

8/16/72
2:30

Antony Sutton

The Case Against Red Trade

The information that I am going to present to you this afternoon is known to the Administration.

The information is probably not known to the Senator from South Dakota or his advisers. And in this instance ignorance may be a blessing in disguise.

I am not a politician. I am not going to tell you what you want to hear. My job is to give you facts. Whether you like or dislike what I say doesn't concern me.

I am here because I believe--and Congressman Ashbrook believes-- that the American public should have these facts.

I have spent ten years in research on Soviet technology. What it is--what it can do--and particularly where it came from. I have published three books and several articles summarizing the work.

It was privately financed. But the results have been available to the Government. On the other hand I have had major difficulties with U.S. Government censorship.

I have 15 minutes to tell you about this work.

In a few words: there is no such thing as Soviet technology.

Almost all--perhaps 90-95 per cent--came directly or indirectly from the United States and its allies. In effect the United States and the NATO countries have built the Soviet Union. Its industrial and its military capabilities. This massive construction job has taken 50 years. Since the Revolution in 1917. It has been carried out through trade and the sale of plants, equipment and technical assistance.

Listening to Administration spokesmen--or some newspaper pundits-- you get the impression that trade with the Soviet Union is some new miracle cure for the world's problems.

That's not quite accurate.

The idea that trade with the Soviets might bring peace goes back to 1917. The earliest proposal is dated December 1917--just a few weeks after the start of the Bolshevik Revolution. It was implemented in 1920 while the Bolsheviks were still trying to consolidate their hold on Russia.

The result was to guarantee that the Bolsheviks held power: they needed foreign supplies to survive.

The history of our construction of the Soviet Union has been blacked out--much of the key information is still classified--along with the other mistakes of the Washington bureaucracy.

Why has the history been blacked out?

Because 50 years of dealings with the Soviets has been an economic success for the USSR and a political failure for the United States. It has not stopped war, it has not given us peace.

The United States is spending \$80 billion a year on defense against an enemy built by the United States and West Europe.

Even stranger, the U.S. apparently wants to make sure this enemy remains in the business of being an enemy.

Now at this point I've probably lost some of you. What I have said is contrary to everything you've heard from the intellectual elite, the Administration, and the business world, and numerous well regarded Senators--just about everyone.

Let me bring you back to earth.

First an authentic statement. It's authentic because it was part of a conversation between Stalin and W. Averell Harriman. Ambassador Harriman has been prominent in Soviet trade since the 1930's and is an outspoken supporter of yet more trade. This is what Ambassador Harriman reported back to the State Department at the end of World War II:

"Stalin paid tribute to the assistance rendered by the United States to Soviet industry before and during the War. Stalin* said that about two-thirds of all the large industrial enterprises in the Soviet Union has been built with the United States' help or technical assistance." (he in original*)

I repeat: "two-thirds of all the large industrial enterprises in the Soviet Union had been built with the United States' help or technical assistance."

Two-thirds.

Two out of three.

Stalin could have said that the other one-third of large industrial enterprises were built by firms from Germany, France, Britain and Italy.

Stalin could have said also that the tank plants, the aircraft plants, the explosive and ammunition plants originated in the U.S.

That was June 1944. The massive technical assistance continues right down to the present day.

Now the ability of the Soviet Union to create any kind of military machine, to ship missiles to Cuba, to supply arms to North Vietnam, to supply arms for use against Israel--all this depends on its domestic industry.

In the Soviet Union about three-quarters of the military budget goes on purchases from Soviet factories.

This expenditure in Soviet industry makes sense. No Army has a machine that churns out tanks. Tanks are made from alloy steel, plastics, rubber and so forth. The alloy steel, plastics and rubber are made in Soviet factories to military specifications. Just like in the United States.

Missiles are not produced on missile making machines. Missiles are fabricated from aluminum alloys, stainless steel, electrical wiring, pumps and so forth. The aluminum, steel, copper wire and pumps are also made in Soviet factories.

In other words the Soviet military gets its parts and materials from Soviet industry. There is a Soviet military-industrial complex just as there is an American military-industrial complex.

This kind of reasoning makes sense to the man in the street. The farmer in Kansas knows what I mean. The salesman in California knows what I mean. The taxi driver in New York knows what I mean. But the policy makers in Washington do not accept this kind of common sense reasoning, and never have done.

So let's take a look at the Soviet industry that provides the parts and the materials for Soviet armaments: the guns, tanks, aircraft.

The Soviets have the largest iron and steel plant in the world. It was built by McKee Corporation. It is a copy of the U.S. Steel plant in Gary, Indiana.

All Soviet iron and steel technology comes from the U.S. and its allies. The Soviets use open hearth, American electric furnaces, American wide strip mills, Sendzimir mills and so on--all developed in the West and shipped in as peaceful trade.

The Soviets have the largest tube and pipe mill in Europe--one million tons a year. The equipment is Fretz-Moon, Salem, Aetna Standard, Mannesman, etc. Those are not Russian names.

All Soviet tube and pipe making technology comes from the U.S. and its allies. If you know anyone in the space business ask them how many miles of tubes and pipes go into a missile.

The Soviets have the largest merchant marine in the world--about 6,000 ships. I have the specifications for each ship.

About two-thirds were built outside the Soviet Union.

About four-fifths of the engines for these ships were also built outside the Soviet Union.

There are no ship engines of Soviet design. Those built inside the USSR are built with foreign technical assistance. The Bryansk plant makes the largest marine diesels. In 1959, the Bryansk plant made a technical assistance agreement with Burmeister & Wain of Copenhagen, Denmark, (a NATO ally), approved as peaceful trade by the State Dept. The ships that carried Soviet missiles to Cuba ten years ago used these same Burmeister and Wain engines. The ships were in the POLTAVA class. Some have Danish engines made in Denmark and some have Danish engines made at Bryansk in the Soviet Union.

About 100 Soviet ships are used on the Haiphong run to carry Soviet weapons and supplies for Hanoi's annual aggression. I was able to identify 84 of these ships. None of the main engines in these ships was designed and manufactured inside the USSR.

All the larger and faster vessels on the Haiphong run were built outside the USSR.

All shipbuilding technology in the USSR comes directly or indirectly from the U.S. or its NATO allies.

Let's take one industry in more detail: motor vehicles.

All Soviet automobile, truck and engine technology comes from the West; chiefly the United States. In my books I have listed each Soviet plant, its equipment and who supplied the equipment. The Soviet military has over 300,000 trucks--all from these U.S. built plants.

Up to 1968 the largest motor vehicle plant in the USSR was at Gorki. Gorki produces many of the trucks American pilots see on the Ho Chi Minh trail. Gorki produces the chassis for the GAZ-69 rocket launcher used against Israel. Gorki produces the Soviet jeep and half a dozen other military vehicles.

And Gorki was built by the Ford Motor Company and the Austin Company--as peaceful trade.

In 1968 while Gorki was building vehicles to be used in Vietnam and Israel further equipment for Gorki was ordered and shipped from the U.S.

No, sir! They bought it. They bought it from the U.S. Wheel Track Layer Corporation.

However this Administration is apparently slightly more honest than the previous Administration.

Last December I asked Assistant Secretary Kenneth Davis of the Commerce Department (who is a mechanical engineer by training) whether the Kama trucks would have military capability. In fact I quoted one of the Governments' own inter-agency reports. Mr. Davis didn't bother to answer but I did get a letter from the Department and it was right to the point. Yes! we know the Kama truck plant has military capability, we take this into account when we issue export licenses.

I passed these letters onto the press and Congress. They were published.

Unfortunately for my research project, I also had pending with the Department of Defense an application for declassification of certain files about our military assistance to the Soviets.

This application was then abruptly denied by DOD.

It will supply military technology to the Soviets but gets a little uptight about the public finding out.

I can understand that.

Of course, it takes a great deal of self confidence to admit you are sending factories to produce weapons and supplies to a country providing weapons and supplies to kill Americans, Israelis and Vietnamese. In writing. In an election year, yet.

More to the point--by what authority does this Administration undertake such policies?

Many people--as individuals--have protested our suicidal policies. What happens? Well, if you are in Congress--you probably get the strong arm put on you. The Congressman who inserted my research findings into the Congressional Record suddenly found himself with primary opposition. He won't be in Congress next year.

If you are in the academic world--you soon find it's OK to protest U.S. assistance to the South Vietnamese but never, never protest U.S. assistance to the Soviets. Forget about the Russian academics being persecuted--we musn't say unkind things about the Soviets.

If you press for an explanation what do they tell you?

First, you get the Fulbright line. This is peaceful trade. The Soviets are powerful. They have their own technology. It's a way to build friendship. It's a way to a new world order.

This is demonstrably false.

Also in 1968 we had the so-called "FIAT deal"--to build a plant at Volgograd three times bigger than Gorki. Dean Rusk and Walt Rostow told Congress and the American public this was peaceful trade--the FIAT plant could not produce military vehicles.

Don't let's kid ourselves. Any automobile manufacturing plant can produce military vehicles. I can show anyone who is interested the technical specification of a proven military vehicle (with cross country capability) using the same capacity engine as the Russian FIAT plant produces.

The term "FIAT deal" is misleading. FIAT in Italy doesn't make automobile manufacturing equipment--FIAT plants in Italy have U.S. equipment. FIAT did send 1,000 men to Russia for erection of the plant--but over half, perhaps well over half, of the equipment came from the United States. From Gleason, TRW of Cleveland and New Britain Machine Co.

So in the middle of a war that has killed 46,000 Americans (so far) and countless Vietnamese with Soviet weapons and supplies, the Johnson Administration doubled Soviet auto output.

And supplied false information to Congress and the American public.

Finally, we get to 1972 under President Nixon.

The Soviets are receiving now--today, equipment and technology for the largest heavy truck plant in the world: known as the Kama plant. It will produce 100,000 heavy ten-ton trucks per year--that's more than ALL U.S. manufacturers put together.

This will also be the largest plant in the world, period. It will occupy 36 square miles.

Will the Kama truck plant have military potential?

The Soviets themselves have answered this one. The Kama truck will be 50 per cent more productive than the ZIL-130 truck. Well, that's nice, because the ZIL series trucks are standard Soviet army trucks used in Vietnam and the Middle East.

Who built the ZIL plant? It was built by the Arthur J. Brandt Company of Detroit, Michigan.

Who's building the Kama truck plant? That's classified "secret" by the Washington policy makers. I don't have to tell you why.

The Soviet T-54 tank is in Vietnam. It was in operation at Kontum, AnLuc, and Hue a few weeks ago. It is in use today in Vietnam. It has been used against Israel.

According to the tank handbooks the T-54 has a Christie type suspension. Christie was an American inventor.

Where did the Soviets get a Christie suspension? Did they steal it?

The Soviet tanks in AnLuc are not refugees from the Pasadena Rose Bowl Parade.

The "Soviet" ships that carry arms to Haiphong are not peaceful. They have weapons on board, not flower children or Russian tourists.

Second, if you don't buy that line you are told, "The Soviets are mellowing." This is equally false.

The killing in Israel and Vietnam with Soviet weapons doesn't suggest mellowing, it suggests premeditated genocide. Today--now--the Soviets are readying more arms to go to Syria. For what purpose? To put in a museum?

No one has ever presented evidence, hard evidence that trade leads to peace. Why not? Because there is no such evidence. It's an illusion.

It is true that peace leads to trade. But that's not the same thing. You first need peace, then you trade. That does not mean if you trade you will get peace.

But that's too logical for the Washington policy makers and it's not what the politicians and their backers want anyway.

Trade with Germany doubled before World War II. Did it stop WWII?

Trade with Japan increased before WWII. Did it stop WWII?

What was in this German and Japanese trade? The same means for war that we are now supplying the Soviets. The Japanese Air Force after 1934 depended on U.S. technology. And much of the pushing for Soviet trade today comes from the same groups that were pushing for trade with Hitler and Tojo 35 years ago.

The Russian Communist Party is not mellowing. Concentration camps are still there. The mental hospitals take the overload. Persecution of the Baptists continues. Harassment of Jews continues, as it did under the Tsars.

The only mellowing is when a Harriman and a Rockefeller get together with the bosses in the Kremlin. That's good for business but it's not much help if you are a G.I. at the other end of a Soviet rocket in Vietnam.

I've learned something about our military assistance to the Soviets.

It's just not enough to have the facts--these are ignored by the policy makers.

It's just not enough to make a common sense case--the answers you get defy reason.

Only one institution has been clear sighted on this question. From the early 1920's to the present day only one institution has spoken out. That is the AFL-CIO.

From Samuel Gompers in 1920 down to George Meany today, the major unions have consistently protested the trade policies that built the Soviet Union.

Because union members in Russia lost their freedom and union members in the United States have died in Korea and Vietnam.

The unions know--and apparently care.

No one else cares. Not Washington. Not big business. Not the Republican Party.

And 100,000 Americans have been killed in Korea and Vietnam--by our own technology.

The only response from Washington and the Nixon Administration is the effort to hush up the scandal.

These are things not to be talked about. And the professional smokescreen about peaceful trade continues.

The plain fact--if you want it--is that irresponsible policies have built us an enemy and maintain that enemy in the business of totalitarian rule and world conquest.

And the tragedy is that intelligent people have bought the political double talk about world peace, a new world order and mellowing Soviets.

I suggest that the man in the street, the average taxpayer-voter thinks more or less as I do. You do not subsidize an enemy.

And when this story gets out and about in the United States, it's going to translate into a shift of votes. I haven't met one man in the street so far (from New York to California) who goes along with a policy of subsidizing the killing of his fellow Americans. People are usually stunned and disgusted.

It requires a peculiar kind of intellectual myopia to ship supplies and technology to the Soviets when they are instrumental in killing fellow citizens.

What about the argument that trade will lead to peace? Well, we've had U.S.-Soviet trade for 52 years. The 1st and 2nd Five Year Plans were built by American companies. To continue a policy that is a total failure is to gamble with the lives of several million Americans and countless allies.

You can't stoke up the Soviet military machine at one end and then complain that the other end came back and bit you. Unfortunately, the human price for our immoral policies is not paid by the policy maker in Washington. The human price is paid by the farmers, the students and working and middle classes of America.

The citizen who pays the piper is not calling the tune--he doesn't even know the name of the tune.

Let me summarize my conclusions:

One: trade with the USSR was started over 50 years ago under President Woodrow Wilson with the declared intention of mellowing the Bolsheviks. The policy has been a total and costly failure. It has proven to be impractical--this is what I would expect from an immoral policy.

Two: we have built ourselves an enemy. We keep that self-declared enemy in business. This information has been blacked out by successive Administrations. Misleading and untruthful statements have been made by the Executive Branch to Congress and the American people.

Three: our policy of subsidizing self-declared enemies is neither rational nor moral. I have drawn attention to the intellectual myopia of the group that influences and draws up foreign policy. I suggest these policies have no authority.

Four: the annual attacks in Vietnam and the war in the Middle East were made possible only by Russian armaments and our past assistance to the Soviets.

Five: this worldwide Soviet activity is consistent with Communist theory. Mikhail Suslov, the party theoretician, recently stated that the current detente with the United States is temporary. The purpose of the detente, according to Suslov, is to give the Soviets sufficient strength for a renewed assault on the West. In other words, when you've finished building the Kama plant and the trucks come rolling off--watch out for another Vietnam.

Six: internal Soviet repression continues: --against Baptists, against Jews, against national groups and against dissident academics (like myself).

Seven: Soviet technical dependence is a powerful instrument for world peace if we want to use it.

So far it's been used as an aid-to-dependent-Soviets welfare program. With about as much success as the domestic welfare program.

Why should they stop supplying Hanoi? The more they stoke up the war the more they get from the United States.

One final thought.

Why has the war in Vietnam continued for four long years under this Administration?

With 15,000 killed under the Nixon Administration?

We can stop the Soviets and their friends in Hanoi anytime we want to.

Without using a single gun or anything more dangerous than a piece of paper or a telephone call.

We have Soviet technical dependence as an instrument of world peace. The most humane weapon that can be conceived.

We have always had that option. We have never used it.