Aid and Trade Treachery: Building an Enemy

by William P. Hoar

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The Pentagon, government agencies, and certain international firms are deliberately beefing up the People's Liberation Army in Communist China. Even while Red China, according to the Clinton Administration, has been violating an arms control agreement by maintaining an offensive biological weapons capability, part of the Administration's massive outpouring of cooperation and technology transfer with Beijing includes a deal to sell gas turbine engines that, used in cruise missiles, are capable of carrying a biological warhead about a thousand miles.

U.S. export controls for Beijing, Moscow, and other unworthy regimes have been diluted so much that they hardly exist. In June, for another instance, the White House declared that it was in our national interest to allow the Communist Chinese to have *crypto-graphic* items that had previously been under suspension. Giving advanced nuclear technology outright to the manic regime in North Korea is another egregious fulfillment of Lenin's prophecy that capitalists would become "deaf-mute blind men." "They will extend loans," declared the first Soviet dictator in 1922, "which will provide us with the equipment and technology we lack and will thus help rebuild our military industry which we need to launch subsequent victorious attacks against our suppliers. In other words, the capitalist nations will always work to prepare their own suicide."

This apparent madness of bolstering the Communists who would love to bury us has been going on since before the Bolsheviks came to power. Worse than merely giving aid and comfort to the enemy (which the U.S. and other Western powers have long done), the supposed top capitalists have virtually created that enemy as a significant force. Some pretend that, say, Red China has only the best intentions for America. "We don't think of them as an enemy," said a Pentagon official to the *Los Angeles Times* last October, "and they shouldn't think of us as an enemy." This is in response to posturing that former Soviet agent Anatoliy Golitsyn referred to as "calculated ideological moderation" (and which was used by the Soviets during the New Economic Policy period in the 1920s). Yet, in the case of the Red Chinese, there is little pretense of moderation. They are providing nuclear technology to dangerous nations (while lying to the U.S. about it), lobbing missiles off Taiwan's coast, and massively building up their military. Russia has also been asserting her presence in many of the same areas that the Soviet Union did. And, make no mistake, Moscow and Beijing are cooperating in assorted ways, including militarily.**A Base for the Bolsheviks**

The story of Lenin's insertion into Russia with the aid of the German General Staff is reasonably well-known. This is hardly the whole story (which would take much more room than is available here). There was also aid from the "Bolshevik banker," Olof Aschberg, owner of Stockholm's Nya Banken, as well as New York and other U.S. connections.

In November 1917, top Wilson adviser "Colonel" Edward Mandell House moved to forestall

attempts against the new revolutionaries who had overthrown an allied government. He instructed the President on how to deal with the press, advising that any intimations that "Russia should be treated as an enemy" should be "suppressed." Woodrow Wilson went further. As his biographer Jennings Wise remarked: "Historians must never forget that Woodrow Wilson, despite the efforts of the British police, made it possible for Leon Trotsky to enter Russia with an American passport." Jacob Schiff (according to his own grandson) spent millions to help in overthrowing the czar and raising the Bolsheviks. The Warburgs, of German and U.S. banking circles, were deeply involved in bankrolling the fledgling Reds.

Historian Antony Sutton popularized some of these findings in books including *Wall Street and the Bolshevik Revolution*, *National Suicide: Military Aid to the Soviet Union*, and *The Best Enemy Money Can Buy* — invaluable aids for recognizing how the evil empire came into being. Then there is the late Carroll Quigley, professor at Georgetown, who blew the whistle on some related machinations: In *Tragedy and Hope*, Quigley (who agreed with many of the aims of the participants) described how the House of Morgan, for example, took over the domestic left in the U.S., and how the "international financial coterie" worked with the Reds here and abroad. Monopoly "capitalists" and international Communists have more in common than it seems on the surface.

One of the links between Wall Street and international revolution was one million dollars from William Boyce Thompson to be used for Bolshevik propaganda; Thompson, as Dr. Sutton notes, "was a director of the Federal Reserve Bank of New York, a large stockholder in the Rockefeller-controlled Chase Bank, and a financial associate of the Guggenheims and the Morgans…." The revolution was also to be spread: French Premier Georges Clemenceau's papers reveal that yet another Wall Street figure, "Colonel" Raymond Robins of the Red Cross, "was able to send a subversive mission of Russian Bolsheviks to Germany to start a revolution there." The Spartacist uprising in Germany in 1918 was one result.**Continued Soviet Aid**

During 1921-25, some $37 million in machinery and equipment from the U.S. was shipped to the USSR, though the new regime was not recognized diplomatically by Washington. American investments included Standard Oil's concession, gold mining, and electrical equipment from the International General Electric Company.

Stalin, according to a State Department report by Ambassador Averell Harriman (who himself got a manganese concession in the USSR), remarked in 1944 that "about two-thirds of all the large industrial enterprises in the Soviet Union had been built with United States help or technical assistance." That was no exaggeration. Even before Lend-Lease during WW II, aid was massive. Mackee of Cleveland essentially rebuilt "Gary, Indiana" at Magnitogorsk in the Urals for smelting, much as Ford built the "Detroit of the USSR" in Gorki. (As Antony Sutton observed, GAZ trucks that were built at Gorki by Ford later came down the Ho Chi Minh trail. Tanks for Hanoi that were supplied by the Soviets operated on American chassis).

The pride of the Soviets during its first Five-Year Plan was the largest hydroelectric installation in the world at Dnieprostroi. But it was built under the direction of Colonel Hugh Cooper of the U.S.,

who had created the Wilson Dam at Muscle Shoals, Tennessee. Other U.S.-assisted projects included iron and steel centers in Sverdlovsk and Nijni Tagil, huge works in Stalinsk and in Siberia, Batum's oil refineries, and the Ural Asbestos Works.**Military Assistance**

Treason and espionage were involved with Moscow's getting an atomic bomb, a story in its own right. But how many know that, because of an arrangement with General Dwight Eisenhower, the Soviets were able to cart entire intact V-1s and V-2s from the U.S. zone in Germany behind the Iron Curtain — providing the base for their satellite program? The Russians gloated over this haul. Drinking in celebration, one lieutenant colonel shouted: "What fools these Americans are!" Vaunted MiG airplanes were reproduced from German and British (Rolls-Royce) technology; MiG-15s looked so much like U.S. planes during the Korean War it became a source of confusion.

The *Poltava*-class ships that transported the weapons that helped bring on the Cuban Missile Crisis were built in Denmark and approved for sale to the Soviets by our State Department. During the Vietnam War, when Haiphong Harbor was finally blockaded in 1972, the Pentagon revealed the Soviet materiel gushing into North Vietnam. Soviet materiel? As M. Stanton Evans noted in *Clear and Present Dangers*:

One photo shows the Soviet cargo ship *Michurin* steaming toward Haiphong, with Soviet ZIL 130 cargo trucks and ZIL 55 dump trucks on deck. Others show Soviet T-34 and T-54 tanks, Soviet MiG 17s, and Soviet 122 mm field guns — items that also turned up in the Middle East in the fall of 1972. All these items of aggression, as it happens, originated in the United States and other Western nations. The cargo ship *Michurin* so graphically exposed by the Department of Defense photo is powered by a diesel engine designed and built in the United States and features a hull constructed in the United Kingdom.

Diplomacy by Henry Kissinger helped arrange for the U.S. to build the Kama truck plant (the world's largest) for the Soviets; vehicles from there were later used to invade Afghanistan. Kissinger, recall, was brought to prominence by the Rockefellers, and Rockefellers' Chase Manhattan bank (with David then as chairman) was the largest financier of Kama. Kissinger didn't discuss that when he said that the U.S. and USSR should be seeking to "spin a web of vested interests." He did argue that all the strategic arrangements (which so favored the Reds) were justified: "By acquiring a stake in this network of relationships with the West, the Soviet Union may become more conscious of what it would lose by a return to confrontation." Yet, despite hostility, Moscow never did get cut off.

It was a NATO ally, recalled Dr. Miles Costick in *The Strategic Dimension of East-West Trade*, that sold the heat-seeking U.S. Redeye missile to the Soviets, which was then used as the basis for SAM-7s that shot down U.S. aircraft during the Vietnam War. The U.S. itself — despite widespread criticism, even from the Pentagon — provided Moscow with technology for precision ball bearings (from Bryant Chucking Grinder Company of Vermont), necessary for missile guidance systems. After that, the Soviets deployed thousands of MIRV warheads against the U.S. (Russia's missiles, despite propaganda from Moscow and Washington, can still retarget us in minutes, without our knowledge.)

Another telling episode involved a Soviet effort to acquire U.S. accelerometers, gravitational devices used in missiles and aircraft. The FBI prevented a sale and thwarted Soviet espionage attempts to get such devices. But shortly thereafter, an expert from the Soviet's Kalinin Polytechnical Institute was permitted to examine how the equipment was made. Sutton wonders why the State Department allowed this Soviet engineer into the U.S. "to study the *manufacture* of accelerometers only a few months after another Soviet national had been foiled by the FBI in attempting to *purchase* an accelerometer?"

Another major deal was made, aided by corporate lies and over conservative objections, for semiconductor manufacturing by Control Data Corporation. Similar accounts could be related about acquisition of nerve gas, merchant marine vessels, aircraft, armored vehicles, and other military-related items.

Furthermore, much that passes as "peaceful" technology is a ruse. According to former Polish intelligence officer Dr. Michael Checinski, what appears benign may not be: "Every machine, device, or instrument imported from the West is sent to a special analytic group. Their job is not only to copy technical solutions but to adapt them to the specifications of Soviet military production."**A Repeated Pattern**

Even the *Wall Street Journal*, no opponent of trade with Reds, acknowledges that the new Russian Empire is reclaiming the bulk of the former Soviet Union. Moscow is moving on other fronts, too. For instance, Russia and South Africa (where the Communist-led African National Congress has taken over the government) have signed a defense-cooperation pact, calling for more powerful engines for Pretoria's fighter aircraft. The deal was signed in Moscow by South Africa's Defense Minister Joe Modise, former commander of the terrorist wing of the ANC.

Last year, Russian Prime Minister Victor Chernomyrdin visited Red China with vows of deeper economic ties and more military cooperation. This May, Defense Minister Pavel Grachev helped deliver on the promises. China's prime minister, Li Peng, in Moscow in July said: "Russia and China are two great nations that cannot allow anyone to teach them how to live and work" — a shot at those in the U.S. who might think otherwise. Meanwhile, despite Russia's massive indebtedness, the International Monetary Fund (which enjoys disproportionate U.S. backing) has approved a $6.8 billion loan to Russia. Red China last year bought 26 of Moscow's most advanced fighter jet, the Su27. And, reported the*Washington Post* in July, Beijing is trying to make its own fighter, "a clone of a U.S.-built F-16 given to China by Pakistan" — which has received missile technology from Beijing in violation of arms-control agreements.

Looking with concern at Beijing's moves has been Al Santoli: "Boasting the largest land army in the world, China's military factories — equipped with American technology bought at bargain-basement prices — are producing improved-accuracy long-range ballistic missiles and Han-class nuclear attack submarines. China's deal to buy 22 top-of-the-line diesel-powered submarines from Russia over the next five years, combined with recent deliveries of Chinese missiles and Russian submarines to Iran and the ongoing construction of a new generation of Russian nuclear-powered attack submarines, will dramatically alter the global balance of power." Red China, of course,

enjoys a huge trade surplus with the U.S., which has increased from $7 billion five years ago to about $40 billion this year.

Ever since the Carter Administration, as the *Los Angeles Times* has reported, now-Defense Secretary William Perry has promoted greater U.S. military cooperation with Beijing; just that has been happening under both Democratic and GOP administrations. Mere months after the Tiananmen Square massacre, Red Chinese military officers were allowed back into the U.S. to resume work with Grumman's massive modernization of Red China's F-8 fighter planes. Top Chinese were allowed last year through Lawrence Livermore National Laboratory (where during the 1980s an espionage operation aided Red China in producing its first neutron bomb).

Last October, as the *Los Angeles Times* reported on February 23, 1995, "the U.S. aircraft carrier *Kitty Hawk* and a Chinese nuclear submarine squared off in international waters off China in an encounter that demonstrated the growing potential for naval conflict between the two countries. Although no shots were fired, the captain of the *Kitty Hawk* dispatched aircraft to track the Chinese vessel with anti-submarine warfare devices, and China responded by scrambling jet fighters. Later, a Chinese official warned that China's military will have authority to shoot in any future incidents." What was the vigorous response? DoD said Washington and Beijing would talk more to set up procedures to prevent such incidents.

This summer, to indicate displeasure with Washington, Beijing awarded a multi-billion dollar contract to Daimler-Benz's Mercedes unit to build mini-vans and engines, a deal which Chrysler and Ford Motor have sought. AG Siemens is part of a consortium trying to build power plants for Beijing. U.S. firms, which are being played off against such companies by Beijing, are applying pressure for more Chinese business. (Frequently this turns out to be less than promised; China's government-run "family car" project, for instance, is being pushed from next year into the next century, a senior Communist Official said in July.)

In short, the pattern begun even before Lenin arrived at Finland Station in Petrograd still proceeds. The "deaf-mute blindmen" — and those pulling the strings behind the scenes — prepare the West for a passage between Scylla and Charybdis: suicide or loss of sovereignty.