

History of the Russian Revolution: Separating Truth from Myth

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Region: [Europe](#), [Russia and FSU](#), [USA](#)

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Today November 7, 2022 marks the 105th anniversary of the October Revolution, November 7, 1917. Below the incisive article by Max Parry

There is a deceitful and ahistorical myth that frequently resurfaces in right-wing circles seeking to discredit socialism with lies about the Russian Revolution. No matter how many times it has been invalidated as fabrication, the reactionary mythos endures.

As might be expected, the author is referring to the preposterous claim that American capitalists — or “Wall Street bankers” — secretly financed one of the most epochal political revolutions in world history which overthrew the Romanov dynasty and ended the Russian Empire, leading to the establishment of the Soviet Union.

One would be hard pressed to find anyone on the political left who has not encountered this mendacious propaganda which has a few variations depending on how far to the right its adherent lands on the political spectrum, but it usually shares the same core set of evidence-free claims.

Leaving aside whether or not the absurd premise makes any sense politically, what can be acknowledged is that at the heart of these false assertions are tiny elements of truth that have been distorted and overstated to the point of deception. Any research into this allegation inevitably leads one to its most popularly cited source, [Wall Street and the Bolshevik Revolution](#) by British-American conservative academic, Antony C. Sutton.

The primary argument deduced by Sutton is that “Wall Street” indirectly funded the Bolsheviks via the Swedish financier Olof Aschberg, a prominent banker and communist sympathizer who supported a variety of left-wing causes throughout his life, including later the Popular Front in the Spanish Civil War. During WWI, Aschberg was a banker in neutral Sweden before expanding his business into Germany where he then transferred sums to aid the Bolsheviks in Russia. However, the links that Sutton makes between Aschberg and “Wall Street” are contradictory and tenuous at best.

While it is [evident](#) that Aschberg visited New York in 1916 to convince a group of private American businessmen that the wartime financial opportunities in Russia would continue to flourish after its conclusion, by Sutton’s own admission he was in the United States on *behalf of the Tsarist government* to negotiate a \$50 million loan for the imperial Russian Ministry of Finance. Sutton then debunks his own claim by alleging that Aschberg simultaneously siphoned money “from the German government” to the Russian revolutionaries just as he was acting as an agent in place of Nicholas II’s finance minister,

Pyotr Bark.

If that is the case, then the socialist Aschberg likely defrauded a partnership of American private bankers into inadvertently lending financial support to the Bolsheviks, at the very time he was employed as a representative for the Russian monarchy. It should be noted that this deal occurred during America's neutrality in the war at the time, as the U.S. would not enter the conflict until the following year and Aschberg is known to have gotten into trouble with the Allies. Apparently, Sutton could not discern that these Yankee capitalists were being duped by the "Bolshevik Banker" and instead assigned conscious intent to their money passing through the Swede financier to the communist revolution.

Even if true, the conduit of funds from Aschberg's Nya Banken would have constituted a minuscule portion compared with the primary subsidies for the Bolsheviks which came via the fortunes they seized from wealthy merchants, landed nobility, and senior members of the Russian Orthodox Church, not to mention the ruling class of the Tsar and his family who amassed incalculable riches going back hundreds of years. After the Russian Civil War, Aschberg founded the USSR's first foreign trade bank, Roskombank, as one of the inaugural decrees of the Soviet government was the nationalization of the financial industry where the assets of private bankers were confiscated by the state. Thereafter, banking in the USSR functioned solely for the purpose of sponsoring foreign trade and the rapid industrialization of the agrarian country into a modern global superpower. If any American bankers were fooled by Aschberg into funding a Marxist revolution, they sealed their own fate.

Sutton's accusation that the German state sponsored the Bolsheviks first came from the Alexander Kerensky-led Provisional Government which took power following the abdication of Nicholas II in the February Revolution. The short-lived interim government based its claims on telegraphic cables which purportedly showed payments between Berlin and the revolutionaries which was then used as evidence to smear Vladimir Lenin as a "German agent."



Historians have since debated the authenticity of the telegrams, but if Germany did divert funds toward the Bolsheviks, it was only because the revolutionary opposition to Russian participation in the imperialist war was an opening to undermine its enemy.

For this reason in April 1917, German intelligence permitted Lenin's return to Russia from exile in Switzerland via train through Germany, Sweden and Finland in an arrangement made by the Social Democrat Alexander Parvus.

However, this meddling was no different than similar interference by the British and French governments who also attempted to influence Russia's affairs. In fact, it was reportedly the French who intercepted the dispatches given to the Provisional Government showing the supposed transactions between Germany and the Bolsheviks.

If any Bolshevik was truly an agent of a foreign government, that distinction would belong to Leon Trotsky who was not admitted to the majority faction of the Russian socialist movement until September 1917 after previously siding with the Menshevik wing during the initial party split before straddling the fence for years as a self-described "non-factional social democrat."

If the truth should be told, Trotsky was never a dedicated Bolshevik and his opportunism proved useful to the interests of Western imperialism, namely the British who suspiciously ordered Canadian authorities to release him from internment in Nova Scotia that April. Why the British would free a revolutionary to return to Russia and presumably withdraw another Allied nation from the war might seem puzzling, except Trotsky's advocacy of "neither war nor peace" was an opportunity to obstruct Lenin's efforts to make a separate cease-fire with Germany and accept the Central Powers terms. This would have consequences five months after the October Revolution during the Treaty of Brest-Litovsk in 1918, where Trotsky led the negotiations as Foreign Minister and nearly sabotaged the peace talks by disrupting them with his unauthorized tactics.

Of the original incumbents in the first Soviet cabinet, Trotsky was the only minister of Jewish descent. However, this did not prevent the Tsarist White movement from spreading propaganda during the Russian Civil War about the predominance of "Jews" within the Bolsheviks. Apart from the racism of such conjecture, it also turns out to be factually incorrect as shown in [statistics](#) published by the Moscow-based *Vedomosti* newspaper:

"If we discard the speculations of pseudoscientists who know how to find the Jewish origin of every revolutionary, it turns out that in the first composition of the Council of People's Commissars of Jews there were 8%: of its 16 members, only Leon Trotsky was a Jew. In the government of the Russian Socialist Federative Soviet Republic of 1917-1922 Jews were 12% (six out of 50 people). Apart from the government, the Central Committee of the Russian Social Democratic Labour Party (Bolsheviks) on the eve of October 1917 had 20% Jews (6 out of 30), and in the first composition of the political bureau of the Central Committee of the Russian Communist Party (Bolsheviks) — 40% (3 out of 7)".



This sensationalist big lie of "Jewish Bolshevism" was really an extension of the infamous hoax *The Protocols of the Elders of Zion* which itself had been

forged in 1903 by Okhrana, the secret police of the Russian Empire, who disseminated the fabricated text to deflect growing discontent under the Tsarist regime against a scapegoat. After the Romanovs were ousted in 1917, the White movement turned the propaganda against its opponents in the Russian Civil War while this sentiment was promoted by its backers in the West such as [Winston Churchill](#) and Henry Ford. At some point, the “Judeo-Bolshevism” hoax became “Jewish bankers” or “Wall Street” funding the Bolsheviks.

Sutton alleges the German-born Jewish-American banker, Jacob Schiff, was a clandestine financier of the Bolsheviks. This too is demonstrably false, as Schiff was a supporter of the Society of Friends of Russian Freedom, a transatlantic organization which was as vehemently anti-Bolshevik as it was anti-tsar. Today, reactionary historical revisionists would like us to forget that the treacherous Provisional Government, which was to some extent financed and backed by foreign bankers, ever existed in the months between the February and October Revolutions. Schiff had previously backed the failed 1905 Revolution because of the numerous anti-semitic pogroms that occurred under the Russian Empire but immediately withdrew his support from the 1917 Revolution once the Bolsheviks removed the pro-war Provisional Government, as [explained](#) by Kenneth Ackerman in *Trotsky in New York, 1917: A Radical on the Eve of Revolution*:

“Schiff’s gripe against Russia had been its anti-Semitism. At home Schiff had never shown any sympathy for socialism, not even the milder Morris Hillquit variety. Schiff had declared victory for his purposes in Russia after the tsar was toppled in March 1917 and Alexander Kerensky, representing the new provisional government, had declared Jews to be equal citizens. In addition to repeated public statements of support, he used both his personal wealth and the resources of Kuhn Loeb to float large loans to Kerensky’s regime. When Lenin and Trotsky seized power for themselves in November 1917, Schiff immediately rejected them, cut off further loans, started funding anti-Bolshevik groups, and even demanded that the Bolsheviks pay back some of the money he’d loaned Kerensky. Schiff also joined a British-backed effort to appeal to fellow Jews in Russia to continue the fight against Germany.”



Another member of the Society of Friends of Russian Freedom was the American explorer George Kennan, second cousin of future U.S. diplomat and influential strategist during the Cold War, George F. Kennan. Kennan is quoted in a March 1917 [New York Times](#) article explaining how Schiff and the Society of American Friends of Russian Freedom funded the February Revolution. However, the elder Kennan was also adamantly *against* the October Revolution and when U.S. President Woodrow Wilson approved American participation in the Allied intervention in the Russian Civil War, it was after being [persuaded](#) by his report in 1918 criticizing the Bolsheviks. If Wall Street bankers funded the Bolsheviks, why did the Anglo-Americans send their army to join the Allied nations to invade Russia and fight the Reds? Kennan’s final denunciation of the Soviets was [written](#) in 1923:

“The Russian leopard has not changed its spots.... The new Bolshevik constitution... leaves all power just where it has been for the last five years — in the hands of a small group of self-appointed bureaucrats which the people can neither remove nor control.”



Years later, part of the inspiration as an envoy for George F. Kennan to found anti-communist Soviet émigré groups like the American Committee for the Liberation of the Peoples of Russia (ACLPR, AMCOMLIB) stemmed from his knowledge of the Society of Friends of Russian Freedom begun by his great uncle during the Russian Empire. Also going by the name of the American Committee for Liberation from Bolshevism, AMCOMLIB was set up in 1950 as part of the Central Intelligence Agency's Project QKACTIVE in which U.S. intelligence also established Radio Liberation, later known as Radio Free Europe/Radio Liberty, to broadcast behind the Iron Curtain. So not only was the Society of Friends of Russian Freedom *anti-Bolshevik*, it's activities became the impetus for part of Kennan's influential Cold War containment strategy.

Oddly enough, it was George F. Kennan who later proved the infamous 'Sisson Documents' purporting that Lenin and his associates were "German agents" to be forgeries in a 1956 article for the *Journal of Modern History*. The 1918 documents published by Edgar Sisson of the U.S. government's Committee on Public Information ministry were part of a propaganda operation to discredit the Bolsheviks which reinforced the theory of a German-Bolshevik plot and gave further grounds for the Allied invasion of Russia.

With eerie parallels to U.S. media coverage of the Iraq War, apart from war correspondent John Reed, most of the yellow press at the time accepted the Sisson Documents uncritically. While it is now generally acknowledged that the German Foreign Office funded the Bolsheviks to some degree, Kennan's scholarly work showed the danger of believing deceptive information when it affirms preconceived notions and provides justification for desired actions, especially war.

In recent years, such fiction about the Russian Revolution has not been relegated to the margins but even found its way into the pages of *The New York Times* when it allowed pseudo-historian Sean McMeekin to take out an [op-ed](#) on the 100th anniversary resurrecting the hoax that Lenin was a "German agent."

The ratcheting up of tensions between the U.S. and Russia in the new Cold War and the bogus allegations of interference by Moscow in American elections has normalized disinformation and fake narratives made up of anecdotes and distortion. Now, it is not just the right-wing which is a gullible audience for such psychological warfare regarding Soviet history but credulous Western liberals.

In his defense, at least paleolibertarians like Sutton are willing to question the 'official' narrative of the Russian Revolution but unfortunately, because of the Red Scare begun by Sisson's forgeries, like a matryoshka doll there is only more propaganda within the propaganda regarding communism which runs deeper than any right-wing canard. If those seeking the truth about history are sincere, they will keep searching even when it reveals truths that call their whole political views into question. Keep searching.

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