

The Soviet Problem with Two “Unknowns”: How an American Architect and a Soviet Negotiator Jump-Started the Industrialization of Russia, Part II: Saul Bron

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Editor’s Note: This is the second half of a two-part article by Sonia Melnikova-Raich on the relationship forged in the late 1920s between American industrialists and the Soviet government, which in the late 1920s and early 1930s sought the help of Americans to move the Soviet Union from a peasant society to an industrial one. The first part, published in the previous issue of *IA* (volume 36, no. 2) described the state of the Soviet tractor and tank industries at the onset of the First Five-Year Plan in 1928 and provided a detailed account of the work in Soviet Russia of the firm of Albert Kahn, including some of the most important Soviet industrial giants, designed to manufacture domestic tractors and by the beginning of WWII converted to production of tanks. This second part is focused on the early Soviet-American commercial relationship and the role played by Saul G. Bron, who in 1927–1930 headed the American Trading Corporation (Amtorg) and, in addition to Albert Kahn, contracted with many leading American companies, including the Ford Motor Company, The Austin Company, and the General Electric Company. It also describes the Stalin purges of the Soviet industrial elite and the tragic fate of Soviet specialists engaged in Soviet-American trade and technical aid contracts.

Abstract

Soviet industrialization was a complex economic and political undertaking about which much remains unclear. Rather than examine the process as a whole, this essay focuses on two fairly unknown players in the history of Soviet-American relations—one American firm and one Soviet negotiator—and their contribution to the amazingly rapid Soviet industrialization of the early 1930s, emphasizing some human and business factors behind Stalin’s Five-Year Plan. Saul G. Bron, during his tenure as chairman of Amtorg Trading Corporation in 1927–1930, contracted with leading American companies to help build Soviet industrial infrastructure and commissioned the firm of the foremost American industrial architect from Detroit, Albert Kahn, as consulting architects to the Soviet Government. The work of both played a major

role in laying the foundation of the Soviet automotive, tractor, and tank industry and led to the development of Soviet defense capabilities, which in turn played an important role in the Allies’ defeat of Nazi Germany in World War II. Drawing on Russian and English-language sources, this essay is based on comprehensive research including previously unknown archival documents, contemporaneous and current materials, and private archives.

“We have before us in the Soviet Union
an engineering problem of
tremendous proportions.”

— Saul G. Bron¹

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“Unknown” No. Two: Saul G. Bron

While it is surprising how little is known about Albert Kahn’s role in the creation of Soviet industry, even less is known about Saul G. Bron, who was instrumental in bringing Kahn and his expertise to the U.S.S.R. On June 17, 1929, *Time* wrote: “Information on Amtorg’s

Board Chairman Bron's pre-Soviet period is extremely vague, inasmuch as very few of the individuals now prominent in Russia were famed members of tsarist society." Indeed, as a part of Lenin's war on the intelligentsia in 1922–23, hundreds of individuals prominent in pre-revolutionary Russia's arts, literature, jurisprudence, diplomacy, and industry, were either sent into exile to Siberia or were forced to emigrate, despite their value to a country still mostly rural and poorly educated. A few years later the Soviet government was scraping to find those left who possessed education and experience to lead industrialization and represent the state in its struggle for foreign trade and diplomatic recognition. It was specifically looking for those who had lived abroad and knew foreign languages. Saul Grigorievich Bron was just such a man. (figure 1)

Born on January 25, 1887, in Odessa, Bron began his higher education at the Kiev Institute of Commerce, but was expelled for involvement in the social-democratic movement, which was popular among secular Jews in the Ukraine as a reaction to tsarist anti-Semitism. He continued his education in Germany, France, and Switzerland, where he studied the grain trade and earned a doctorate in economics from the University of Zurich. In 1921–1923 Bron acted as commissioner for foreign trade for Ukraine and after formation of the U.S.S.R. in 1922, served on the Supreme Economic Council of the R.S.F.S.R. (the Russian Soviet Federa-



Figure 1. Saul G. Bron, 1930s. Photo courtesy the Bron family.

tive Socialist Republic, also called Soviet Russia or simply Russia), headed the Soviet grain exporting agency, Exportkhleb, was a director of the Russian Bank for Foreign Trade, Roskombank (later Vneshtorgbank of the U.S.S.R.), and in 1926 began his work for the People's Commissariat for Foreign Trade of the U.S.S.R. (When in the summer of that year Stalin picked a regional party leader from the North Caucasus, A.I. Mikoyan, as the next commissar for foreign trade, he assured the hesitant candidate that to help him, the leader would dispatch some experienced people, including Bron, who could "boost any commissariat.")²

In 1926 the Soviet Union was still not recognized by the United States government, and the Commissar for Foreign Affairs, G.V. Chicherin, who was closely watching the political situation in Washington, was convinced that the time was right to take advantage of the favorable views of some American officials toward the Soviet Union, especially Senator William Borah, then chairman of the Senate Foreign Relations Committee. Chicherin suggested delegating to America a person capable of conducting unofficial discussions with U.S. representatives and at the same time promoting commerce between the two countries. This role would be assigned to a new chairman of Amtorg Trading Corporation. In March 1927, following an urgent request by the Commissariat for Foreign Trade, the Central Committee appointed Bron chairman of Amtorg.³

Amtorg Trading Corporation, a quasi-private Russian-American joint-stock company, was established in 1924 by merging Armand Hammer's Allied American Corporation (Alamerico) with Products Exchange Corporation (Prodexco) and Arcos-America.⁴ Amtorg's purpose was to seek out prospective business opportunities in the U.S. and facilitate trade between the U.S. and the U.S.S.R. (where foreign commerce was a monopoly of the state) by playing the practically exclusive role of intermediary between American companies and Soviet industrial and trading organizations.⁵ Although Amtorg was an American corporation and hence subject to United States laws, it occupied a unique position in business as the single purchaser for a communist state. As a seller, it had to compete with other sellers of similar goods; but as a buyer, it represented an enormous single purchaser whose orders were at times and for some firms the largest they had ever been offered.⁶ Even though Amtorg did not officially represent the Soviet government, it was controlled by the People's Commissariat for Foreign Trade and prior