

Translation of original notes from KGB archival filed by Alexander Vassiliev (1993-1996)
Translated by Steve Shabad, reviewed and edited by Alexander Vassiliev and John Earl Haynes (2007)

[Pagination and formatting track the handwritten original notebook. Note that subsequent to the original scan of the handwritten Odd Pages, inconsistent pagination was revised by hand on the originals. Phrases in English in the original are *italicized*. Phrases that were transliterated from English to Russian in the original are in Arial font. Marginal comments in the left margin are chiefly page numbers from the archival file while those in the right margin are Vassiliev's topic designations, his own comments, or notes to himself. Endnotes were added in translation.]

"Concessionaire" file-data sheet Archive No. 15359 (Work No. 8867)

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| p. 1 | <p><u>"Re Trotskyites, Max Eastman and his work and contacts with Trotsky." 25.3.32.</u></p> <p>"Information has been received from Mr. Sven (an evaluation and permission to use him were previously sent), who has access to Eastman and has an especially good relationship with Eastman's wife, who used to work for Amtorg (née Krylenko—she is his sister): Eastman is putting out Trotsky's book "The History of the Revolution" in English in 30,000 copies (Volume 1). The funding of the publication and fund-raising among Tr.'s Amer. friends is being conducted by Mr. Hammer, the former pencil-factory concessionaire in Moscow. Eastman receives a weekly stack of correspondence from Tr. He establishes Tr.'s contacts in the US and does organizational work among Amer. Communists. According to information from him 2 of his people are supposedly among the Americans at Amtorg: Miss Kavurina and Sigal. In Moscow, according to the same information, there is a connection through Mr. Etinger, the former manager of Hammer's pencil concession (Khudozhestvenny per., 15).</p> | Eastman |
| p. 3 | <p><u>Statement by Dr. Yuly Yakovlevich Hammer.</u></p> <p>"On 23 August of this year I was informed at the A.O.M.O.S. that I had been denied the right to remain any longer in the USSR. There has obviously been a misunderstanding here.</p> <p>For me this is not only a blow to my fondest wishes and plans to remain to work in the USSR, and once the settlements with Glavkontsesskom on the concession turned over to the government are completed, to find a job in some state institution or a scientific institution, besides many years of general practice as a physician, as well as broad experience as a chemist and pharmacologist, I could also, thanks to long experience as an organizer and administrator, work as a manager—in the best sense of this word—and thereby take a direct part in building socialism in the USSR.</p> <p>But besides this, I take this denial as an undeserved punishment, since throughout the nearly 8 years I have been in the USSR I have always been devoted to Soviet power and an avid friend of Soviet-Amer. communications and trade. From the very outset of the revolution I dedicated all of my efforts to acquiring as many friends as possible among citizens of the NAUS and to the subject of recognition of the USSR by the US government, which by increasing loans and through the investment of capital by the Americans would accelerate the building of socialism in the USSR. To this end I welcomed to my home a large number of eminent Americans who came to the USSR, always disposing them through my hospitality to respond in a friendly way to my views on the need for a quick recognition of the USSR—in the commercial interests of the NAUS—and recently,</p> | <p>Both Yu.H. and Trotsky worked earlier at a drugstore</p> |

p. 4 “in order to help overcome the crisis in the NAUS.” Even just recently—during my last trip

abroad—on the way back I unexpectedly found myself in the same train with a party of eminent Americans, headed by three senators, and spent a large part of my time there informing them about the positive reality of the USSR and the opportunities¹ for a huge expansion of business ties between the two countries if the USSR were recognized. And since not all the members of the party crowded into my car could hear my explanations, their guide, citizen Eddie Sherwood, promised them that they would get such an opportunity and indeed, on the very first day of their visit I was invited to lunch at the Hotel Metropole, where for two hours I reported to them on the successful work that was being done in the USSR, and I answered their q.'s. With reference to the newspaper clipping (Enclosure No. 1), I believe that I had some part in this result. I point this out only in order to show that I am sometimes and can be helpful.

Eddie

On the other hand, I don't know a single instance when my activities or my stay in the USSR have been harmful or damaging to the interests of the USSR.

Even now, when I am trying to conclude the settlements on my son's concession, which was turned over to the USSR govt. ahead of schedule, in order to avoid complications with the concession's foreign creditors so that everything ends in the most painless way, I believe that I am doing something useful, which could have turned out worse without my participation in it. As an example, I am enclosing a Russian newspaper clipping (Encl. No. 2) and a German one (Encl. No. 3).

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For the immediate future I have work planned—to write a book, "Ten Years of Doing Business in the USSR," beginning with the sale of oil equipment to Cde. Martens in the NAUS in 1912-20² and the turnover of the first concession in the USSR (asbestos mines in the Urals) to my son in 1921 and concluding with an analysis of the situation in the USSR at present, as well as citing the prospects of the USSR, proving to the business world of the NAUS that it makes sense to grant the USSR increasingly broad credit and capital investments—through large-scale municipal-service concessions, etc.

This work will take me about 6 months to acquire and arrange the material, a portion of which has already been provided to me by Cdes. Knopinsky and Gurevich of Glavkontsesskom, and a portion is still to be provided.

In connection with the foregoing I am compelled not only to inform you about my active work in the socialist movement in the NAUS for decades, but also to disclose to you regarding my real polit. position what, for technical and business reasons and so that I could be more helpful to the interests of the USSR, I had to keep secret from the broad public, especially from Amer. commercial circles and the govt., with the consent of the Amer. Com. Party. For more than 20 years I worked actively with Cde. Reinstein (from the Comintern) in the then-left Socialist Labor Party in the NAUS, sometimes in the position of a candidate member of the CC of the party. In 1919, when the Com. Party was established in the NAUS, I was a delegate to the clandestine congress of the Com. Party. In 1919-

1920 I supported, with active work and money totaling about 50,000 dollars, the work of Cde. Martens L. K. Martens, who was representing the RSFSR govt. in the NAUS on a mandate from the NKID. (Cde. Martens is now in Moscow at Lubyansky proyezd, 3, Apt. 53, Phone 5-78-79.)

p. 6 He can corroborate this. Besides the aforementioned 50,000 dollars, even before my son arrived in the USSR I loaned the Soviet govt. at the time, without any guarantee, another 110,000 dollars (oil equipment), and the Soviet govt. repaid the 160,000 dollars to my son in 1922. During the raids on the “Reds” in the NAUS I paid several thousand dollars in order to put up bail for them and give them a chance to flee to the USSR. Two such comrades—Fedotov and Volodin—are now here. When my son A. Hammer arrived here in 1921, he followed my advice and, with Cde. Lenin’s support, took from the govt. the first concession (in the Urals) in the history of concessions in the USSR and was the first to start trade between the USSR and the NAUS by sending on credit two ships with grain for the starving workers in the Urals, for which he also received recognition from Cde. Lenin. During my time in the USSR I continuously provided the Amer. Com. Party and the international communist movement with a number of clandestine services, which need not be mentioned here (Cde. B. Reinstein of the Comintern knows all the details and can report to you personally about this in detail). Some of the aforementioned facts can be corroborated by Cde. N.P. Gorbunov (manager of the SNK Sovnarkom), other comrades D. Petrovsky (Glavpromkadr of the VSNH), V. S. Shatov (Turksib), Borodin (Soyuzbumaga), Shakhne Epshteyn (Pravda), M. Kats (Tribuna) and others.

Strange as it may seem to you and other comrades from the VKP(b), a “concessionaire” (I was only a consultant on a certain part of the concession and a fiduciary for my sons, the actual concessionaires), a “private businessman,” “a bourgeois,” has been for thirty-eight years an active functionary in the socialist and now communist movement, and that is a fact.

p.7 In the conditions of the capitalist countries, especially America, there have been quite a number of cases where people of means joined the socialist movement and a few are left in the commun. movement as well. I will surprise you even more and tell you that all these years I have been a full-fledged member of the Amer. Com. Party of the late Cde. Ruthenberg and am a member of the Amer. Com. Party to this day, for which I have a certificate in 1930 from the Cde. Randolph, the Amer. Com. Party’s representative in the Comintern. When I petitioned for permission to remain to live in the USSR, I told you about my plans for the future. I am planning to let my sons set themselves up abroad as they like, while I myself prefer to move on to a modest position, but one that is more appealing to me, as an employee at some scientific or economic enterprise, so as to take part in socialist construction. I have reason to think that some prominent economic managers who know my work, ability and me personally are prepared to recruit me for such work as soon as I finish up with my sons’ concession. I hope that when you review the facts I have presented, you will find it possible to permit me to remain in the USSR

for the maximum period allowed under the law.

Y. Y. Hammer, Petrovsky pereulok, 8.

29.V.39 True copy: Pavlov (apparently written in the early 1930s, but typed in 1939)³

p. 8

Memorandum (excerpt from agent file "The Bankers").

"1. Trotsky's connection with the US.

Someone named Eastman in New York is preparing to publish in English Trotsky's book "The History of the Revolution." The plan is to print 30,000 copies of the book, and financing and fund-raising among Trotsky's Amer. colleagues are being conducted by Hammer, the former concessionaire of a pencil factory in Moscow.

2. The Trotskyites' connections in the USSR.

According to information from Eastman, he supposedly has connections in the USSR regarding opposition matters through someone named Ettinger, the former manager of Hammer's pencil concession, who lives in Moscow.

25.05.1939

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Memorandum re agent file No. 14127 on concessionaire Yuly Yakovlevich Hammer.

"The agent investigation of Y. Y. Hammer was initiated on the basis of agent materials showing that concessionaire Y. Y. H. on the one hand has close contact with all of the Amer. businessmen who come to the USSR for talks and that some of them prior to the talks with our organizations receive information on the USSR economy from H., and on the other hand has close contact with some staff members of the Comintern, such as Reinstein and others, who visit one another.

Reinstein

NKVD vs.
the
Comintern?

During the investigation on the KRO line pertaining to a person engaging in espionage activities, no incriminating material was obtained, but it was discovered that H. at his personal initiative did everything he could to help our organizations cultivate certain representatives of Amer. companies, who did enter into business contracts with us regarding specific industries. All this was done by H. because H. is an old member of the Amer. Socialist Labor Party, who in 1919 transferred with other comrades to the Amer. Com. Party, of which he is a member to this day. During his time in the Socialist Labor Party and the Com. Party H. repeatedly supplied and supported the workers' revolutionary movement in America with large sums of money, and in addition he repeatedly carried out highly important assignments for the party in sending off, resending and bailing out arrested comrades. Still, capitalist tendencies are not alien to H., such as amassing personal funds not only by working as a concessionaire but also in other indirect, peripheral ways, for example, by buying valuable items in the USSR and exporting them abroad and other profiteering methods, in fact

- p. 10 H. is not averse to making money even by means of fraud and fictitious invoices, for example, during the buyout of the concession by the Glavkontsesskom H. deliberately included 254000 rubles in foreign currency twice in various invoices at the time of the liquidation and computation and received it by a resolution of the Sovnarkom.
The KRO OGPU detected this fact through its special-informant network and reported it to the EKV OGPU, which led to several meetings and on 15.IX at a secret session, where a KRO secret agent was invited to appear, the foregoing was corroborated with documents, and as a result this matter will be raised in the Sovnarkom for a revision of the previous resolution and the withholding from H. of the sum he received illegally.
The second instance of fraud by H., which is of major economic significance, was detected not so long ago by one of our trade missions. H. kept receiving padded invoices from the foreign companies abroad from which he bought raw materials and other supplies for the concession, and when our trade mission happened upon this fact, it asked one of the foreign companies on what basis they were sending H. padded invoices for the supplies he had bought, since such prices don't exist in the market. A company spokesman officially stated that this was being done on the basis of a personal request from H. for the settlement with the USSR govt., regarding which they had his letters, copies of which (I believe) are already with the Glavkontsesskom.
Despite the fact that H.'s settlements with the Glavkontsesskom have not yet been concluded, on 23 August he was summoned on instructions from Sec. 7 of the EKV
- p. 11 to the Admin. Dept. of the Moscow Soviet, where he was denied permission to reside any longer in the USSR for reasons unknown to us.
We always sent all agent materials of an econom. nature on the Y. Y. H. case to the EKV OGPU, in fact the KRO special informant "Sincere" was even temporarily turned over for the investigation, and he was incorporated into the commission to sort out and analyze the balance sheet of H.'s concession.
At the present time, as a result of the buyout of the concession from H. by the govt., he has a great desire to remain for econom. and scientific work in the USSR. This desire, according to our data, is based on: 1) an unwillingness to return to America, where his reputation has been "soiled" (he was sentenced to prison for performing illegal abortions), 2) the hope that perhaps in the future he will be able to undertake some economic gambits again in the USSR in the form of concessions, and so forth.
For the head of Group 3 of the OO OGPU
Bredis
28 Sept. 1930
The order to leave the USSR (the deadline for departing Moscow is 24 hours) comes not from the OO but from the EKV.

p. 14

Letter from “Gennady” (G. Ovakimyan) dated 9.11.39 (apparently M to NY)

“At one time some of the Amer. Trotskyites who had connections in the USSR were actively investigated in the US. Later, for a number of reasons, their investigation was interrupted, and currently we have no information not only about their activities, but we also don’t know where they are. Therefore it is desirable to use the interruption in the work of agents, who you have working on background checks, for locating and checking backgrounds of the persons listed below.”

[Yuly Yak. Hammer, born 1874, and his sons Arnold (1896) and Victor (born 1901).]
 “During the time the concessions were operating Y. Y. Hammer had contacts with Trotsky, who at the time was the chairman of the Glavkontsesskom. One of the H.’s (we don’t know which one) financed the US publication of Trotsky’s book “The History of the Rev.” The manager of the concession of the H’s, who stayed in the USSR—Etinger—maintained Trotskyite connections with Eastman.
 Give assignments to the above agents in terms of finding out the permanent residences of the persons of interest to us, what they are doing and, if possible, determining their attitude toward the Trotskyites and the positions they hold.”

G. (Georgy) S. Agabekov. The Cheka at Work. The Book-Education-Charity Association, Moscow, 1992.

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[1928-29]

Aviakhim
 (Osoaviakhim)—the
 Society to Assist
 Defense, Aviation and
 Chemical
 Development (1927-
 48)

“As section head I received a salary of 210 rubles. Out of that amount I paid 50 rubles for my apartment. Like all the other staff members I had to sign up with the GPU cooperative, Aviakhim, MOPR, Dobrolet, the Friend of Children Society, Avtodor, patronage of the villages and others, not to mention the trade union and the party, where I had previously been a member. Membership dues had to be paid to all of these organizations. In addition, each of us had to subscribe to internal loans and remit 25-30 rubles a month without the right to sell or redeem the bonds, because we, as Chekists and Communists, had to set an example for everyone else. Finally, we periodically had to “contribute” for the benefit of various striking foreign workers. So as a result of the deduction of all these

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levies I took home no more than 70-80 rubles. Hence one can judge the situation of other low-level GPU employees, who were receiving from 100 to 150 rubles. Naturally, one had to slip into debt forever to that same GPU cooperative, there was no possibility of buying oneself not just new clothing, but even underwear.”
 The MOPR was the Intl. Org. for Assistance to the Fighters of the Rev. Established in 1922. The USSR section of the MOPR existed until 1947.
 Dobrolet was the Russian Society of the Volunteer Air Fleet. Established in 1923 (for the development of civil aviation).
 Avtodor was the voluntary society to assist the development of driving automobiles and improvement of roads in the RSFSR. 1927-35.

File 49701 Vol. 2 special message re the US (continued)

- pp. 247-248
Recall the talks
between Gorb.
and Reagan in
Reykjavik⁴
- [The US ambassador in Moscow made statements to Molotov on 4 and 9 May 1948. Molotov's response was published in the press. London became concerned that the US intends to conduct unilateral⁵ talks.]
[A portion of the correspondence between W. and L. on this matter was reported to Stalin, Molotov, Vyshinsky—p p. 243-248.]
- p. 249
- On 4.06.48 the K. I. reported to V. Molotov a survey of cables from the Engl. For. Off. regarding Amer.-Sov. relations in connection with the exchange of statements between Mol. and Smith. Obtained in London.
- p. 250
- "The publication of the Sov. communiqué regarding the exchange of views between Smith and Comrade Molotov came as a surprise not only to the govt. circles of the Western Europ. countries that are uninformed about the Americans' demarche in Moscow but also to the Amer. govt. itself.
In a personal message to Bevin dated 12 May, Marshall wrote in this regard:
"...We didn't know that M. would use this communication by Smith for his own statement."
The Sov. communiqué immediately caused an animated diplom. correspondence among the capitals of the US, England and Fr., as well as with their respective embassies in Moscow. Even before receiving the full text of Smith's statement Bevin sent a cable on 11 May to all Brit. missions,
- p. 251
- which said:
"We were not informed in advance about General Bedell Smith's statement to M., and the full text of the statement is not here yet..."
In an extremely urgent cable dated 11 May and addressed to the Engl. ambassador in Wash., Bevin wrote:
"Today's morning communiqué from Moscow came as a complete surprise to me. You should immediately meet with Mr. Marshall and say that naturally I want to know as soon as possible whether this represents any change in Amer. foreign policy."
In another cable from him dated 11 May, sent to the Engl. ambassadors in Paris, Brussels and The Hague, Bevin wrote:
"I learned just today about the planned American-Sov. talks and about the exchange of notes, which came as a complete surprise to me. Until now I was completely unaware of any such thing."
French govt. and diplomat. circles didn't know anything in advance about Smith's statement, either.
The diplomat. correspondence between the Engl. For. Off. and the Engl. ambassadors regarding Smith's statement suggests that the Amer. ambassadors in London, Paris and other Europ. capitals were not informed in advance by the State Dept. about Smith's demarche, either.
- p. 252
- In the cable dated 11 May to the Engl. ambassador in Wash. Bevin wrote:
"I asked the Amer. ambassador today if he could tell me why, considering our current close cooperation, the US govt. chose the course that became known from the Moscow communiqué. What conclusion can be drawn from this rather unusual step?
He assured me in the most certain terms that

he didn't know anything and that he had not been informed..."

The publication of the statements by Smith and Comrade Mol. has caused confusion among the English. Bevin's cables dated 11 May attest to the fact that he was indeed frightened by the possibility of a change in Amer. policy.

The English immediately contacted the French and other governments that signed the Brussels pact and attempted to work out a common line of behavior, based on the possibility of Amer.-Sov. talks. In his cable to Paris Bevin reported on his conversation with the French ambassador in London, Massigli:

"I expressed confidence that Fr. would take the same position, since no matter what happens with the Unit. States the issue of our Europ. cooperation and our security will remain. No matter what disappointment there is, we must continue our cause and remain steadfast..."

p. 253 In his cable of 11 May to Paris Bevin wrote:

"Please try to meet immediately with Bidault and deliver the following personal message from me:

"...In my communication with Marshall I presented my view (which, I am sure, is shared by my colleagues in Europe) that we must remain steadfast, but act sensibly, and in any case continue to create our organization of five powers and organization of sixteen nations..."

My colleagues can be sure that this will cause any changes in Engl. policy. We will fulfill our obligations under the treaty as quickly as possible and, no matter what happens, create all the organizations that are vitally important both for our prosperity and for our security."

Bevin sent a similar message to the foreign ministers of Belgium, Holland and Luxembourg.

In the cable to his ambassador in Wash. Bevin wrote on 11 May:

"I am currently in contact with my Europ. colleagues under the Brussels treaty, and I don't have the slightest doubt that what has happened will cause complete consternation among them—as it did with us... As soon as I find out the intentions of the Unit. States govt., I will get in touch again with Mr. Marshall, but clearly this unexpected event must raise very great doubts for us regarding those intentions."

p. 254 The French and the Belgians reacted to the communiqué on the Soviet-Amer. talks the same way as the English.

In response to the vigorous representations by Bevin and Bidault, Marshall began to defend himself. On 12 May he sent Bevin a personal explanation in which he wrote:

"I have learned from Lord Inverchapel that there has been a misunderstanding in London caused by the unexpected and misleading publication by Molotov of excerpts from the statements made to him by Ambassador Smith on 4 May and 9 May, and the full text of Mol.'s response."

And further on:

"There was no intention on our part to begin unilateral talks with the Sov. govt. on any matters in which the Unit. Kingdom or any third party has an interest."

The State Dept. and Marshall personally attempted retroactively to justify keeping their communication to the USSR secret. On 11 May the Engl. ambassador in Wash. was given a State Dept. memorandum, dated 10 May, presenting information on the exchange of statements in Moscow. Inverchapel wrote Bevin in this regard:

“State Dept. spokesmen explain that they intended to send me the memorandum a few days ago, but it was delayed for purely technical reasons, and as a result the unexpected information from Moscow was received earlier...”

p. 255 In this regard the English minister of state, McNeil, made the following entry in one of the cables: “I don’t think the Americans are telling us the truth. The dates don’t match. The tech. details are beside the point. The outline of this matter doesn’t accord with Wash.’s version. It’s unclear who the Americans intended to fool. But who they actually fooled is completely clear—all their allies.”

In his personal clarification to Bevin, Marshall said that he hadn’t informed the English in advance about Smith’s statement solely for reasons of secrecy. Supposedly the only ones who knew about it were Marshall himself, Lovett, Kennan and Bohlen. Marshall said he had personally read to the president the instructions that had been prepared for Smith and didn’t even leave copies of this document in the White House, for fear the information would leak.

The English and French described the Americans’ actions toward the S.U. as naïve and foolish.

Bidault declared in a conversation with the Engl. ambassador in Paris, Harvey:

“...the actions of General Bedell Smith in Moscow may have been caused by naïveté or obtuseness. One can never be completely confident in the Americans...”

The English ambassador in Moscow, Peterson, reported the following to the English For. Off. regarding his conversation with the Amer. chargé d’affaires, Durbrow:

“Mr. Durbrow showed me notes of the two conversations, but didn’t leave copies of them for me...”

p. 256 My conclusion, after scanning these notes, is that Mol. took the occasion to defend a Sov. foreign policy that makes no compromises and that this entire matter shows the incurable naïveté of the US govt., especially in an election year.”

The first measures of England and Fr. after the Moscow communiqué was published were to work out a common line for the nations of the Western Alliance and to demand that the US reaffirm its previous assurances.

In its directive cable dated 11 May to all of its missions, the English For. Off. wrote:

“... The viewpoint of the English govt. regarding this matter is currently being worked out, so for now you must be extremely cautious in all private or public comments. It is especially important on our part at this moment to try not to acknowledge that the Unit. S. govt. has embarked on a policy of appeasement...”

In the 11 May cable Bevin instructed the Engl. ambassador in the US to meet immediately with Marshall and tell him:

“...You must also say that we are basing our policy regarding the q. of West Germany and the Western Alliance

on previous Amer. assurances, and I believe that we must continue it. Further assurances regarding this matter are extremely important for restoring trust.”

Marshall deemed it necessary to satisfy Bevin’s request, sending such an assurance on 12 May through the Amer.

- p. 257 ambassador. Bevin, confirming he had received this letter, stated in a cable dated 14.5.48: “I am very grateful for your personal message, which I received from Douglas. I am very glad to get your assurance that there was no intention to start unilateral talks with the Sov. govt. regarding any matters in which the Unit. Kingdom or some other third party has an interest.”

However, the distrust of the governments of the Western Europ. nations toward the US has not been dispelled, a fact that is illustrated by the attempts to work out a common line among the parties to the Brussels treaty to influence the US position.

Bidault, in a conversation with the Engl. ambassador in Paris, formulated this line as follows:

“1. Continue the policy that the five powers agreed on;

2. Don’t agree to any resolution of the German q. based on any agreement between the US and the USSR;

3. Don’t lose time.”

Although the documented data we have reflect only a portion of the diplom. talks that were caused by the Soviet communiqué on the exchange of statements between the USSR and the US and that occurred on the first day after the communiqué was published, i.e. 11 May, these data allow

- p. 258 us to conclude that the step taken by the Sov. govt. dealt a palpable blow to Anglo-Amer relations and generated a sense of uncertainty in the nations of the Western bloc. A revealing comment in this regard was made by Harriman, who said in a conversation with Bidault, in response to the latter’s rebuke that the Unit. States was pursuing a “Munich policy”:

“The Russians have easily achieved their objectives if they have managed to inject differences among us whose traces will be permanent”.”

- p. 259 12.06.48—To Molotov, Vyshinsky.

“Rumors have intensified lately that the US govt. supposedly intends to take measures to improve relations between the USSR and America. For example, the Czechoslovak envoy in Argentina, Kunoly, reported to the Czechoslovak For. Min. at the end of May that the State Dept. intends to start probing the positions of the USSR by disseminating the appropriate statements and take further steps depending on how the USSR reacts to this.

At about the same time the K. I. station chief in Wash. reported that one of the people close to Truman claimed that an improvement in relations between the US and the USSR should be expected in the immediate future and that big developments in this realm would take place in June.

It is also known that in a conversation with the Czechoslovak chargé d’affaires in the US, Hanc, on 2 June, the head of the Central

- p. 260 European division of the State Dept., J. Beam, stressing that he was speaking as a private individual, stated that the State Dept. had worked out a number of actions aimed at improving relations with the USSR.

Truman and Marshall have supposedly approved these actions.

The same rumors have been widely reported in the American and European press.

One can conclude from the foregoing that the rumors of forthcoming talks between the USSR and the US to normalize relations are being deliberately spread by Wash. It is no accident that Amer. officials are having conversations on this subject with representatives of the new democracies (in this case Czech.), apparently assuming that their comments will be passed on to Moscow.

In analyzing these facts it should be noted that this is not the first time such soundings are being taken by the US. It is known that last winter the Amer. ambassador in Poland, Griffis, attempted to convince the vice-marshall of the Polish Sejm, Szwalbe, that it would be expedient for Poland to take on the role of intermediary in the normalization of relations between the US and the USSR.

- p. 261 While we don't have definite data revealing the State Dept.'s plans, one can still make the following hypotheses about the purpose of the soundings that are now being taken by the Americans:
1. In the current complicated situation the State Dept. is attempting to ascertain the position of the USSR govt.
 2. By spreading rumors about the possibility of a peaceful resolution of the issues in dispute, the State Dept. hopes to keep the USSR from taking drastic measures as a result of the decisions of the London conference on the German q.
 3. The Tr. govt., taking account of the pre-election situation, is seeking to have the USSR adopt a wait-and-see position at least for a while."

- p. 262 25.06.48—To Stalin, Molotov, Vyshinsky.
 "We present a letter dated 13 May from the former Engl. ambassador in Wash., Lord Inverchapel, to Bevin regarding the effect of the internatl. situation on Anglo-Amer. relations.
 In connection with his departure from the position of ambassador in Wash., Inverchapel decided to call the attention of Bevin and his own successor to the need for convincing Amer. ruling circles that in the face of the consolidation of the positions of the S.U. it is vitally important to bring about the closest possible alliance between England and the US. He points out a number of indications that the Americans don't understand England's role in preserving the bourgeois world and as a result underestimate the problem of providing enough aid to England to support its econom. positions.

- p. 263 Based on a study of prevailing attitudes in the US, I. expresses the fear that the inevitable slowdown in Europe's econom. recovery due to the inadequacy of Amer. aid will be viewed in the US as a manifestation of the inability of Europ. countries, and above all England, to carry out the tasks that confront them.
 Commenting on the plans for US rearmament, I. cautions that the implementation of these plans will make it harder to fulfill the Europ. recovery program, since the priority in distributing funds and goods will be given to rearmament.
 I. believes that the amount of Amer. aid to individual countries will be determined according to the contribution that each country will be able to make to the defense of the West. bloc. As a result, in I.'s view, England faces an extremely

ticklish problem: England's island status and the stability of its polit. regime make E., in Amer. eyes, less in need of urgent aid than the countries that are under a more direct threat from communism. On the other hand, the threat of war

p. 264 should convince the Americans that they cannot do without E.'s help, and this opens up an opportunity for the English to put pressure on the US govt. in their interests."

p. 265 From Inverchapel's letter:
[How to achieve prosperity and security, in the view of Amer. officials]:

p. 266 "A solution to this problem appeared feasible by two methods: *a)* by blocking the S.U. with Amer. armed forces that are kept at the strategic locations where the conclusion of peace treaties with Italy and other former German satellites found them; *b)* through econ. aid provided by the Unit. St. to the Europ. countries that are able to reach agreement with one another on a program of mutual assistance and cooperation.

3. This approach to the international situation was based on the general assumption that, while the S.U. is prepared to make use of the West. nations' weaknesses for aggressive purposes by all available means except war, it will still pursue its policy in such a way as to minimize the risk of an outbreak of hostilities. Under these circumstances the European recovery program was widely advertised by its supporters in the US govt. and in the Congress as a way to avoid the need for a more costly rearmament of the country.

4. Subsequent developments in Europe, beginning with Mol.'s walkout from the Paris conf. in July 1947, significantly contributed

p. 267 to an increase in Amer. participation in the so-called "cold war." But even after the failure of the London session of the Council of Foreign Ministers and your own call for the formation of a West. alliance, the assumption cited in the last paragraph continued to prevail. Only the communist coup in Czech. forced the Americans to fundamentally revise their assessment of the internatl. situation. In particular, the tragic demise of Jan Masaryk, like a bolt from the blue, illuminated for the Americans the shocking picture of how much the tensions between East and West have become a matter of life and death for the free people who have found themselves in the shadow of Sov. power.

5. The graphic lesson in Czech. shook up the Americans and made them understand what kind of far-reaching consequences there would be if the Communists returned to the Italian govt. either by winning the election or through a coup d'état. In addition, while pressure was exerted on Finland in order to include it in a Sov. security bloc, the awareness of a more direct threat to US vital interests was intensified by rumors that spread in Wash. about similar tendencies with regard to the other Scandinavian countries.

6. By 11 March the crisis atmosphere that had developed had heated up so much that it compelled Tr. to make an appeal for calm and simultaneously to acknowledge the fact that his faith in the establishment of a final peace throughout the world had been somewhat shaken. Be that as it may, the accelerated course of events

compelled the majority of top Amer. officials to revise their previous opinion that it was possible to calmly develop a diplom. and mil. policy based on the assumption that the "cold war" would almost probably not take the form of an armed conflict.

7. Although it was still believed that the USSR would not deliberately provoke hostilities, the momentum of the Sov. advance now seems to risk reaching the point where the Kremlin, by misjudging the positions of its adversaries, may precipitate a new crisis, for which it will be impossible to find any peaceful solution. Moreover, Wash. feared that , as Marshall pointed out on 17 March in a confidential conversation,

p. 269 the world communist movement may stop taking orders and in turn force the Kremlin to support overt action."

p. 308 American-Sov. relations after the exchange of notes between Smith and Molotov.

Letter from the French acting chargé d'affaires in the US, Armand Berard, to Fr. For. Min. Georges Bidault, dated 27.05.48. (To Vyshinsky, Zorin, Gusev.)

"Two weeks after this event, it proved possible to obtain additional information at the State Dept. that shed light on the future of American-Sov. relations.

The initiative for the note of 4 May came from Kennan, who was supported by Charles Bohlen.

Kennan proceeded from the premise that it may prove useful after the Italian election

p. 309 to underscore the apparent defusing of the situation, give Moscow a chance to hear conciliatory remarks, reduce the fears that may have been prompted there by some statements made in the Congress and give the Sov. govt. an assurance that the US line of conduct in recent months has not contained any aggressive intentions.

On the other hand, in the event that new complications arose he didn't want the State Dept. to be accused of failing to elucidate its position to Moscow. Moscow and Wash. had not exchanged a single important statement since the end of the session of the Council of Foreign Ministers in December 1947. Since then events fraught with repercussions had occurred, and there had been repeated criticism lately that the Amer. govt. had failed to explain to Moscow, clearly and specifically, the general line of its policy.

That was the purpose of the demarche of 4 May. In addition, Bedell Smith himself pointed out to the State Dept. that he considered it useful before he left Moscow to reiterate to Molotov the motives and objectives of Amer. policy. Finally, in doing so the govt. was taking into consideration

p. 310 the emergent movement in the country in favor of a peaceful settlement.

The State Dept. was trying to ensure that the Sov. govt. would be able to respond to the proposals made to it without damage to its prestige. The State Dept. therefore wanted to surround this demarche in some secrecy until Moscow gave its answer. In order not to alarm and not to put the Soviets in an awkward position, the State Dept. also sought to prevent the statement made in Moscow from being presented in an ostentatious manner. That is why Smith was instructed to use for this purpose the audience

that he intended to request in connection with his departure for a vacation. In order not to create the impression of pressuring his interlocutor and to give him wide latitude for formulating a response, the ambassador did not hand Mol. a note, but confined himself to an oral statement.

The confidential nature of the statement was obvious, and the ambassador cannot be reproached for failing to refer specifically to the secrecy of the demarche. As Smith was leaving the for. min.'s office, the Sov. interpreter, Troyanovsky, asked him whether he had a text on him, from which he could check his transcript. The ambassador gave him the notes that

p. 311 he used to guide him during the conversation.

Since this demarche was surrounded by such precautions, the disappointment of its authors with Mol.'s answer is understandable. In their view, the Sov. minister could not have mistaken the conciliatory nature of their intentions. He easily could have given an answer in Wash. whose tone was similar to that of the Amer. demarche without jeopardizing Sov. policy. Smith made clear to him that if the Soviets relaxed their pressure somewhere, the US would do the same...

Mol., on the contrary, chose to cast the statement, which was not even in writing, and his response in the form of sensational publicity. Moreover, he turned over for publication not the main substance of the Amer. note, but a deliberately snipped version of it, eliminating in particular the final phrase, which in the view of the State

p. 312 Dept. clearly showed that the US govt. considered it inappropriate to conduct bilateral talks. Yet as spokesmen for the Amer. govt. assert, Moscow would like precisely to draw the US into such talks. Of all the secretaries of state who have succeeded one another in recent years in Wash., Marshall is the one whose behavior most rankles the Soviets. Mol. apparently considers him a "very tough nut" and regrets that Mar. doesn't allow himself to be drawn—like Byrnes and Stettinius—into talks from which Moscow would benefit. He obviously regrets that Mar. has people as his closest associates who know the Sov. mentality and the situation in the USSR especially well and whose actions are just as clear-cut and precise as their boss's actions.

The State Dept. is afraid that bilateral talks could be used by the Soviets to arouse suspicions among the powers friendly to the Unit. St. and that Moscow had the intention of using such talks to wreck the Europ. bloc that Am. has managed to create. On the other hand, the State Dept. notes that there is no unresolved problem between Moscow and Wash. in which

p. 313 other capitals would not have a direct interest. That is why Mar.'s associates accuse the Soviets of using the initiative solely for propaganda purposes when they could have used it for worthier purposes.

The State Dept. has long wondered how to explain this position of the S.U. The information it has gathered now prompt it to give the following interpretation. The exchange of statements between Wallace and Stalin was clearly prepared some time ago already. Wallace shared his intentions with persons who are in contact with the Soviets, and although he had not communicate the exact text of his proposals to them, he knew that the proposals would find a favorable reaction in Moscow. The intermediaries, according to the State Dept., were prominent French Communists or their sympathizers, who had received Wallace during

his trip to Paris and who continue to maintain contact with him. In Moscow, Stalin made a decision to respond himself to W.'s statement.

Since the "staging" had been devised this way, the surprise statement by B. Smith greatly disconcerted Mol. His immediate task was not to interfere with St.'s planned statement. The Sov. govt. could not leave the demarche of the US ambassador without a response

p. 314 and at the same time respond to proposals by a candidate for president whom the Amer. govt. considers its opponent. Smith had to be given an answer before St. speaks on the radio. The response had to be public, like the forthcoming statement by the Sov. prime minister, and it couldn't be negative. As for the importance that St. attached to his forthcoming statement, that can be attributed to Moscow's exaggerated notion of the significance of Wallace's party and his chances in the election. Another aspect that played a role in determining Mol.'s position was obviously the conviction that in a few months the composition of the Amer. govt would change and that it was pointless to try to reach agreement with a secretary of state of such an intransigent temperament. The statement by St. and the support that it was apparently aimed at lending to Wallace's cause were viewed by the State Dept. and Wash. polit. circles as interference in US domestic politics.

If the Soviets deem it unnecessary to attempt to reach agreement with the Tr. govt., doesn't this mean that they plan to take advantage of the weakened authority of the govt. and the approaching campaign period for

p. 315 some new steps in Europe or in the Middle East? Russian-affairs experts at the State Dept. rule out such a possibility. Their view has remained unchanged for the past several months. They didn't share the alarm that prevailed before the Italian election, and now they are not giving way to excessive optimism and do not interpret Mol.'s response as a reason to hope for a lasting settlement of Amer.-Sov. differences or at least for a substantial relaxation of tensions.

Now the Czechoslovak affair strikes them as a purely defensive act by Moscow. In the Amer. experts' view, the S.U. would have refrained from angering world public opinion as much as it did if the Soviets had expected that they would be able to establish complete communist rule over Czechosl. a few months later, during a general advance to the West. It was precisely because they did not intend to extend their influence beyond the borders of Czech. in the short term that they lowered the iron curtain over Czech.

On the other hand, it was precisely the situation that had taken shape that compelled the Soviets to act. The trend of public opinion in Czech. afforded grounds

p. 316 to assume that the election could rid the Czechosl. govt. of a strong commun. influence. If this had happened, the reaction to such an event in Poland and Hungary would have been significant. The populations of both those countries, which have a tendency to consider themselves above the population of Bohemia, would have been stirred up by the fact that these "runts" had found a better fate and more freedom than they had themselves. The evolution that had taken place in Czech. would have spread, and in a much stronger form, to those two neighboring countries.

Kennan and his associates in the State Dept.'s Policy Planning Staff do not believe that the USSR wants a war. They agree

with the premise that, when dealing with a totalitarian country, one must never completely dismiss such a possibility. They also recognize that they receive certain alarm signals, especially from Cent. Europe. However, they don't share the concern of the commanders of the Amer. army. The latter, in their view, take only strategic and quantitative factors into consideration.

True, it is undeniable that the USSR has enough forces on its borders with West. Eur. to capture all of it, and America does not have the resources for an immediate retaliatory strike. If

- p. 317 one uses the data cited by the journalists who continually scream about the Sov. threat, the USSR currently has 260 wartime divisions and 14,500 front-line planes, while the US has only 7 divisions and 3,000 planes in active service.

However, as the secretary of state's advisers emphasize, in addition to these mil. data one must take account of psycholog. factors, which are just as important. Russia is a tired and worn-out country. The destruction wrought there is enormous. While it did retain a large army, it is not in a position to wage war because of its economic situation. The Russian masses view this possibility with horror, they are psychologically demobilized. If the USSR planned a war in the near term, it would need a rather lengthy amount of time for psycholog. preparation. All of its propaganda, however, is tilted toward calming public opinion, and the publication of the communiqué on the exchange of notes between Smith and Mol. shows that the Kremlin wanted once again to reaffirm to the Russian people that it is an unshakable champion of peace.

- p. 318 Stalin is already advanced in years, his health has declined, the war years have taken a heavy toll on him, he is tired. Stalin wants to avoid complications and adventures, he will try to prevent his country from sliding into an armed conflict.

Wars of conquest are not in the tradition of the USSR. Its thirty-year history has shown that it is polit. activity rather than mil. activity that is characteristic of the S.U. There is no reason to believe that the Politburo, which since the war ended has adhered to a policy of removing marshals from being overly active, has abandoned this policy. In the current situation the USSR needs peace to consolidate its influence in E. E. At a time when the commun. wave in the West is clearly receding, the situation is not very favorable for the spread of Sov. influence to countries that would react to this influence with deep hostility.

Finally, while they recognize that the resources that the general staff now has are limited, the secretary of state's advisers contend that Amer. capabilities, especially in the area of aviation and in the area of development of new types of secret weapons in the US, impress the Soviets. The Amer. navy,

- p. 319 which is unequaled in history and which the US could put on a war footing in a very short time and would include at least a hundred aircraft carriers of every possible size, gives the Kremlin pause. However, the Amer. experts, on the other hand, point to the overly swift evolution in E. Europe running counter to the Soviets' interests as one of the factors that could cause a war. The 1938 borders created a buffer zone for the Russian regime out of such sparsely populated territories as the shores of Lake Ladoga,

Chudskoye Lake, the swamps in the Pripyat basin, and the farming areas among them, where peasants were living a primitive life. It was difficult for Western European influence to penetrate through these areas. Now the USSR has incorporated into its territory such Western peoples as the peoples of Karelia, the Baltic countries, Eastern Poland, Transcarpathia and Bessarabia. It can no longer fence itself off from Western influence with its borders alone. A liberation movement by the peoples of Eastern Europe from Sov. domination would produce a strong resonance in the USSR. The Finns, Balts, Poles, Transcarpathian Ukrainians and Bessarabians would follow the example of their brothers in the neighboring states and in the process would find many sympathizers among the Russian population.

p. 320 The State Dept. is deeply convinced that even after thirty years of Sov. dictatorship the liberal movement has not died in Russia, that it has been awakened by the contact during the war with the countries of Central Europe and that a large segment of the population passionately desires a resumption of relations with the West. The existence of these desires is one of the factors compelling the Sov. govt. to hermetically seal off its borders...

The elements in the E. E. countries who yearn for an end to Sov. rule are increasing in number. If this process accelerates, it may elicit a harsh reaction from the Soviets. If

p. 321 liberal ideas were to triumph in E. E., threaten to infiltrate the USSR and become a danger to the Sov. regime, the Moscow leaders, having decided to save their regime at any cost, would choose to unleash a war.

The embassy's reports have already commented that the exchange of notes between Smith and Mol. stirred the hopes of a significant segment of Amer. public opinion. During the most active election campaign, which is already beginning, all the parties will obviously present themselves as champions of peace. The Democrats and especially the Republicans will be inclined, in order to please public opinion, to agree to cut spending or at least to limit it during the election period and immediately after the election of a president. Should the conclusion be drawn from this that the Amer. govt. will be forced under the pressure of public opinion to begin Amer.-Sov. talks and to slow down its arms program somewhat.⁶

I have already stated that Marshall and his advisers are opposed to bilateral talks. In addition to the arguments I cited above they argue that an overall settlement of Amer.-Sov. differences is impossible.

p. 322 In their view, there is only a possibility by resolving the current issues of defusing the atmosphere de facto and returning to the situation that existed in the USSR's relations with foreign countries during the period between the two wars.⁷ Kennan doesn't even believe that a lasting agreement can be reached at all with the current govt. of the USSR.

On the other hand, Moscow would obviously like to extract from an improvement of relations with the US not only psycholog. benefits as a result of relaxed tensions, but also material benefits in the form of financial and econom. assistance for the recovery of the USSR. However, if the govt. and public opinion didn't make up their mind to take this path in 1945, at the moment of the friendliest relations between these two countries, they certainly aren't going to do so now.

There is a sincere desire for peace in the US, and if a Repub. govt. comes to power, it will try to satisfy that desire. But the suspicion and hostility toward the USSR, which reached their apogee during the period between the Czechosl. crisis and the Italian election, won't disappear so easily. Amer. public opinion typically has reactions that resemble storms in the Atlant. Ocean. They take as long to die down as

p. 323 as they take to develop.

The clumsiness of Sov. policy, which manifested itself again in connection with the recent exchange of notes, doesn't help the desired calming process. Moscow likes to dress its demarches in grandiose trappings and publish communiqués that have the effect of a bombshell. In so doing it plays into the hands of the Amer. press, which is always hungry for sensations. Achieving a relaxation of tensions, however, requires, on the contrary, lengthy efforts and keeping quiet.

No matter how much of an interest the Republicans have in fulfilling their econom. program, I don't think there is reason in the next few months to fear a slowdown in the implementation of the Amer. arms program. The US is only setting out on this arms program for now, and it would be more accurate to say that the U.S. has not yet begun to arm itself but has just stopped disarming itself. At this stage those who chart Amer. policy face a serious problem. Should the US arms program be designed to provide the country with the necessary forces for a future conflict or only for creating a standing peacetime army, navy and air force? The govt. should see to it that the growth of mil. spending doesn't reach

p. 324 levels that could discourage public opinion and revive isolationism.

On the other hand, in drawing lessons from the war, the Amer. experts became convinced that the defeat of Germany and Japan were made possible in part by the technological superiority achieved by the U. S. as a result of the implementation of the production program that was belatedly developed. At present the Amer. govt. wants to reduce the temptation for the Soviets to launch some adventure and to do so based on better training and a buildup of the armed forces of the US and the Western countries and standardization of the war matériel of the U.S. and W.E., which will enhance the effectiveness of their common weapons. The US hopes to thereby reduce the risk of a war.

At the same time the US govt. wants to wait out the Sov. regime's evolution, as a result of which a sincere agreement could be reached with Moscow. The Amer. experts consider such an evolution inevitable after the USSR's contact with the Western world during the war, but at the same time they believe that it will take many years. That is why they are calling on Amer. public opinion to show patience and steadfastness...

p. 325 There are many people in the ministries and polit. circles of Wash. who are prodding the govt. toward a quick resolution of the Amer.-Sov. problem. But Russ.-affairs experts constitute a tight-knit group in the State Dept., whose members hold important positions and follow orders from their bosses—George Kennan and Charles Bohlen. One need only keep track of Amer. policy to see how much weight these two men wield in the govt.'s decisions, enjoying the trust simultaneously of Marshall, Truman and Harriman, whose colleagues they are."

- p. 298 13.07.48—To V. M. Molotov.
“We are reporting that we have received several agent materials of late on the creation by Amer. govt. bodies of a far-flung organization for the struggle against the USSR, the new democracies and the communist movement.
According to preliminary data that require further investigation, a center is being established in the US for managing the anticommun. intelligence and subversive activities of Amer. agents throughout the world. In European countries these activities will be conducted by regional centers that are currently in the process of being established. Such a center has already been set up in Hungary and is being set up in Poland, Romania and other countries.
According to the information that has been received, the people who took part in developing plans for the activities of the anticom. organization were US Under Secy. of State Lovett; the head of the State Dept.’s Policy Planning
- p. 299 Staff, Kennan; the head of the Cent. Intel. Agency, Hillenkoetter; and the deputy chief of the Air Staff, Norstad. These plans were also cleared with John Foster Dulles, who according to other data is the author of the plan for coordinating all of the anti-Sov. and anticom. activities of the secret services of the US and England.
The preliminary materials suggest that the “anticom. centers” are being given the following tasks:
1. To prevent the spread of comm. in territories outside the influence of the USSR.
2. To organize a movement to resist comm. and Sov. influence in the E. E. countries while reorganizing existing resistance groups and providing special support to the Intl. Peasant Union.
3. In the USSR (especially in the western oblasts of the Ukraine and Belorussia, in the Baltic republics and the Karelo-Finnish SSR), to organize subversive activities aimed at energizing anticom. elements, propagandizing the Western way of life and instilling fear of a future war in the population of the S.U.
- p. 300 Amer. intelligence is training special cadres to work at the “anticom. centers.” According to the information that has been received, the leaders of the anticom. organizations do not intend to use personnel from Amer. diplomat. and mil. missions to fulfill their objectives. They have decided to set up for this purpose a special local agent network under the leadership of individuals who have Amer. citizenship but are natives of Europ. countries. Amer. intelligence is currently recruiting scientists and experts in various fields in W. E. countries, primarily émigrés from the new democracies who could be instructors at the so-called “Research Institute”—the training institution of US intelligence.
Besides the “Research Inst.,” a special dept. has been established at Columb. Univ. where the students are also Amer. intelligence agents scheduled to be infiltrated into Europe. The first batch of such agents were to depart for Poland in May and June of this year.
- p. 301 In addition, Amer. intelligence is recruiting for its service young émigrés, persons who are hostile to the governments in the E. E. countries, as well as Germans, especially those who live in territories controlled by the USSR

or in countries friendly to the S. Union.”

- p. 368 December 1948—To Molotov, Suslov, Abakumov, Zorin.
We have sent “a list of organizations established or used by Amer. intel. services to conduct intel. and subversive work in various countries...
Amer. intelligence devotes an extreme amount of attention to the use for its intel. purposes of various cultural, philanthropic, religious and other organizations in the US and abroad.
The information bureaus, Amer. universities, colleges and schools, all sorts of brotherhoods and youth organizations created in various countries are often headed by regular Amer. intel. officers or by persons recruited by Amer. intelligence. These organizations maintain close contact with Amer. embassies and missions and get intel. assignments from them, as well as propagandistic and anti-Sov. lit., films and other such “aids” for use in their subversive work.
According to information that is far from complete, in Europe alone there are currently more than 120 various organizations that
- p. 369 either have been set up by Amer. intelligence as individual intel. cells or are used by it as covers for espionage and terrorist activities and for propaganda.
Considering the increase in anti-Sov. activities by Amer. intelligence, I would deem it advisable to inform all Sov. foreign missions about the organizations used by Amer. intelligence, with instructions to show particular vigilance in relations with them.”
F. Kuznetsov
List on p. 27
Veterans of Strategic
Services, Joint,
Young Men’s Christ.
Association and others
- p. 343 20.10.48—To Molotov, Suslov, Abakumov.
Report from US Emb. in Moscow to the US State Dept. dated 18.02.46 on the state of Amer. film propaganda in the USSR and on the tasks of the emb. in spreading Amer. influence with the aid of films.
“The author of the report concludes that it isn’t possible for the Americans to exert influence in the direction they would like on broad strata of the Sov. pop., and recommends orienting film propaganda toward spreading Amer. influence
- p. 344 among prominent Sov. citizens and especially among members of the intelligentsia who have access to so-called closed screenings of Amer. films, which the embassy arranges by giving motion pictures to some Sov. organizations.
The main thrust of the recommendations in the doc. boils down to the fact that through noncommercial showings of Amer. films the emb. hopes to exert a demoralizing influence on a narrow but extremely important circle of persons who are admitted to closed screenings.”
- p. 352 From the text: The propaganda goals of the US Emb.:
“1) To present a picture of Amer. life that is truthful and at the same time beneficial to the goals of our prop.
2) To neutralize, at least slightly, the feeling that is being created and strengthened among the Sov. people by its govt. and the Com. Party that the Sov. people are surrounded by enemies, that they are

- p. 353 in the midst of a crisis that must lead to war with the capitalist West and that they must therefore sacrifice their own personal well-being and material comforts to strengthen Sov. power and Sov. authority.
 3) To affect, first, as many influential Sov. citizens as possible and, second, a the largest possible audience of the regular Sov. population.
 4) To establish as much contact as possible between Sov. people and real-life Americans.”
- p. 399 15.12.48—To Molotov, Zorin, Gusev.
 I am reporting information received from journalistic circles close to the US State Department.
 1. Mil. circles and Marshall are trying to prevent any attempts to resolve the Berlin q. and the Germ. problem as a whole on the basis of an entry by the US into talks with the USSR. The mil. circles and Mar. want the tensions of the international situation to intensify enough so that they can secure the consent of the Congress to an increase in the mil. budget and to conclude the Atlant. pact.
 2. In addition to this, an influential group of conservative Democrats led by Vinson and Connally is seeking to have Tr. resolve the Berlin problem and begin talks with the USSR regarding Germ. as a whole. However, Tr. is afraid of opposing Mar., Lovett, Forrestal, Draper and Clay.
- p. 400 3. Mar. believes that his policy of “containment” of the S.U. is being conducted successfully, and he intends to increase polit. and mil. pressure on the USSR. This policy is not expected to undergo any changes, even if Mar. resigns. In that case the most likely successor to Mar. will be Harriman.”
 P. Fedotov
 (Based on a cipher cable from NY.)
- p. 401 15.12.48—To V. M. Molotov.
 Report from the Fr. ambassador in the US, Bonnet, to the Fr. For. Min., Schuman, dated 19.11.48, titled “Possible Changes in the Direction of Amer. Foreign Policy.” [Obtained in Paris.]
- p. 403 “Washington polit. circles are awaiting with interest the president’s return and the meeting he is to have this Monday, 22 November, with the secretary of state and Harriman to find out what the direction of Tr.’s foreign policy will be.
 After leaving for Key West right after his re-election, Tr. didn’t make any statements about his future intentions. During his two-week absence the newspapers waged a campaign in the most opposite directions, trying to influence his decisions. Such liberal organs as the New York Star stress that the plan to send the Vinson mission brought the president many votes and that the liberals’ success should incline the govt. toward a less harsh policy toward the USSR. The major conservative press led by The New York Times is trying to prove that any softening of the policy will only encourage the aggressiveness of the S.U. There is no doubt that, besides the newspaper

campaign, pressure is being exerted on the president in other ways.

After the 2 November election the press calmed down somewhat. Most of the newspapers were oriented before the election to a Repub. victory, a tougher anti-Sov. policy and active intervention in China as one of the manifestations of this toughening. As a result of the defeat of the Republicans

p. 404 the campaign has adopted a calmer tone. In analyzing the positions taken during the election campaign by various Cabinet members, commentators stress that Marshall tried to remain neutral and to get away with keeping silent, while Forrestal, foreseeing a defeat for his party, tried to move closer to the Republicans. There was even speculation that the defense secretary hoped to keep his job in a new govt. Hence the impression was created that neither For. nor Mar. would remain in Tr.'s new Cabinet.

The reaction wasn't long in coming. Supporters of a continuation of the current policy are trying to prove how popular Mar. is, they are talking about the nervousness that his departure could cause and the need to avoid giving the impression that we are making concessions at a time when the Berlin q. is being discussed in Paris. One can detect a desire in govt. circles not to weaken the secretary of state's position under the present circumstances. Moreover, the Russian-affairs experts headed by Kennan are convinced that an abandonment of the hard-line policy toward Moscow that has been followed over the past 18 months will only motivate the S.U. to resume its initiative. While considering an intervention in China inadvisable, they also are advising that any Sov. actions on the Europ. continent be actively resisted.

Since he is informed about the rumors that have circulated in Wash., Mar. in his statement of 12 November exposed the Sov. "peace offensive" as a propaganda maneuver designed to weaken

p. 405 the position of the US; in this connection he again defended his policy and reaffirmed its principles. On the other hand, it is highly likely that certain circles, military in particular, urged the secretary of state to deliver his statement, which was made the day after For. returned to Paris, regarding the fact that he didn't intend to leave the govt. The point is that people at the Dept. of Defense felt that if For. didn't hold on to the position of secretary of defense, it was imperative that at least Mar. remain in charge of foreign policy.

Taking care not to weaken the position of the secretary of state, Tr. told journalists at a press conf. in Key West that he whole-heartedly approved of Mar.'s policy. This remark, however, was not interpreted by the press as a promise to keep him in his job for many months to come.

Several individuals have been cited as a successor to Mar. People have talked about Vinson, about Lewis Douglas, about Harriman, about Dean Acheson, about Sumner Welles. There is no question that Vinson will have a big influence in the coming months on the president's foreign policy, an influence that will be reflected in an effort for reconciliation. Everyone agrees, however, that the Supreme Court justice will prefer the lifetime position he now holds to a temporary job.

With regard to Lewis Douglas the newspapers have noted that when he was asked

to help the Democratic campaign he responded with silence, which did not please the president. Regarding Sumner Welles people think that he doesn't have

p. 406 much of a chance to return to active work.

When it became known that Harriman would participate in the president's meeting with the secretary of state, a consensus emerged in polit. circles that the q. of Mar.'s successor could be considered resolved. They underscore the solid preparation that Harriman received as amb. in Moscow and in London and as envoy for the European recovery program. Some, however, recall that he is indecisive and not commanding enough.

On the other hand, people say that Tr., taking into account the prestige of a former chief of staff who took the US to victory, won't want to hastily remove Mar. and will try to avoid any actions that could be interpreted as criticism of the latter's policy.

If the president decides to replace the secretary of state, he will undoubtedly do it discreetly and after waiting a certain amount of time. Tr. may also be counting on the impact on foreign policy that will result from the presence in the Cabinet of the large number of liberals brought into it to implement the domestic policy program set forth by Tr. during the election campaign.

However, people are refraining from making any predictions in this area, especially since Tr. is a man of sudden decisions. The suddenness with which Wallace and then Byrnes left his Cabinet stunned all observers, and the president likes to shroud such changes in total secrecy.

Marshall is not getting nearly as much criticism

p. 407 in liberal circles as his deputy Lovett. Journalists who maintain contact with him rebuke him for his manner of keeping people at arm's length and for a certain arrogance. They note that before the election Lovett wasn't afraid of openly opposing the president's policy on such issues as Palestine. Finally, they assert that Tr. always felt uncomfortable with the under secy. of state, whose personality is starkly different from his own.

For more than a year Lovett has been directing the State Dept.'s policy. Mar. handles only the most important issues and guides Amer. policy only in its general outline, while Lovett winds up with the management of all of the department's work and the resolution of all routine matters. The under secy. of state not only supports a hard-line policy toward Russia, there is also no question that it is with his approval that the govt.'s policy toward Germany is increasingly taking on a more definite orientation. It is no secret that the latest strikes in Fr. have made a deep impression on US govt. circles. The instability of the situation in Fr. disappoints them. De Gaulle's recent statements have caused alarm regarding the direction that French foreign policy and relations between Fr. and the US will take under his leadership. Some people from the govt. have concluded that, given such uncertainty regarding Fr., it will be more sensible to secure a friendly attitude from the German public.

p. 408 There is also no question that the continuing strain in relations with the S.U. encourages the Amer. authorities in Berlin and the Amer. govt. to revive Germany, whose hostility toward the S.U. is considered

beyond any doubt. One can say that this policy basically will change only insofar as the attitude toward Moscow changes.

The harsh protests from Fr., expressed by the president of the republic himself, against the decisions of the Amer. and Engl. commanders-in-chief, made an impression on Amer. polit. circles and may promote this change. But the policy of the Amer. govt. toward Germany, unfortunately, has become increasingly definite over the past two years and has intensified even more in recent months."

p. 413 26.12.48—To Molotov, Vyshinsky, Zorin, Gusev, Gromyko.

"Re the Policy Planning Staff at the US State Dept." (from Wash.)

"In a confidential conversation Blair Bolles, director of the Washington bureau of the Foreign Policy Association, a public org. for the study of issues of international relations, said that the Policy Planning Staff at the US State Dept. may soon cease its operations.

According to Bolles, the commission of Herbert Hoover, which by congressional mandate is currently studying the structure and functions of all govt. institutions in order to reduce spending, has concluded that the Policy Planning Staff not only does not help to improve the work of the State Dept. but, on the contrary, hampers it.

This view is shared by a whole host of top State Dept. officials and above all by Under Secy. of State Lovett himself, who in keeping with his position is supposed to provide overall guidance for the Staff.

p. 414 As a result of the activities of the Staff, which was established on 5 May 1947 by order of the secretary of state "for long-term planning of the foreign policy of the United States," antagonism developed between the operating divisions of the State Dept. and the Staff, because, according to Bolles, the operating divisions are required to submit every more or less important issue to the Staff for its review, which usually brings about significant delays in their work.

In the light of this report we can assume that the rumors circulating of late about the possible resignation of Smith and the appointment of Kennan to replace him are not unfounded. Perhaps this way the leaders of the State Dept. intend to get rid of Kennan, who currently heads the Policy Planning Staff."

p. 415 [Background on Kennan.]

"George Frost Kennan is the chairman of the Policy Planning Staff at the US State Dept. He has been in diplomatic service since 1925. From 1933 to 1937 was a staff member of the US Emb. in Moscow, and from 1944 to 1946 was back in Moscow as a counselor at the Amer. Emb. Regarded at the State Dept. as the best expert on Russ. affairs.

Kennan is the originator and a participant in the development of all of the principal foreign-policy actions by the US. His positions on individual issues of internatl. politics boil down to the following:

1. Attitude toward the S.U. Kennan has always been a supporter of a so-called "hard-line" and uncompromising policy, regarding actual cooperation between the US and the USSR as impossible. K. consistently speaks out for a policy of "containment" of the S.U. and at the same time for

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a certain softening of the “hard-line” policy at the tensest moments in Amer.-Sov. relations. An expression of this policy was the demarche by Smith, which was undertaken at Kennan’s initiative. K.’s position toward the USSR was defined

- p. 416 in a lecture that he delivered at the diplomatic college on 20 May 1943. He formulated his views of relations with the S.U. in more detailed form in an article titled “The Sources of Soviet Conduct,” printed in the journal *Foreign Affairs* under the pseudonym “Mr. X.” In that article he wrote: “The main element of any American policy toward the Soviet Union must be a long-term, patient but firm and vigilant containment of Russian expansive tendencies... The U.S. cannot expect in the foreseeable future to establish a friendly political connection with the S.U. It must continue to regard the S.U. as a rival, not a partner, in the political arena.” At the same time, however, K. doesn’t regard a new war as inevitable in the near future and repeatedly stated the view that the S.U. is not seeking to start a war.
2. The formation of mil. blocs. K. is an active participant in all mil. negotiations related to the establishment of an Atlant. alliance. According to documented information, in the first phase of these negotiations he was a supporter of a “cautious policy” on the part of the US, which boiled down to putting off a direct entry by the US into an alliance with the Western Europ. powers.
- p. 417 In the process K. expressed the view that such a step by the US could “provoke the S.U.” and hasten the unleashing of a war.
3. US policy in the F. East. K. holds the view that China should be considered lost to the U.S. and therefore the latter should concentrate all its efforts on consolidating Amer. positions in Japan. K. regards any intervention in China at present as inadvisable.”
- p. 418 30.12.48—To Molotov, Vyshinsky, Zorin, Gusev, Gromyko (from Paris).
Sov.-Amer. relations and US policy in the F. East.
“According to information from French intelligence, Amer. diplomatic circles in Bern assess the outlook for Sov.-Amer. relations and Amer. policy in the F.E. as follows:
1. Relations between the US and the S.U. until the spring of 1949 will remain unchanged. The S.U. will take a wait-and-see position until the Far Eastern problem is settled, since the Communists’ military successes in China will give the Sov. govt. an opportunity to take a more hard-line position in the negotiations with the U.S.
2. The State Dept. is showing great concern over the events in China. In connection with the Chinese Communists’ successes the question of what position the Amer. govt. should take toward them is being discussed. The Americans are hoping it will be possible to create a coalition govt., in which noncomm. elements would form
- p. 419 a strong opposition to the Communists.
3. A Communist victory in China will force the US to take even more decisive actions in rebuilding Germany and to increase attention to Japan. A plan is being put forward for entering into a Pacific pact, similar to the Atlantic one, which could be joined

by Japan, England, Australia, Canada, South America and others. This q. is supposedly being discussed by Tr. and Marshall, as well as by Mar. and MacArthur.”

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Acheson

- p. 14 15.01.49—To Molotov, Vysh., Zorin, Gusev, Gromyko.
Background on newly appointed US Secy. of State Acheson.
- pp. 15-16 [Career]
- p. 17 [During the war advocated providing the USSR with broad grant aid under Lend Lease. In 1947, during the intensification of the anti-Sov. policy of the US, there were a host of anti-Sov. speeches by Ach. He completely endorsed the “Truman doctrine.”]
- p. 18 “In his speeches over the past year Acheson has argued for a “calm but resolute” policy toward the S.U. while simultaneously urging that a means be found to establish peace. He regards the stabilization of the econ. situation in Europe on the basis of Amer. aid as such a means. In his appearance before the Congress on 28 January 1948 he said:
“...In my opinion, the S.U. will resign itself to the establishment of stability in West. Europe and will attempt to adapt to it. I am convinced that with a self-sufficient and unified West. Europe there will be an improvement in relations between the S.U. and the West.”
4. The position of Ach. with regard to the “Mar. plan.”
During the war already A. devoted a great deal of attention to problems of the postwar econ. situation in the Europ. countries. He advocated active US intervention in the econ. life of those countries after the war through an expansion of Amer. exports of goods and capital, the granting of long-term and short-term loans and the elimination of tariff barriers.
We have information to the effect that it was A. who initiated the proclamation of the “Mar. plan.” A month before the speech by Mar. at Harvard
- p. 19 Univ. A. already formulated the principles of the “Mar. plan” in his speech in the state of Mississippi, citing the “need for establishing harmonious cooperation between the Europ. countries in order to rebuild their economies” and calling for rebuilding G. and J. even without a four-party agreement.
The Engl. ambassador in Wash., Franks, reported the following to the English For. Off. in October 1947:
“When A. persuaded Marshall to make a speech this summer, he had a clear concept, I must say, of the magnitude of this problem and its importance to the U.S. ...”
- p. 21 “A.’s restraint over the past year, his comments in favor of a cautious but firm foreign policy suggest that A.’s appointment as secy. of state may signal a certain softening of the tone of US policy toward the S.U. while preserving the main substance of it. In this regard A.’s views obviously coincide with the views of Kennan-Bohlen group, which is influential at the State Dept. The policy of econ. expansion with the aid of the “Mar. plan” will also continue.”

- p. 48 6.02.49—To Molotov, Zorin, Gromyko (from NY).
 “The correspondent of the newspaper New York Times newly assigned to Moscow, Salisbury, asserts that some influential US polit. figures commented as follows in a conversation with him on Comrade Stalin’s answers to Kingsbury Smith:
 1. Any talk about normalizing American-Sov. relations will hurt the plans of the Amer. govt. in the Congress and will make it harder to obtain the Congress’s consent to major appropriations for mil. purposes and to push the North Atlant. pact through the Senate.
 2. They concede that if the S.U. continues for the next 3 months its attempts to reach a peace settlement, Amer. foreign policy will be put in a difficult position.”
- p. 54 March 1949—To Vyshinsky, Gromyko, Zorin. ← P. Fedotov
 “I am sending with this, in translation from Italian, a report on the conference of mission directors of the Amer. for. policy propaganda agency (USIA) in Europ. countries. The conference was held in Rome from 13 to 17 December 1948 under the direction of the US assistant secretary of state for foreign-policy propaganda, George Allen.
 The purpose of the conference was to further increase Amer. propaganda in Europe, in the people’s democracies in particular.
 The reports by the USIA representatives who attended the conference on the state of Amer. propaganda in various countries attest to the fact that the main tendency of this prop. in Europe is the struggle against the spread of commun. influence and against the growth of sympathies toward the Sov. Union, as well as countering Sov. propaganda.
 To these ends the USIA missions use a variety of methods. The most important of them are radio broadcasts, the dissemination of press periodicals, the establishment of libraries, the arrangement of exhibitions and the showing off Amer. films.
 The USIA missions in Fr. and Italy, which enjoy broad support from the ruling circles, seek to undermine the influence of Com. parties and to split the trade unions headed by Communists. They infiltrate
- p. 55 companies and villages, schools and churches, and widely propagandize the “Marshall plan” while maintaining the closest contact with Amer. missions for the “Mar. plan.” In the process the focus is on propaganda among “workers, peasants and the backward masses.”
 All of the USIA representatives in the people’s democracies cited in their reports the difficulty of disseminating Amer. propaganda in those countries and the need to devise more subtle and refined methods for conducting it. There is a proposal, for. ex., not simply to propagandize the Amer. way of life and US achievements but to talk more about the econom., polit. and social problems facing each of these countries, as well as its achievements, and then to compare the actual situation in the country with the situation in the US and with the situation that the country could achieve with US help. In order to counter Sov. propaganda in these countries there is a proposal to expand the dissemination of information that would provide a “comparison” of the situation in the S.U. with the situation in the US.

The USIA also uses illegal propaganda channels in the people's democracies. The report states that the illegal showing of Amer. documentary films has been arranged of late in Romania. In Bulgaria, Amer. magazines and other propaganda materials are sent out by illegal means to hundreds of addresses.

The following conclusions may be drawn from the report:

1. The USIA missions in the people's democracies are shifting the center of gravity from overt anti-Sov. propaganda to covert, veiled prop.

2. In capitalist countries that have a strong progressive movement (Fr., It.), the main emphasis

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is put on undermining the influence of the Com. Party and other progressive organizations.

3. Amer. prop. in Yugoslavia seeks ways to intensify the split between that country and the people's democracies led by the USSR.

With regard to the foregoing I would consider it advisable to undertake the following:

1. Inform the Com. party leaderships in the people's democracies about the tendencies and methods of Amer. prop. in those countries.

2. Launch a campaign in the Sov. press and on the radio, as well as in the press of the people's democracies, to expose the mendacious prop. of the USIA.

3. Take measures to discredit the USIA missions, specifically:

a) Organize the gathering of information about the contacts of USIA staff members with Amer. intelligence, as well as other data discrediting the USIA.

b) Publish this information in Fr. and It. and in the people's democracies.

4. Considering the situation that people's democracies, above all Poland and Czech., do not have a large propaganda apparatus in the U.S., while the US has in those countries overly bloated staffs in its missions, numerous organizations and a large number of Amer. citizens (up to 9,000 in Poland) who conduct pro-Amer. and anti-Sov. propaganda, advise the Com. party leaderships in those countries to discuss the q. of shrinking the Amer. missions in those countries.

We have given assignments to the relevant stations to gather discrediting information about USIA staff members."

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31 March 1949—To Vyshinsky, Zorin, A. M. Vasilevsky, Abakumov, S. M. Shtemenko, M. V. Zakharov.

"I am reporting the contents of a summary report from French intelligence titled "The Unit. States. The preparation of psychological warfare against the USSR," obtained by an agent of the KI station in Paris.

The doc. describes the activities of the University of Michigan Division of Special Studies, which according to the report is one of the centers in the US that are developing "methods of psychological warfare against the S.U." According to the assessment of French intelligence, it obtained this information from a source who usually provides accurate information.

The report presents the following data about the Univ. of Michigan Division of Special Studies:

1. Leadership. The Division of Special Studies is located in Wash. and operates under the direction of the State Department's Intelligence Bureau.

One of the heads of the Div. is Carmel Offie, the State Dept.'s rep. in the US Cent. Intel. Agency. [In 1946 Carmel Offie took a training course at the US National War College together with intelligence agent Charles Thayer. In May 1947 he participated in the 2d conference of Amer. intelligence agents in Frankfurt am Main.—KI note.]

p. 85

2. Tasks. The division faces the following task: on the basis of a careful study of German and Sov. documents pertaining to the period of the Second World War and to the present moment, devise a system of psychological warfare against the USSR that would enable the Amer. command to avoid repeating the mistakes the Germans made during the last war.

Most of the attention is currently devoted to studying German and Russian documents regarding the Sov. resistance and partisan movement. In addition, the Division is devising a system of interviewing "displaced persons" and deserters from the Sov. Army.

The Division must submit to its leadership a well-reasoned report that answers the q.: is it necessary to drop atomic bombs on Moscow.

According to the information of French intelligence, people in the US govt. currently believe that dropping atomic bombs on Moscow could result in two situations: either the Russian people would rally to the Americans' side "in gratitude for destroying the fortress of communism and the Bolshevik oppressors" or, on the contrary, the Russian people, outraged by the destruction of a Russian holy place, would rise up against the Americans. The US is seeking to find a system that would enable them to win over as large a segment of the Russian pop. as possible, thereby making an occupation of the country successful.

3. Completed work. The French intelligence doc. reports the following:

a) The Division has already studied the actions of Russians who defected during the war to work for the Germans. Now it is studying documents of the War and State departments about actions by Sov. partisans behind the lines of the German armies.

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b) The Germ. documents state that in most cases the population of Sov. villages received the arriving Germans as liberators and expressed full readiness to cooperate with them. Very shortly, however, and especially after the first troop columns left to continue their advance, the Germans became victims of actions by the resistance movement.

c) Besides acknowledging the role of the Com. Party in organizing the resistance movement, the Germans express certainty that the main reason for the Russian people's resistance were the psychological mistakes that they, the Germans, made and that scared away the Russ. peasantry.

d) In the Germans' view, the peasants were hoping that the collective farms would be destroyed and that they would get help in defending the land against anyone, no matter whom. However, neither the German military nor the civilian authorities did this, and as a result the peasants came out against the Germ. authorities. The Germans believe that if they had liquidated the collective farms and shown trust in the Russian peasants even to the point of allowing them to organize their own collective defense, that would have solved the security problem behind their lines.

4. Conclusions of the Division of Special Studies. According to the data of French

intelligence, as a result of the work already completed the Div. came to the following conclusions: In order to win a total victory over the USSR, it is not enough to count only on the atomic bomb. It is highly possible that the Sov. govt. has already selected locations in advance from which it would continue to direct the struggle. This struggle, which in all likelihood has already been planned, will be waged simultaneously by troops and partisans. The resistance by the population

- p. 87 will be even more tenacious unless the Russian people are given a picture favorable to the Americans about the objectives that the US is pursuing in this war. What should be done, therefore, is to take serious and decisive measures and to win over the masses to our side in advance so as to neutralize their potential resistance. Such measures could be: the liquidation of the collective farms, a rather significant arming of the population to maintain order in the "liberated" villages and the establishment of a provisional authority throughout the "liberated" territory.

5. Devising a system for interviewing deserters and "displaced persons."

The Division has composed a 15-page questionnaire for the Amer. agencies that are authorized to interview deserters and "displaced persons." 90 percent of all the q.'s are modeled on q.'s by the Gallup Institute for Public Opinion. What must be ascertained is the interviewee's opinion regarding attitudes among the population of the USSR toward collective farms, toward the Com. Party, toward Stalin, toward the state. Some q.'s pertain to official propaganda, e.g., do they believe it, to what degree, what is its influence. A q. is also asked about the influence of Voice of America broadcasts and so forth. 10 percent of the q.'s are designed to bring out the interviewee's opinion about the position that the Sov. population took at the time that the Germans were advancing on Moscow, about life during the bombing, about the period of October 1941, about everything that could have reflected the psychological state and morale of the population of the USSR during the last war.

The French intelligence source points out that because of the Americans' fear of receiving tendentious answers, the q. is now

- p. 88 being decided as to exactly which contingent of deserters and "displaced persons" should be interviewed in order to draw a conclusion about the possible consequences of dropping atomic bombs on Moscow."

- p. 97 12.04.49—To Vyshinsky, Zorin (cipher cable from Wash.). P. Fedotov
"Here is a brief summary of comments by the member of the House of Reps. from the Labor Party in NY, Marcantonio, that he made in a conversation with a staff member of the USSR Embassy in Wash. on 6 April.

M-o said that the North Atlant. pact is not finding complete support in Congressional circles. About 20 senators intend to vote against ratification of the pact.

M-o also cited a noticeable cooling toward the "Mar. plan," since US business circles are beginning to be apprehensive about competition from Europ. industry, and the Congress is not satisfied with the political results of Amer. aid to Europe. The reactionary congressman Roberts told M-o the following in this regard: "The Europeans take our aid, but the last thing they'll do is fight for us."

- p. 98 Assessing US foreign policy, M-o described it as a policy of "containment and limitation of the USSR and the people's democratic

movement.” The US, in his view, does not plan outright aggressive actions in the short term, since there is no unity yet on this q. in the top business circles. For now the only supporters of immediate action are some representatives of top mil. circles.”

- p. 106 7.05.49—To Stalin, Molotov, Vyshinsky, Zorin.
 “I am providing a brief survey of information on the Amer. representatives abroad (not on the staffs of diplomatic missions) who are purveyors of US econ., polit. and mil. influence in various countries of the world. The survey was compiled on the basis of agent materials received from KI station chiefs in Wash., NY, London, Paris, Rome, Ankara, Addis-Ababa and Shanghai.
 The survey presents information on 202 representatives in Europe, in countries of the Near and Middle East, in Ethiopia and China. A large number of these representatives are advisers in govt. agencies, in industry and in the armed forces of the aforementioned countries or leading officials of missions of the Economic Cooperation Administration.
 The information contained in the survey leads to the following conclusions:
 1. The practice widely used by the Americans of sending their advisers, experts and specialists to countries of interest to them holds a highly important place in the implementation of the expansionist and aggressive plans of the ruling circles of the Unit. St. of Am.
 The granting of credits and loans by the US to various countries, as a rule, is accompanied by the sending of a large number of Amer. advisers
- p. 107 to govt. institutions, industry and the armies in those countries under the pretext of monitoring the distribution and use of Amer. “aid.”
 Many Amer. representatives named in the survey are themselves prominent businessmen or represent influential financial and industrial circles.
 2. One of the tasks that the Amer. advisers, experts and specialists in various countries have is to combat the influence in those countries of other capitalist nations and above all of England.⁸
 This is revealed especially clearly by the materials received from Ethiopia, which the US ruling circles regard as one of the support bases for the penetration of Amer. capital into Africa.
 As a result of the activities of Amer. advisers who have infiltrated Ethiopia’s principal govt. agencies (the Min. of For. Aff., the Min. of Trade and Industry, the Min. of Finance), US influence in that country is continually growing, while England’s influence is being undermined with each passing year.
 3. The numerous missions that are sent to countries receiving Amer. “aid” are a convenient cover for intel. and subversive activities. The Amer. representatives include many individuals who are directly or indirectly connected to US intelligence. For ex., the heads of the missions of the Econom. Cooperation Admn.—Bruce in Fr., Haskell in Sweden and Dorr in Turkey—were representatives of the Off. of Strategic Services (OSS) in a number of countries and undoubtedly are tied to Amer. intelligence now. A top staff member of the mission in Italy,
- p. 108 Andrew Berding, also worked on the OSS line. Career intelligence agent

James Grant is a special assistant to the head of the mission of the Econ. Cooperation Admn. in China.

William Eddy, who holds the position of adviser to the Aramco oil company in Saudi Arabia, was in charge of all intel. activities on the US State Dept. line until 1948, and his presence in the Near East presumably involves the fulfillment of important assignments for Amer. intelligence.”

109-145 37-page survey.

- p. 146 13.05.49—To Stalin, Molotov, Beria, Malenkov, Mikoyan, Kaganovich, Bulganin, Kosygin, Vyshinsky
 “I am submitting information received from the KI station chief in Tientsin about the activities of the missions of the Amer. agency for foreign-policy propaganda (USIA) in China.
 1. The successes of the People’s Liberation Army are forcing the Americans to look for new, more veiled forms of conducting polit. propaganda in China and to urgently reorganize the work of the USIA missions to fit the new conditions.
 As a result of the restriction on the activities of the USIA missions in Peiping and Tientsin imposed on orders from the local authorities, the heads of these missions are taking every measure to avoid a complete shutdown of their operations.
 In particular, they have decided to strictly comply with all directives by the authorities regarding propaganda. A new tactical line has been worked out, which is not to make any attacks on the Chin. Communists, to win their sympathies and to get a chance as a result of this to develop their activities. It has been decided to conduct the main propaganda work now mostly among the Chinese intelligentsia and students.
 2. The main task of the USIA in China now is to drive a wedge between the S.U. and People’s Dem. China by spreading slander
- p. 147 about supposed conflicts between these countries, about encroachment by the S.U. on Chinese sovereignty, about “Sov. imperialism,” and also by extolling “the national path chosen by Tito for Yugoslavia.”
 3. The Americans have decided to recruit more actively ordinary employees of USIA missions who are Chinese to disseminate Amer. propaganda. The Chinese employees are undergoing special training for this purpose. They are being trained in the use of movie equipment, in library services, in typing on an English typewriter, two-way Chinese-English translation and so forth.
 The head of the USIA mission in Tientsin, Waites, gave all of his Chinese coworkers photo displays so that they can popularize Amer. culture and “democracy” among the population, and asked them to attract new readers to the Amer. library in Tientsin.
 4. The Americans are using the USIA missions in the liberated areas of China to conduct intelligence activities. The heads of the USIA missions are trying through their Chinese employees to ascertain the attitudes of various strata of the population, their feelings about the new authorities and the degree of influence The Chinese Com. Party has among the population.”

- p. 105 30.04.49—To Stalin, Molotov, Vyshinsky, Zorin.
“According to information received from the KI station chief in Wash., as a result of the failure of US policy in China the Americans are trying to bolster their positions in India and Pakistan. The Intl. Monetary Fund mission that, according to press reports, recently visited India to study its econ. situation and held talks with the Nehru government, was sent there at the insistence of the US State Dept.
A govt. delegation from India will soon arrive in the US for talks on obtaining a loan. The US is expected to grant India a large loan.”
- p. 163 4.06.49—To Stalin, Molotov, Bulganin, Vasilevsky, Shtemenko, Zakharov.
Text of a cable from the French ambassador in the US, Bonnet, to the Fr. For. Min. dated 25.03.49 on the number of Amer. armed forces and deployment of ground troops (obtained in Paris).
- p. 165 “Bonnet believes that the weakness of the regular US troops is their lack of preparedness for large-scale combat operations. According to his conclusion, “the available units may prove capable at the outset of war only to conduct minor operations, specifically, to support air operations by capturing or defending air bases.” P. Fedotov
- p. 227 20.07.49—To Stalin, Molotov, Bulganin, Vyshinsky, Vasilevsky, Shtemenko, Zorin, Zakharov.
A brief summary of a cable from Bonnet dated 2.05.49 on the planned redistribution of US naval forces in the Pacific and Atlant. oceans and on the reorganization of US air forces in the Pacific theater (obtained in Paris).
“Bonnet assets the situation that has developed in Europe and US commitments under the North Atlant. pact, as well as the cuts in budget appropriations, have forced US military circles to revise their strategic plans in the direction of bolstering Amer. positions in the Atlantic to the detriment of the Pacific.
The US Navy Dept. plans to have twice as many warships in the Atlantic as in the Pacific.”
- p. 234 7.10.49—To Stalin, Molotov, Beria, Malenkov, Bulganin.
Correspondence by the English For. Off with its ambassador in Wash. regarding the creation of the military, polit. and econom. bodies and regional groups of the North Atlantic alliance. The correspondence dates to the period of meetings of the working group that prepared documents in late August and the first half of September for the first session of the council of foreign ministers of the North Atlantic alliance.

- p. 259 23.10.49—To Stalin, Molotov, Beria, Malenkov, Gromyko, Lavrentyev, Grigoryan.
“The Committee of Information has the following information on the leaders of the US Progressive Party. Wallace
It was learned from conversations with one of the leading officials of the Progressive Party, the prominent lawyer John Abt, and his wife, Jessica Smith, the editor of the magazine Soviet Russia Today , that Wallace has been displaying a desire more and more clearly of late to drop out of active politics.
In August Abt suggested to Wallace several times that he appear before a Senate committee to oppose the bill that would grant mil. aid to Greece and Turkey, but Wallace adamantly refused the suggestion. Only with great effort did Abt manage to persuade him to appear before the Senate committee.
According to Abt and Smith, Wallace is currently enjoying his farming business, has grown several new varieties of agricultural crops and has made a great deal of money from them. Abt believes that W.’s farming associates are currently exerting heavy influence on him. W. has been very reluctant lately to agree to undertake any political actions.
Abt’s proposal for a trip to the USSR and the people’s democracies was categorically rejected by W.
- p. 260 Jessica Smith remarked that the Progressive Party’s financial position at present is extremely grave. The party has absolutely no funds not only to pay its leaders, who haven’t received a salary since January 1949, but even to pay its technical personnel.
Wallace himself, despite the fact that his finances have improved a great deal, is not giving the party monetary assistance. Last year he donated only 1,000 dollars to the party. All of his personal expenses related to travel during the election campaign were covered from the party coffers.
Abt also described his talks with Senator Taylor regarding his cooperation with the Progressive Party. Taylor stated bluntly that if the party would provide him with a monthly income of 2,000 dollars until his children completed their education, he would be prepared to cooperate with it; otherwise he would prefer to retain the position of senator, which gives him an income of up to 20,000 dollars a year. Taylor added that he didn’t want to doom his family to poverty for the sake of ideas, no matter how good they are.”

Notes

¹ Alexander Vassiliev comment: Russian typo: *vozmozhnostyam* should be *vozmozhnostyami*.

² Alexander Vassiliev comment: 1912 probably a typo; 1919 likely intended.

³ Text in parentheses is Vassiliev note to himself.

⁴ Alexander Vassiliev note to himself. "Gorb." is Mikhail Gorbachev.

⁵ Alexander Vassiliev comment: "bilateral" rather than "unilateral" was meant.

⁶ Alexander Vassiliev comment: question mark likely missing.

⁷ Alexander Vassiliev and translator's note: Apparently a mistranslation from the French to Russian. Probably should read: "Only by resolving the current issues is there a possibility of defusing the atmosphere de facto and returning to the situation that existed in the USSR's relations with foreign countries during the period between the two wars."

⁸ Alexander Vassiliev comment: Russian typo: *Angliyu* should be *Anglii*.

