United States.

The self-admitted «Bolshevik Banker» (or «Bankier der Weltrevolution») Aschberg was an open sympathizer of the Bolshevik Revolution.⁴ Sutton presents evidence for Aschberg «[partly through Nya Banken] funnelling funds from the German government to Russian revolutionaries, who would eventually bring down the “Kerensky committee” and establish the Bolshevik regime». Aschberg was also the owner and director (till 1918) of the Swedish Nya Banken and later established the «Garantie und Kreditbank für den Osten» as a representation of the Ruskombank in Germany which in the United States was represented by the Guaranty Trust Company directly. He «was a prominent participant and intermediary in the negotiations on behalf of Guaranty Trust» and in 1920 together with and George Lomonosoff responsible for the first attempts of shipment of Soviet Gold to the United States - also traced back to and at first deposited by Guaranty Trust.

The Soviet gold shipments to Guaranty Trust in mid-1920 (540 boxes of three poods each) were worth roughly \$15,000,000 (at \$20 a troy ounce), and other gold shipments through Robert Dollar and Olof Aschberg brought the total very close to \$20 million. The information about Soviet gold for the radical movement was called «thoroughly reliable» and was «being turned over to the Government». (Sutton 2011, P.165)

³ Sutton (2011, P.50, Fn.2): «The J.P. Morgan Company was originally founded in London as George Peabody and Co. in 1838. It was not incorporated until March 21, 1940. The company ceased to exist in April 1954 when it merged with the Guaranty Trust Company, then its most important commercial bank subsidiary, and is today known as the Morgan Guarantee Trust Company of New York». (Today, 2017: J.P. Morgan & Co.).

⁴ See also: Elisabeth Heresch, *Geheimakte Parvus: Die gekaufte Revolution*, S.178 (Langen Müller 2000).

During tsarists times Aschberg also served as the Morgan representative in Russia, as well as the negotiator for Russian loans in the United States.

Another important name is Max May, back then vice-president of Guaranty Trust who became director and chief of the Ruskombank's foreign department and who was closely associated to Olof Aschberg, which so linked him at least indirectly to the support of the Bolshevik Revolution.

V

WILLIAM B. THOMPSON

William B. Thompson is another important figure in the Wall Street support of the Bolsheviks. Thompson, back then the director of the Federal Reserve Bank of New York and a large stockholder in the Rockefeller Chase Bank, played a major role in at least three circumstances. He led and financed a dubious American Red Cross Mission to Russia in August 1917, convinced the British War Cabinet to change its position in favour of the Bolsheviks and openly contributed 1 \$ Million Dollar to the Bolsheviks for propaganda purposes.

1. **William B. Thompson and the Red Cross Mission to Russia in August 1917**

In August 1917, a delegation under the supervision of William B. Thompson left for Russia. All the expenses for this mission were covered by Thompson himself plus a \$ 200.000 contribution from International Harvester Company. Sutton states:

In August 1917 the American Red Cross Mission to Russia had only a nominal relationship with the American Red Cross, and must truly have been the most unusual Red Cross Mission in history. All expenses, including those of the uniforms —the members were all colonels, majors, captains, or lieutenants— were paid out of the pocket of William Boyce Thompson. (Sutton 2011, P.73).

Cornelius Kelleher, assistant to William Boyce Thompson states:

Poor Mr. Billings [head doctor of the mission] believed he was in charge of a scientific mission for the relief of Russia... He was in reality nothing but a mask —the Red Cross complexion of the mission was nothing but a mask. (in George F. Kennan, *Russia Leaves the War*; Sutton 2011, P.71)

A list of the members of the mission reads as the following (Sutton 2011, P.75):

<i>Members from Wall Street financial community and their affiliations</i>	<i>Medical doctors</i>	<i>Orderlies, interpreters, etc.</i>
Andrews (Liggett & Myers Tobacco)	Billings (doctor)	Brooks (orderly)
Barr (Chase National Bank)	Grow (doctor)	Clark (orderly)
Brown (c/o William B. Thompson)	McCarthy (medical research; doctor)	Rocchia (orderly)
Cochran (McCann Co.)	Post (doctor)	Travis (movies)
Kelleher (c/o William B. Thompson)	Sherman (food chemistry)	Wyckoff (movies)
Nicholson (Swirl & Co.)	Thayer (doctor)	Hardy (justice)
Pirnie (Hazen, Whipple & Fuller)	Wightman (medicine)	Horn (transportation)
Redfield (Stetson, Jennings & Russell)	Winslow (hygiene)	
Robins (mining promoter)		
Swift (Swift & Co.)		
Thacher (Simpson, Thacher & Bartlett)		
Thompson (Federal Reserve Bank of N.Y.)		
Wardwell (Stetson, Jennings & Russell)		
Whipple (Hazen, Whipple & Fuller)		
Corse (National City Bank)		
Magnuson (recommended by confidential agent of Colonel Thompson)		

Sutton concludes:

The majority of the mission, as seen from the table, was made up of lawyers, financiers, and their assistants, from the New York financial district. The mission was financed by William B. Thompson, described in the official Red Cross circular as «Commissioner and Business Manager; Director United States Federal Bank of New York». (Sutton 2011, P.74)

Sutton then draws broader conclusions while comparing the Red Cross Mission to Russia to a Red Cross Mission in Rumania the same year in 1917, stating «that the Red Cross Mission based in Petrograd had very little official connection with the Red Cross and even less connection with medical assistance» and that «there was about the same number of orderlies and nurses with both missions. The significant comparison however, is that the Rumanian mission had only two lawyers, one treasurer, and one engineer. The Russian mission had fifteen lawyers and businessman...(and) more than half of the total of the Russian mission came from the New York financial district».

However, Sutton is taking those indications of a journey of Wall Street protagonists to a Russia on the periphery of another revolution not more as indications and keeps looking for connecting further dots with the head of this mission William B. Thompson.

When Thompson left Russia in early December of 1917 he left the mining entrepreneur Raymond Robins in charge of the Red Cross Mission. U.S. State departments files did not overlook the role Robins played, capturing the words of the Russian newspaper *Russkoe Solov* that Robins «on the one hand represents American labour and on the other hand American capital, which is endeavouring through the Soviets to gain their Russian markets». (U.S. State Dept. Decimal File, 316-11-1265, March 19, 1918).

Arthur Bullard, who was in Petrograd in February 1918 with the U.S. Committee on Public Information and engaged in writing a memorandum for Colonel Edward House states observing the role of Robins: «I believe that we would now be in control of the surplus resources of Russia and have control officers at all points on the frontier». (Bullard ms., U.S. State Dept. Decimal File, 316-11-1265). Sutton concludes about Robin's activity (P.84 f.):

In any event, Robins made no bones about his support for the Bolsheviks.⁵ Barely three weeks after the Bolshevik phase of the Revolution started, Robins cabled Henry Davison at Red Cross headquarters: «Please urge upon the President the necessity of our continued intercourse with the Bolshevik Government». Interestingly, this cable was in reply to a cable instructing Robins that the «President desires the withholding of direct communications by representatives of the United States with the Bolshevik Government».⁶

Beneath Robins further activities fall as just one example out of many as a French government document confirms: «It appeared that Colonel Robins... was able to send a subversive mission of Russian Bolsheviks to Germany to start a revolution there». (John Bradley, *Allied Intervention in Russia*, London: Weidenfeld and Nicolson, 1968.) Sutton assumes that this intervention of Robins led to the Spartacist Revolt of 1918 in Germany (P91).

Sutton concludes the American Red Cross Mission to Russia reads itself better cited as a whole (P.87 f.):

The picture we form of the 1917 American Red Cross Mission to Russia is remote from one of neutral humanitarianism. The mission was in fact a mission of Wall Street financiers to influence and pave the way for control, through either Kerensky or the Bolshevik revolutionaries, of the Russian market and resources. No other explanation will explain the actions of the mission. However, neither Thompson nor Robins was a Bolshevik. Nor was either even a consistent socialist. The writer is inclined to the interpretation that the socialist appeals of each man were covers for more prosaic objectives. Each man was intent upon the commercial; that is, each sought to use the political process in Russia for personal financial ends. Whether the Russian people wanted the Bolsheviks was of no concern. Whether the Bolshevik regime would act against the United States —as it con-

⁵ Footnote in the quote of Sutton: *The New World Review* (fall 1967, p. 40) comments on Robins, noting that he was «in sympathy with the aims of the Revolution, although a capitalist».

⁶ Footnote in the quote of Sutton: Petrograd embassy, Red Cross file.

sistently did later— was of no concern. The single overwhelming objective was to gain political and economic influence with the new regime, whatever its ideology. If William Boyce Thompson had acted alone, then his directorship of the Federal Reserve Bank would be inconsequential. However, the fact that his mission was dominated by representatives of Wall Street institutions raises a serious question—in effect, whether the mission was a planned, premeditated operation by a Wall Street syndicate. This the reader will have to judge for himself, as the rest of the story unfolds.

2. **Donation of 2 \$ million for Kerensky and 1 \$ million for the Bolsheviks**

Sutton cites U.S. State Department Files (861.00/1032) that show that Thompson agreed to a \$ 2 million donation for the Kerensky regime to a committee of popular education based in Russia with the purpose for propaganda in order to keep Russia in war with Germany.

Of even greater historical significance Sutton regards Thompson's direct contribution of \$ 1 million to the Bolsheviks. A Washington Post article of february 2, 1918 tells us:

GIVES BOLSHEVIKI A MILLION

W. B. Thompson, Red Cross Donor, Believes Party Misrepresented. New York, Feb. 2 (1918). William B. Thompson, who was in Petrograd from July until November last, has made a personal contribution of \$1,000,000 to the Bolsheviki for the purpose of spreading their doctrine in Germany and Austria.

Mr. Thompson had an opportunity to study Russian conditions as head of the American Red Cross Mission, expenses of which also were largely defrayed by his personal contributions. He believes that the Bolsheviki constitute the greatest power against Pro-Germanism in Russia and that their propaganda has been undermining the militarist regimes of the General Empires.

Mr. Thompson deprecates American criticism of the Bolsheviki. He believes they have been misrepresented and has made the financial contribution to the cause in the belief that it will be money well spent for the future of Russia as well as for the Allied cause."

3. Thompson's Conviction of Lloyd George and the British War Cabinet

As a third major activity of Thompson, Sutton considers Thompson's conviction together with Thomas W. Lamont (a partner in the Morgan firm) of Lloyd George (British Prime Minister) and the British War Cabinet to adopt a Bolshevik-friendly policy.⁷

The most important achievement of Thompson and Lamont in London was to convince the British War Cabinet —then decidedly anti-Bolshevik— that the Bolshevik regime had come to stay, and that British policy should cease to be anti-Bolshevik, should accept the new realities, and should support Lenin and Trotsky. Thompson and Lamont left London on December 18 and arrived in New York on December 25, 1917. They attempted the same process of conversion in the United States. (Sutton 2011, P91):

To bring proof to this statement, Sutton is referring to British War Cabinet Papers (British War Cabinet papers, no. 302, sec. 2 (Public Records Office, London)) which read as the following:

The Prime Minister [Lloyd George] reported a conversation he had had with a Mr. Thompson —an American traveller and a man of considerable means— who had just returned from Russia, and who had given a somewhat different impression of affairs in that country from what was generally believed. The gist of his remarks was to the effect that the Revolution had come to stay; that the Allies had not shown themselves sufficiently sympathetic with the Revolution; and that MM. Trotzki and Lenin were not in German pay, the latter being a fairly distinguished Professor. Mr. Thompson had added that he considered the Allies should conduct in

⁷ It should be noted, that in the same chapter Sutton mentions Sir Basil Zaharoff, who's business according to historian scholar Donald McCormick («The Mask of Merlin») was usually made by selling arms to both sides in several wars, was often consulted by Allied war leaders as well as McCormick notes that «Allied statesmen and leaders were obliged to consult him before planning any great attacks». Sutton (P93) notes that: «In 1917 Zaharoff was linked to the Bolsheviks; he sought to divert munitions away from anti-Bolsheviks and had already intervened in behalf of the Bolshevik regime in both London and Paris». The reader is suggested in case of further interest in weapon-dealers to study the case of the influential Basil Zaharoff.

Russia an active propaganda, carried out by some form of Allied Council composed of men especially selected for the purpose; further, that on the whole, he considered, having regard to the character of the de facto Russian Government, the several Allied Governments were not suitably represented in Petrograd. In Mr. Thompson's opinion, it was necessary for the Allies to realise that the Russian army and people were out of the war, and that the Allies would have to choose between Russia as the friendly or a hostile neutral.

Sutton notes, that after hearing the mentioned report of Prime Minister Lloyd George, the War Cabinet went along with Thompson's arguments in favour of the Bolsheviki, sending the former British consul in Russia Bruce Lockhart —supposedly promoted by Lord Milner⁸— to Russia in order to engage with the Russians concerning further instructions.

Several months later (April 1918) a memorandum from Thomas D. Thacher (Wall Street lawyer and member of the Red Cross Mission to Russia) left to Lord Northcliffe (British newspaper and publishing magnate, owner of the Daily Mail and the Daily Mirror, British director of enemy propaganda in 1918) suggested that «the fullest assistance should be given to the Soviet government in its efforts to organize a volunteer revolutionary army» and stated four main proposals, that not just supported but even exceeded Thompson's engagement in British politics:

First of all... the Allies should discourage Japanese intervention in Siberia.

In the second place, the fullest assistance should be given to the Soviet Government in its efforts to organize a volunteer revolutionary army.

Thirdly, the Allied Governments should give their moral support to the Russian people in their efforts to work out their own political systems free from the domination of any foreign power...

⁸ Sutton mentions about Lord (Alfred) Milner (member of the British War Cabinet, 1917, and director of the London Joint Stock Bank), that he «was the power behind the scenes and (...) favourably inclined towards socialism and Karl Marx» (P.93) referring as an example to a quote of Milner: «Marx's great book *Das Kapital* is at once a monument of reasoning and a storehouse of facts».

Fourthly, until the time when open conflict shall result between the German

Government and the Soviet Government of Russia there will be opportunity for peaceful commercial penetration by German agencies in Russia. So long as there is no open break, it will probably be impossible to entirely prevent such commerce. Steps should, therefore, be taken to impede, so far as possible, the transport of grain and raw materials to Germany from Russia. (Complete memorandum is in U.S. State Dept. Decimal File, 316-13-698)

About Thompsons intentions and objectives in his engagement, as complementary to the already exposed ones in the part of the Red Cross Mission, Sutton further follows an apolitical approach of Thompson, citing Thompson's deputy Raymond Robins in a statement to Bruce Lockhart:

You will hear it said that I am the representative of Wall Street; that I am the servant of William B. Thompson to get Altai copper for him; that I have already got 500,000 acres of the best timber land in Russia for myself; that I have already copped off the Trans-Siberian Railway; that they have given me a monopoly of the platinum of Russia; that this explains my working for the soviet... You will hear that talk. Now, I do not think it is true, Commissioner, but let us assume it is true. Let us assume that I am here to capture Russia for Wall Street and American business men. Let us assume that you are a British wolf and I am an American wolf, and that when this war is over we are going to eat each other up for the Russian market; let us do so in perfectly frank, man fashion, but let us assume at the same time that we are fairly intelligent wolves, and that we know that if we do not hunt together in this hour the German wolf will eat us both up, and then let us go to work. (U.S., Senate, Bolshevik Propaganda, Hearings before a Subcommittee of the Committee on the Judiciary, 65th Cong., 1919, p. 802)

4. Sutton's conclusion about Thompson's activities

Sutton concludes about the possible impact of Thompson's involvement:

William Boyce Thompson is an unknown name in twentieth-century history, yet Thompson played a crucial role in the Bolshevik Revolution.⁹ Indeed, if Thompson had not been in Russia in 1917, subsequent history might have followed a quite different course. Without the financial and, more important, the diplomatic and propaganda assistance given to Trotsky and Lenin by Thompson, Robins, and their New York associates, the Bolsheviks may well have withered away and Russia evolved into a socialist but constitutional society. (Sutton 2011, P.89)

VI

FURTHER IMPORTANT PLAYERS

1. Alexander Gumberg (Michael Gruzenberg)

Alexander Gumberg (real name Michael Gruzenberg) —according to Sutton the brother of Valerian Zorin (a later Bolshevik minister)— is regarded as another important banker, that worked for both sides, the Wall Street and the Bolsheviks. «In 1917 Gumberg was the representative of a U.S. firm in Petrograd, worked for Thompson's American Red Cross Mission, became chief Bolshevik agent in Scandinavia until he was deported from Norway, then became confidential assistant to Reeve Schley of Chase Bank (Rockefeller controlled) in New York and later to Floyd Odium of Atlas Corporation». Later, he also became the assistant of George Lomonosoff. Sutton: «This dual role was known to and accepted by both the Soviets and his American employers. The Gruzenberg story is a case history of international revolution allied with international capitalism».

⁹ Footnote in the quote of Sutton: For a biography see Hermann Hagedorn, *The Magnate: William Boyce Thompson and His Time (1869-1930)* (New York: Reynal & Hitchcock, 1935).

Out of one example of evidence —the special report (No. 5, Secret) from The British Home Office Directorate of Intelligence (auth. Basil Thompson)¹⁰— Sutton concludes:

It was noted by Thompson that the monthly rent of the Soviet Bureau offices was \$300 and the office salaries came to about \$4,000. [Ludwig] Martens' funds to pay these bills came partly from Soviet couriers —such as John Reed and Michael Gruzenberg— who brought diamonds from Russia for sale in the U.S., and partly from American business firms, including the Guaranty Trust Company of New York.

2. Professor George V. Lomonosoff

George Lomonosoff was the technical expert of the Russian Soviet Government Bureau in New York and later the first Soviet commissar of railroads. As Bolshevik funds were denied to the United States due the regime was not yet officially recognized «yet Lomonosoff was able to pull strings at the highest levels of the administration to have \$25,000 transferred from the Soviet Union through a Soviet espionage agent in Scandinavia (who was himself later to become confidential assistant to Reeve Schley, a vice president of Chase Bank). All this with the assistance of a member of a prominent Wall Street firm of attorneys!»¹¹ Hereby Sutton refers mainly to the already mentioned Alexander Gumberg. Sutton also mentions that Lomonosoff supervised the shipment of 216 boxes of Soviet gold to the United States and so, as well as Olof Aschberg and Guaranty Trust Company was responsible for the first attempts of Soviet Gold arriving in the US.

¹⁰ Issued from Scotland Yard, London, July 14, 1919, Copy in [U.S. State Dept. Decimal File, 316-22-656. Confirmation of Guaranty Trust involvement tomes in later intelligence reports].

¹¹ Sutton develops evidence on this based on: U.S., Senate, Russian Propaganda, hearings before a subcommittee of the Committee on Foreign Relations, 66th Cong., 2d sess., 1920.

3. Ludwig Martens and the Soviet Bureau

The German-Russian Ludwig Martens was the first head of the established Soviet Bureau in 1919 in New York and is considered by Sutton the first ambassador of the Soviet Union in the United States. Until this post, Martens was the vice president of Weinberg & Posner, an engineering firm located at 120 Broadway, New York City.

About the Soviet Bureau and the role it played, Sutton mentions:

Why the «ambassador» and his offices were located in New York rather than in Washington, D.C. was not explained; it does suggest that trade rather than diplomacy was its primary objective. In any event, the bureau promptly issued a call for Russian trade with the United States. Industry had collapsed and Russia direly needed machinery, railway goods, clothing, chemicals, drugs —indeed, everything utilized by a modern civilization. In exchange the Soviets offered gold and raw materials. The Soviet Bureau then proceeded to arrange contracts with American firms, ignoring the facts of the embargo and nonrecognition. At the same time it was providing financial support for the emerging Communist Party U.S.A.¹² [...] When the Soviet Bureau offices were raided on June 12, 1919, by representatives of the Lusk Committee of the state of New York, files of letters to and from American businessmen, representing almost a thousand firms, were unearthed. (Sutton 2011, P.114 f.)

The above already mentioned Special Report (No. 5, Secret) from The British Home Office Directorate of Intelligence also suggests:

... Every effort was made from the first by Martens and his associates to arouse the interest of American capitalists and there are grounds for believing that the Bureau has received financial support from some Russian export firms, as well as from the Guarant-

¹² Footnote in the quote of Sutton: «See Benjamin Gitlow, [U.S., House, Un-American Propaganda Activities (Washington, 1939), vols. 7-8, p. 4539».

tee [sic] Trust Company, although this firm has denied the allegation that it is financing Martens' organisation.

The files sized by the Lusk Committee as Sutton affirms suggest that Ludwig Martens and other members of the bureau had «considerable correspondence» to Raymond Robins.

4. John Reed

John Reed was the American representative on the executive of the Third International, a popular journalist of the Metropolitan magazine (which Sutton notes was owned by J.P. Morgan interests) and is best known for his book «Ten Days That Shook the World» (1919), which sports an introduction by Nikolai Lenin. As Reed's pro-Bolshevik posture is more than obvious, Sutton highlights the financial sources of his writing activities:

Let's fill in the background. Articles for the Metropolitan and the Masses gave John Reed a wide audience for reporting the Mexican and the Russian Bolshevik revolutions. Reed's biographer Granville Hicks has suggested, in *John Reed*, that «he was . . . the spokesman of the Bolsheviks in the United States» On the other hand, Reed's financial support from 1913 to 1918 came heavily from the Metropolitan—owned by Harry Payne Whitney, a director of the Guaranty Trust, an institution cited in every chapter of this book—and also from the New York private banker and merchant Eugene Boissevain, who channelled funds to Reed both directly and through the pro-Bolshevik Masses[...] A third category should be mentioned: Reed received some minor and apparently unconnected payments from Red Cross commissioner Raymond Robins in Petrograd.

5. Charles Crane

For complementary reasons although Sutton does not put a focus on him, Charles Crane should be mentioned.

Charles Crane, an influential American magnate, Woodrow Wilson sponsor and supporter and politician, according to the former ambassador to Germany William Dodd, «did much to bring on the Kerensky revolution which gave way to Communism.»¹³ According to American communist Lincoln Steffens, who was invited by Crane to a ship in March 1917, which also carried Trotsky and other financial and revolutionary company from New York en route to Russia and who was in touch with both Wilson and Trotsky wrote «... all agree that the revolution is in its first phase only, that it must grow. Crane and Russian radicals on the ship think we shall be in Petrograd for the re-revolution [Bolshevik-Revolution following the Kerensky-Revolution].»¹⁴ Between 1890 and 1930 Crane had according to Sutton no fewer than twenty-three visits to Russia.

VII

THE SUN YAT-SEN REVOLUTION IN CHINA IN 1912

Sutton also gives the reader insights about his conclusions about the Yat-Sen Revolution in 1912 in China and the Carranza government from 1917-1920 in Mexico that should not be withheld from the reader of this book review. As Sutton keeps his conclusions short, he will be cited directly as a summary would be inclined to just repeat him word by word.

The best-documented example of Wall Street intervention in revolution is the operation of a New York syndicate in the Chinese revolution of 1912, which was led by Sun Yat-Sen.

Although the final gains of the syndicate remain unclear, the intention and role of the New York financing group are fully documented down to amounts of money, information on affiliated Chinese secret societies, and shipping lists of armaments to be purchased. The New York bankers syndicate for the Sun Yat-Sen

¹³ Cited by Sutton from: William Edward Dodd, *Ambassador Dodd's Diary, 1933-1938* (New York: Harcourt, Brace, 1941), pp. 42-43.

¹⁴ Cited by Sutton from: Lincoln Steffens, *The Letters of Lincoln Steffens* (New York: Harcourt, Brace, 1941), p. 396.

revolution included Charles B. Hill, an attorney with the law firm of Hunt, Hill & Betts [...] Charles B. Hill was director of several Westinghouse subsidiaries, including Bryant Electric, Perkins Electric Switch, and Westinghouse Lamp—all affiliated with Westinghouse Electric whose New York office was also located at 120 Broadway. Charles R. Crane, organizer of Westinghouse subsidiaries in Russia, had a known role in the first and second phases of the Bolshevik Revolution.

The work of the 1910 Hill syndicate in China is recorded in the Laurence Boothe Papers at the Hoover Institution.¹⁵ These papers contain over 110 related items, including letters of Sun Yat-sen to and from his American backers. In return for financial support, Sun Yat-sen promised the Hill syndicate railroad, banking, and commercial concessions in the new revolutionary China.” (Sutton 2011, P.51)

VIII

THE CARRANZA GOVERNMENT IN MEXICO

Other Trotskyites also made their way westward across the Atlantic. Indeed, one Trotskyite group acquired sufficient immediate influence in Mexico to write the Constitution of Querétaro for the revolutionary 1917 Carranza government, giving Mexico the dubious distinction of being the first government in the world to adopt a Soviet-type constitution. (Sutton 2011, P.21 f.)

The raids upon the U.S. by the Villa and the Carranza forces were reported in the *New York Times* as the «Texas Revolution» (a kind of dry run for the Bolshevik Revolution) and were undertaken jointly by Germans and Bolsheviks. The testimony of John A. Walls, district attorney of Brownsville, Texas, before the 1919 Fall Committee yielded documentary evidence of the link between Bolshevik interests in the United States, German activity, and the Carranza forces in Mexico.¹⁶ Consequently, the Carranza govern-

¹⁵ Footnote in the quote of Sutton: Stanford, Calif. See also the *Los Angeles Times*, October 13, 1966.

¹⁶ Footnote in the quote of Sutton: *New York Times*, January 23, 1919.

ment, the first in the world with a Soviet-type constitution (which was written by Trotskyites), was a government with support on Wall Street. The Carranza revolution probably could not have succeeded without American munitions and Carranza would not have remained in power as long as he did without American help.¹⁷(Sutton 2011, P.52 f.)

IX CONCLUSION

Sutton does an excellent job in his research in digging always deeper for further evidence and not just relies on obscure and minor sources that do not support the case to draw more concrete and broader conclusions. His work can be considered as an important contribution to revisionist-historicism in the tradition of Murray Rothbard and Gabriel Kolko to whom he explicitly refers. Sutton (2011, P.173):

In the late nineteenth century, Morgan/Rockefeller, and Guggenheim had demonstrated their monopolistic proclivities. In *Railroads and Regulation 1877-1916* Gabriel Kolko has demonstrated how the railroad owners, not the farmers, wanted state control of railroads in order to preserve their monopoly and abolish competition. So the simplest explanation of our evidence is that a syndicate of Wall Street financiers enlarged their monopoly ambitions and broadened horizons on a global scale. The gigantic Russian market was to be converted into a captive market and a technical colony to be exploited by a few high-powered American financiers and the corporations under their control.

It seems to be exactly this open and relatively unorthodox approach of Sutton to recent history combined with some basic knowledge in economic theory that seem to have let him investigate on this matter and gain research results that can only be regarded as pioneering.

¹⁷ Footnote in the quote of Sutton: U.S., Senate, *Committee on Foreign Relations*, op. cit., pp. 795-96.

The Bolsheviks could not avoid their exposure to economic reality and monopolist markets are —once entered— probably the most attractive for monopolist businessman, letting them avoid for their part the exposure to competition and to a certain point the uncertainty of the market process.

For this it is important for socialists to acknowledge, that the main event of socialist history shows anything else than an independence of neither socialism itself nor its leaders from the financial-monopolist elite and based on theoretical approaches, neither will it in the future. The incentives for a betrayal of this idealist approach are inherent to the approach itself and so the ideal is usually betrayed from the beginning.

For liberal philosophers, it appears important to see that neither businessman tend to be the better economists nor is the free market likely to be the businessman's most aimed mean for profits, as it exposes them to competition and profits must be gained in the permanent appeal to and meeting of consumer needs, rather than being guaranteed margins as in a system of state intervention.

Indeed, monopolist businessmen and socialists are not in an antagonistic position to each other but in a rather complementary one for their mutual benefit. Illustrating this alliance between monopolist businessman and socialists rather than relying on an old antagonism that can by no means withstand theoretical approaches is the big achievement of Antony Sutton and for that it should be appreciated.

The conclusion to Sutton's realizations should be clear: as the only mechanism that opposes both —socialism and monopolist corporatism— remains the free market and its inherent nature to prevent anybody from seizing power, as its framework instead rather provides society a mechanism to voluntarily obey the needs of each other for a mutual benefit. A conclusion, that idealist socialists as for example Gabriel Kolko or George Orwell were not able to draw, as it must have appeared to them only to be able to choose between socialism and monopolist corporatism, not seeing the market economy as the alternative to avoid both.

As the temptation for businessman as well as for statist bureaucrats to join a mutual alliance as we have seen is high, the ordinary citizen should always carry this insight in mind as he hears pro-

posals from one of those two parts that society at a certain point needs an intervention by mandates of the state.



Taken from: Sutton 2011, preliminary matter