

Translation of original notes from KGB archival files by Alexander Vassiliev (1993-1996)  
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[Pagination and formatting track the handwritten original notebook. 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.]

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File 515 Vol. 1 "American intelligence," 1927

INO note: Agent report from America. Source merits attention.

"Re the anticomun. campaign in the NAUS," Washington, 2.2.27

To Cdes. Menzhinsky, Yagoda, Stalin, Rykov, Litvinov, Pyatnitsky.

"The anticomun. campaign in the NAUS has been generated both by domestic political and foreign-policy factors, and it is hard to say which of them is the determining one.

Certainly the raids and searches of the Palmer era will not recur, but one should still expect closer surveillance of all Communists and any communist activities from now on.

Foreign Ministry's instructions about anti-comm. campaign.

On 29 January a special secret directive was issued that instructed the Justice Department to conduct strict surveillance of all known Communists who belong to the Workers Party or have a relationship with it. In addition, the department was charged with reporting immediately whether there are individuals in this country who are or probably are

Comintern agents or were sent here by the Sov. govt. for any polit. activities whatsoever...

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John. E. Hoover, the Director of the Bureau of Investigation, who at one time participated under Daugherty's leadership in anticomun. persecution, received an order to conduct this investigation and go for this purpose to NY and Chicago, which are allegedly nests of communist activity in the NAUS...

It was made clear to Hoover that he could use all means at his disposal for his communist hunt, but he must be prepared to answer all questions and investigations concerning the origin of his funding. The fact that Hoover is stopping at nothing to achieve his objective is proven by the fact that he has at his investigative headquarters a Dr. Nosovitsky, who was already previously employed by the Justice Dept. and also served Scotland Yard in digging up the secrets of the previous comun. movement. He participated along with the Amer.

Communist Fraina in the secret Amsterdam Conference in 1920, and did a lot to help discredit Nuorteva, the first Russian propagandist in the US. The New York American printed a series of articles by Nosovitsky describing<sup>1</sup> his adventures and what he did.

Recently the same "Doctor" Nosovitsky attempted to provoke Weisbord, the young leader of the strike in Passaic, but he flopped so miserably in doing so that no one has taken him seriously ever since. The fact that the Justice Department employs the services of such a shady individual shows its intention to make use of everything and everyone for this investigation.

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[Reply of the State Department to the Comintern's appeal. The statement by Joseph Grew, the under secretary of state. Reference is to the Comintern appeal to the countries of the East as well as to Cent. and South America.]

Joseph Grew: "We don't pay the slightest attention to these screams. We know perfectly well that it is the duty of those people in Moscow to blame

every possible crime under the sun on America. The latest statement of this kind is just as laughable as all the previous ones. The US govt. doesn't have the slightest desire to take over Nicaragua, Honduras or any other country whatsoever in the South, East or West...

The State Department did not let itself be duped by the removal of Zinoviev as chairman of the Comintern. We knew that Bukharin had no alternative, because their duty, after all, is to create mutual distrust and suspicion among the great powers. In any case, I confess, we thought Zinoviev's successor would be more intelligent than one might judge from his latest statement."

Nevertheless, when it has been necessary in the past few days to go to the State Department or to make inquiries at the Justice Department or to request information from Mr. Sanders, the President's secretary, whenever the subject of Communists or commun. activity came up one could observe significant anxiety. As soon as this matter came up the specific govt. representative would stiffen and try to say as little as possible.

Moscow's latest statement was not the reason for the investigation that is now under way, but it strengthened the Washington authorities' resolve to undertake the investigation and to do it in a radical way. The Comintern's statement against the Imperialism of the NAUS certainly angered the White House and gave support to the elements in Wash. that have been demanding some action for a long time already against "subversive elements," which they hate so sincerely."

p. 4 [The AFL's anticomm. activities. Next week there will be a conference of prominent labor-union leaders.] "What is expected from this conference is the beginning of a general movement against Communists in the Amer. workers' movement and an attempt to develop, at least in general outline, tactics that should be followed in all of the prominent workers' organizations."

[Coolidge hopes to gain polit. capital from anticommunism.]

"Coolidge has definitely taken the side of this kind of anticommunist policy and doesn't intend to back away from it; at any suitable occasion he personally wages an "educational campaign regarding this issue.

p. 5 There hasn't been a single prominent political visitor to the White House lately who hasn't been asked his opinion about "the influence of Communists in the Amer. workers' movement." Some of the visitors, who disagreed with this view and ridiculed the notion that Communists can entrench themselves in the US met with the response that this is no joking matter, that there is a virtual army of Moscow agents in the US, who are abundantly supplied with money, and something needs to be done before it's too late.

Of course, the truth is completely different; the situation is just the opposite. The communist movement in America

hasn't been as weak as it is now since 1919. The fear that Communists will be able to gain influence in the Amer. workers' movement has never been as unfounded as it is today. Washington is putting forth the communist bogeyman solely for cheap political purposes, and it has no other objective. Coolidge intends to use this bogeyman as much as possible for his personal presidential campaign,<sup>2</sup> which in effect is already beginning. He wants a third presidential term under the advantageous slogan of the US savior from "communism." Along with this domestic political factor there are also foreign-policy factors. Britain's hand is evident in the US anticommunist campaign.

The prevailing view here is that there is a close connection between the anticommunist actions in London and Washington on the one hand and the situation in China on the other. Although London is more sensitive to Soviet propaganda, the minds of politicians in the US capital are haunted by the fear of future possibilities, and this also makes Coolidge and Kellogg such obedient tools in the hands of British diplomacy and policies."

p. 6      \* Re the anti-Bolshevik campaign in the NAUS. 10.3.27.

To Cdes. Stalin, Pyatnitsky, Litvinov. Agent summary of materials from America and England.

"The anti-Bolshevik campaign in the NAUS is continuing. The president's own position in this campaign is indicated clearly enough by the following fact. Two months ago some private NY bankers were considering the question of granting credits to Moscow. According to our information, Coolidge recently made clear to these companies that in America's interests they should refuse to participate in any negotiations with the USSR. This group of bankers includes the major financier Shipley (Shipley & Co. is a participant in one of the biggest NY companies, Brown Brothers)."

\* INO note: Evidently this step by Coolidge should be linked to the trip to the US by Montagu Norman to establish a financial front against the USSR."

p. 14      "Re American-Soviet relations. Julius Klein on the USSR." 11.04.27

To Rykov, Mikoyan, Stalin, Litvinov, Yagoda.

"J. Klein, the director of the US Bureau of Domestic and Foreign Commerce, said the following in a private conversation on 18.III.27 concerning the international situation, specifically concerning the prospects for the situation of the USSR:

"The US govt. doesn't want war in Europe or anywhere else. It is making every effort to prevent a war, and this is by no means a hollow phrase or a half-lie. Washington has openly tried to make Poland adopt a friendlier orientation. This was conveyed to the Polish representatives

currently stationed in this country, and it was made clear to them both through the Secretary of Commerce, Mr. Hoover, and Secretary of the Treasury Mellon that Poland will not be granted credits until it takes a more conciliatory position with respect to Germany and Russia. Poland at present is a tool of France, and sometimes of Great Britain. The US will not take any steps to make the situation more alarming or catastrophic.

The Amer. govt. wants the Soviets to join the League of Nations, even though it has not joined the League yet, either. It believes that if Russia becomes a member of the League of Nations, the Sov. govt. will be under the control of the great European powers and will not be able to start a war either on the eastern or the western front. The Coolidge administration is convinced that Russia will seize the first favorable opportunity to incite disturbances, which in the Soviets' view should lead to a world revolution. This *idée fixe* of Trotsky and Bukharin is still alive, and even Mr. Stalin cannot block its exploitation for propaganda purposes, although he himself doesn't believe in it.

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The Sov. govt. has only two choices. Either it receives credits to carry out its program of gigantic industrial construction and development, or it must develop its agriculture in order to sell its grain abroad and receive the funds needed to buy industrial products. Russia cannot develop its industry by itself. Therefore it must either receive credits on terms that are more favorable and "sensitive"<sup>3</sup> for it than those that Russia is agreeing to today or it must abandon its ambitious plans and focus its attention on agriculture.

Our leaders find that the in-fighting and difficulties in the Russian Communist Party stem from the different views of this issue; they believe that only credits granted to Russia can guarantee peace to Europe and only when Russia is engaged in its own industrial development will it have neither the time nor the interest for military undertakings...

On the issue of US recognition of the USSR, J. Klein couldn't say anything new. He doesn't think there is any chance for recognition either now or in the short term.

"Washington knows," he said, "that Russia is actively participating in anti-American propaganda. This fact was obvious already long before the Chinese events. This is clear with regard to Mexico, where the Communists, undoubtedly under the Russians' tutelage, are working against the USA. Everyone knows that the communist movement in Mexico is extremely weak. It has no leaders, no members, no money. Nevertheless, it capable of doing various things since it is supplied with money from Moscow. I won't be mistaken if I say that the Russian Embassy in Mexico City is the starting point of the Mexican communist movement."

- pp. 210-211 Information on the US (econom. problems) from the embassies of Scandinavian countries  
The Norwegian ambassador in Wash. on US indus. espionage in Europe (February 1927).
- p. 212 Amer. investment in Denmark (Feb. 1927 from Copenhagen).
- pp. 247-251 The Danish ambassador in Wash.: a survey of US foreign trade in 1926 (from Copenhagen, May 1927)
- p. 320 \* British attempts to organize an international econom. bloc against the USSR. 15.2.27 from Berlin.  
To Menzhinsky, Yagoda, Stalin, Rykov. Agent report, source merits attention.  
“British financial policy toward the USSR is on the brink of major changes. The British govt. has authorized Chancellor of the Exchequer Churchill to continue negotiations with Amer. financiers on the formation of a united front against the USSR govt. in order to force the Sov. govt. to make major concessions.  
The negotiations that have already been held between British and American banks have not had any major success to this point, since the interested Amer. circles headed by the Federal Reserve Bank have abstained from any agreements with English banks, not wanting any specific commitments to tie their hands with respect to the Sov. market.  
Now, as a result of pressure from the Amer. Cabinet secretary Mellon on the Amer. banks the Board of Amer. Banks decided to agree to further negotiations with the English, with the talks being led on the English side by Montagu Norman. Churchill’s project boils down to the so-called organization of a financial front against the USSR, which for the time being is to confine itself to the following, specifically:  
“British and Amer. banks refrain from accepting Sov. promissory notes. The banks refuse to finance companies cooperating with the USSR. When registering Sov. promissory notes they take a high commission, higher than a customary one. All credits related to Sov. govt. imports are discontinued, and above all credits on grain, flax, oil and raw materials are shut down.  
Amer. and British banks refrain from setting prices for Russian assets.  
Pressure is exerted on foreign concessionaires to liquidate their businesses in the USSR.  
Pressure is exerted above all on the concessions of Harriman and the Lena Goldfields.  
French, German and Italian banks, above all, are being recruited to join the agreement. The agreement is in effect for only three months, after which it can be reviewed.”  
These are only some of the actions by the British financial world with respect to the USSR. Further actions will only be taken after the outcome of the talks between the Federal Reserve Bank and Amer. banks. Standard Oil, as well as
- promissory-note  
discount rate,  
interest

Anglo-Persian, completely supports the actions by Engl. capital and for their part are putting pressure on the groups in the union of British creditors of Russia that tried to reach an agreement with the USSR through compromise. An attempt to recruit Stafford Talbot to join these actions hasn't succeeded so far."

- p. 325 Ford and the Fordization of commerce. (May 1927 from Berlin).  
To Mikoyan, Gurevich, Prokofyev.  
[Ford's stores for his workers, where prices are 10-40 percent lower than in other stores. Recently they opened for everyone => dozens of stores are closing down in Detroit. => The latest attempt on Ford's life.]
- p. 333 \* America and the USSR. (August 1927 from Berlin)  
To Cdes. Menzhinsky, Mikoyan, Gurevich, Chicherin, Prokofyev.  
"Werner von Alvensleben, a well-known financial businessman in Berlin who is in close contact with the Amer. financial concern Blair & Co. and is a personal friend of the Berlin representative of that concern, Marx, reported that, according to information Marx received from the concern's New York central board, the development of econom. relations between America and the USSR lately has been gaining more and more supporters among prominent Amer. financiers and industrialists. Powerful Amer. financial groups are currently conducting an intensive campaign in favor of developing econom. relations with the USSR, and some of them have set the task for themselves of going all the way and securing American recognition of the USSR. The majority of supporters of an econom. rapprochement with the USSR are finding, however, that for the time being the effort must not be entangled with polit. issues, and their maximum demand is that the Amer. govt. accept credit guarantees in trade with the USSR and, most importantly, stop pursuing an anti-Soviet govt. policy, which creates an atmosphere between America and the USSR that is highly unfavorable for econom. relations. Right now the above-mentioned Amer. financial circles are conducting a preparatory campaign. Decisive action by them will probably follow the presidential election. According to Marx, a policy favorable to the USSR can already be felt to a substantial extent now, because various financial groups are currently displaying a progressively growing interest in the opportunities for trade with the USSR and with the use of Amer. capital. Such interest on America's part in the USSR, according to Marx, has never been noticed until now."

- p. 335     \* Re the issue of a loan by the NAUS to Poland. (October 1927 from Berlin).  
To Cdes. Bryukhanov, Mikoyan, Aralov, Chicherin, Artuzov. Agent report.  
“The American-Polish negotiations regarding the issue of granting the Polish govt. a loan to stabilize the Polish currency are attracting great interest from German govt. and econom. circles, which believe that this loan is of major polit. and econom. significance because it could affect Polish foreign policy not only with respect to Germany but also with respect to the USSR.  
Monnet, one of the Amer. representatives, who is negotiating with the Polish govt. about the loan, declared that granting the loan to Poland is possible only under the following conditions:  
1. The Polish govt. must normalize its relations with the USSR and enter into a trade agreement with it.  
2. The Polish govt. must find ways to agree with the German govt. in order to enter into a trade pact with it, and the customs war must be eliminated immediately.  
3. The Polish govt. shall renounce any military actions against Lithuania, considering that such actions will inevitably cause a Polish-Soviet mil. conflict.  
4. The Polish govt. must reduce its spending on the army and must give up the notion of creating its own navy.  
Without question, such demands by a large Amer. consortium could not help but influence the negotiations. Several times already both sides have resorted to threats to break them off, but neither side wants such an outcome, and the Polish government is especially fearful of a rupture because without Amer. aid it cannot  
get out of the econ. crisis.”
- p. 336     The Polish govt. calculated that its communiqué by the Polish Foreign Min. regarding “good relations with the Sov. govt. and the possibility of an agreement on guarantees between the USSR and Poland” would satisfy the Amer. demands, but the Amer. representatives of the consortium attach little importance to this communiqué, maintaining that the Polish govt. must give Amer. capital more reliable guarantees of the peaceful intentions of its policies.”  
[The total amount of the loan is 15 mil. doll.]

File 17517 Vol. 1 "Materials from the Amer. station for 1932"

- p. 19 Foreign policy 10.7.1932  
[US policy at the Lausanne conference on the question of reparations from Germany. Plus the policy of Wash. on the Europ. countries' war debts to the US. Everything is based on press articles.]
- p. 20 The reaction to Hoover's proposal for an armaments reduction: France, Britain, Japan. Differences with Britain over naval armaments. Europe's reaction is negative.  
"In any case no one apparently thinks anymore that Hoover's maneuver was an successful one, although there are people (and even senators) who don't hide the fact that the Europeans' rejection of this proposal entitles America not to be generous with regard to the debts, because if the Europ. nations can spend enormous amounts of money on armaments, they obviously can pay their debts as well. In this regard it is interesting to take note of the speech a few days ago in the Senate by Senator Lewis (Democrat from Illinois), in which he laid out the notion that the Disarmament Commission in Geneva was unable to arrive at any agreement because the Great Powers of Europe consciously oppose disarmament, because they are preparing for war, and therefore, stated Lewis, in the future the United States must not accept invitations to these types of pointless and useless con-
- p. 21 ferences regarding mutual favors for the purposes of peace and disarmament.  
The most ardent approbations of the Hoover plan came, as was to be expected, from Germany. The former Foreign Minister Doctor Curtius wrote a special article on this subject in The New York Times, in which he praised Hoover's initiative in the most spirited terms, viewing it as a guarantee of the security that France is so intent on achieving and an expression of fairness to Germany, which has long been pursuing equality with others in vain. An armaments reduction, Curtius rhapsodizes, would be the most reliable way to restore mutual trust, and with that it would also be possible to restore the world's unsettled econom. welfare."
- pp. 21-22 [Anglo-Amer. econom. relations. The econom. conf. in Ottawa: Britain's agreement with the dominions on prices. Some plans may strike a blow at America.]
- p. 23 [US-Germany]  
"Von Papen's appointment as Chancellor, which met with a reaction that, if not hostile, was at any rate disapproving based on memories of his work during the war, has long since ceased to irritate the Americans (at least the press has long since stopped carrying any reminiscences and is not only tactful but occasionally even friendly toward von Papen and his Cabinet), which apparently is to be attributed to a preference for the lesser of two evils: a transfer of power to Hitler, it is perfectly obvious, does not qualify as a desirable change for the States."
- p. 24 [Franco-Amer. rel.]
- p. 25 [US-Japan, US-China].



- p. 26 [US-USSR]: Frederick Pope  
 “The report from Moscow that Colonel Pope has conferred with prominent representatives of the Govt. in Moscow regarding an appointment by the States of an unofficial representative (a commissioner or observer) in the USSR went without any particular press commentaries, perhaps because Wash. said that it didn’t know anything about these talks and that Pope has no authority to conduct official talks about anything whatsoever. It is believed that when Pope was recently in Wash. he took soundings and came away with the impression that his plan had not met with an adverse reaction, and decided on his own to try to advance it further in Moscow. Be that as it may, it must be acknowledged that the present moment is not a very favorable one for Washington to resolve the Russian issue and serious changes in any direction can hardly be expected right now. Banking and commercial-industrial circles definitely adhere to the view that the opportunity to trade with the USSR should not be lost and they are afraid that while America dithers with decision-making, Britain will take advantage of the time to develop a commercial relationship with the Sov. Union at Amer.’s expense. In the light of Russian-Amer. relations there was an interesting speech a few days ago by Senator Lewis, in which he accused the Europeans of sabotaging disarmament plans and said the Great Powers are preparing for war and made clear that the target of their attack would be the USSR.”
- p. 27 [U.S. econ.; p. 28—oil (international oil prices), competition with Russian oil.]
- p. 29 [The wheat market.]
- p. 30 Foreign policy. 26.05.32.  
 [US-Japan: reaction to the appointment of Admiral Saito as prime minister]
- p. 31 The situation in Manchuria.
- p. 34 The attitude of various US circles toward the USSR.  
 [The Socialist Party convention in Milwaukee, a change of position with respect to the USSR. The convention’s resolution: disagreement with Sov. govt. policies, a call for the release of political prisoners and the restoration of civil liberties, a call for support for Russia’s efforts to create the econom. foundation of a socialist society.  
 At a banquet of the Cleveland Export Club on 25 May in the city of Cleveland, Colonel Cooper, the chairman of the Amer.-Rus. Chamber of Commerce, announced a planned trip to the USSR by a group of representatives of Amer. big industry.]  
 “The number of Americans speaking out for the development of trade relations with the Sov. Union is growing: representatives of the automobile industry have added their voices. Thomas Morgan, president of the airplane business Curtiss-Wright, has spoken out for the same thing.”
- pp. 36-51 Report by Victor A. Yakhontoff (*Victor A. Yakhontoff*) (Aug. 1932) on communism in China (in English). (Novoye Russkoye Slovo) (Cavalryman?)
- pp. 52-72 USSR policy in the Far East (report by Yakhontoff).

p. 77 US-USSR 24.07.32

p. 80 [The publication of the second Five-Year Plan in the US.] “The amounts of money it calls for spending are apparently making an impression because of how enormous, and hence how enticing, they are. Commentaries on this subject should be expected in the press in a few days, and then, people say, it isn’t out of the question that Washington will also display interest in the Russian issue, since certain influential members of the Congress have begun again to make public proposals for a revision of the policy toward the USSR.

What should be deemed more significant is a conversation, just reported in the press, that the presidential candidate from the Democratic Party, Roosevelt, had with New York Times correspondent Walter Duranty, which makes clear that there is a powerful group within the Democratic Party that favors a fundamental revision of the policy toward the USSR and that it is not out of the question that this issue may be presented in a more definite manner even before the election, i.e. before November. Roosevelt didn’t endorse recognition, and the dispatch refers only to the interest with which he treated the Russian issue, but there is no question that he authorized giving the press information about the meeting he had with Duranty and about what was said during the meeting and that this is probably more than a trial balloon on the part of the Democrats. The newspaper reports say that what is under discussion is not recognition but a revision of relations and an expansion of trade, but at the same time they take note of Roosevelt’s interest in the “Russian experiment.”

p. 189 Memorandum re American-Japanese trade and financial relations, prepared at Radek’s request.

p. 173 America’s relations with the other great powers and polit. orientations.  
(26.4.32)

“According to our information from people who know Stimson well, he is personally not sympathetic to plans for provoking Japan into aggression against the S. U., but his advisers in Geneva (the League of Nations session (the issue of Japan in China))<sup>4</sup> now include Norman Davis, and there are some grounds for suspecting him of being extremely antagonistic toward the Soviets and therefore, perhaps, of being ready to support such an adventure. (At any rate he supported an interventionist adventure in the past and did all he could to help implement it.)...

p. 175 The issue of a change in the policy of the States toward the USSR has never been as burning as it is now. We cited the reasons for this in previous summaries, but the most immediate one right now is, of course, the issue of the Far East and the Union’s possible role in its resolution.

Of course, the issue of the development of trade with the USSR plays a very  
p. 176 big role, and especially now, during the grave economic crisis and the search for markets, the voices of those who have an interest in trade in general and in trade with the USSR in particular carry a lot of weight. It seems to us, however, that at this precise point in time the main question is whether the situation in the Far East can be changed by changing the attitude

of the States toward the USSR...

One of the influential newspapers, the New York Herald Tribune, which is definitely unsympathetic toward any rapprochement whatsoever with the Sov. Union, ran an editorial on 22/IV in which it calls all these rumors of a possible rapprochement between the U. States and the USSR "trial balloons floated by Moscow and its agents, and by no means a reflection of the actual state of affairs. If the States ever found itself on Russia's side, says this editorial, it could happen only if Japan or its deluded admirals and generals went so far as to disregard the legitimate interests of the States." At present, the editorial says elsewhere, "America is doing everything it can to show Japan that it wants to understand Japan and sympathizes with its needs and difficulties."

However, if there are no signs of a desire on Stimson's part to meet with Litvinov in Geneva, this, of course, by no means implies the opposite, i.e. a desire on his part or that of American officials to provoke a war between the Soviet Union and Japan. According to our information of fairly reputable and reliable provenance, Washington is against any adventures, even if they have been proposed and backed by influential people (who include, of course, supporters of the idea that a Russian-Japanese clash would be useful). By the word Washington we mean the govt. and members of the Congress. Among the latter, new supporters of recognition of the Soviet Union by the States have even appeared in the last few days (including the very prominent senator from California Hiram Johnson and the Senate Democratic leader Robinson, as well as a number of members of the House of Representatives). The campaign by newspapers of the Scripps-Howard syndicate, which have been calling for recognition of the USSR, is continuing and finding sympathy in new circles...

p. 177 Speaking of the growing interest in the USSR among Americans, it's interesting to note that a recent speech by the well-known financier Baruch at a meeting of the military intelligence officers' reserve (the speech was on the subject of contingency preparations of the States' industry in case of war) was attended by, among others, three Americans who recently returned from a trip around the USSR and who were asked to report their impressions of the Russian army. Evidently these three "travelers" were sent with certain intelligence tasks to the USSR and recently returned safely to the States. They said that "the army in the USSR is large, superbly trained, well supplied and marvelously disciplined; that it is pampered, but not without reason, because they know that it is a reliable underpinning for the regime and defender of the country."

This view of the Russian armed forces, which at times is expressed in the newspapers as well, especially now in connection with the events in the Far East, is probably the basis for the somewhat different approach to the issue of a potential Russian-Japanese clash in certain circles that have no interest in provocation for the purpose of thereby overthrowing Bolshevism, but would like to see Japan beaten by Russia as punishment for everything it has done to China and, incidentally, weakened for a while and therefore of no danger to America. These circles speak of a powerful Red Army with approval rather than animosity. What is also emanating from these circles are some of the exaggerated

stories of concentrations of Russian forces in the Far East, such as the rumor recently spread in Geneva that the USSR already has as many as 400,000 troops in Siberia with 400 bombers and that a significant portion of Russian industry has already been converted to the manufacture of munitions.

- p. 178 With this kind of assessment of the forces of the Sov. Union, the behavior of the USSR in Manchuria seems to the Americans like an extraordinary model of peaceableness and forbearance. "It had more reasons than you can count to bring troops into Manchuria and, for that matter, to begin hostilities against Japan," writes one journalist. "The behavior of Russian refugees in China," says another, "is sufficient grounds for the Soviets to send their troops into Manchuria to stop all of these outrages."

- p. 216 Memorandum dated 11.5.32.

\* The United States: the Japanese-Chinese conflict and the question of a Soviet-Japanese clash.

"Considering the basic interests of the U.S. at this stage of its development, there can scarcely be any doubt about the enormous importance of the Pacific problem to it. If the contention that the center of world trade is slowly but surely shifting from the Atlantic to the Pacific is correct, then the notion that the commercial interests of the U.S. in the Far East have been growing in recent years with extraordinary speed, especially since the Panama Canal opened, is no less correct. In 1913, i.e. before the world war began, all the Asian trade of the U.S. did not exceed 125 million doll., whereas in 1920 it already surpassed 500 mil., and in 1928 it reached the enormous figure of 2 billion, i.e. in other words, in 15 years it increased by a factor of 15.

The markets of the Far East are taking on increasing importance for the States, and the question not only of retaining them but also of further developing them and making fuller use of them is one of the principal issues of American foreign policy today.

As is well known, during the period preceding the Russo-Japanese War, the States took a position that definitely favored Japan moving against Russia, and during that war America's banking circles (Jacob Schiff, Kuhn and Loeb, and others) generously funded Japan. The reasons for this position by the States were varied: on the one hand, there was fear of Russia's aggressiveness (the actual significance of which was inflated by those who had an interest in this, Britain above all), and hence fear of the threat of losing markets. Roosevelt attempted to develop closer ties with St. Petersburg, but encountered not only coldness but also arrogance from the tsarist government, which preferred to treat the Yankees with disdain. The Russians' methods of throwing their weight around in Southern Manchuria (Yingkow and elsewhere) provided a basis for the growth of anti-Russian sentiment in the States, and the stirring up of Jews who had emigrated from tsarist Russia to America inflamed this sentiment even more. On the other hand, the interests of the other Great Powers were also working for the States to cooperate on Japan's side. Under the

influence of these factors, by the time the Russo-Japanese War began Britain found itself an ally of Japan and the U.S. its banker.

The results of the war of 1904-05, however, surpassed all expectations of those who had prodded Japan into what seemed to be a risky adventure for it: the successes of the Land of the Rising Sun and its emergent arrogance forced Japan's friends and accomplices to stop and think; it was becoming clear that these successes

p. 217 were threatening their own interests in the Far East, and therefore attempts began to hold back the further spread of Japan's influence on the mainland. However, this already proved to be difficult..."

p. 218 [The unprecedented econom. crisis has hampered the capit. world in its actions; Chiang Kai-shek's weakness & The Japanese seized the moment; the attack on Mukden, the intervention in Manchuria and the sabotage in Shanghai. Japan knew that France, Britain and the US wouldn't get involved in the war.]

Manchuria

"At the same time Japan realized that the enmity of the ruling circles of Europe and America toward the USSR gave Tokyo an extremely important trump card for playing against the Great Powers. When the attempts to provoke the USSR into an armed conflict with Japan failed, when it became clear that the Sov. Union had decided to remain neutral, the Great Powers became harsher in their denunciations of Japan in the press and more direct in their diplomatic notes."

p. 219 [But the notion that a clash between the USSR and J. is desirable hasn't died. It has again become topical in America as well.]

"A Soviet-Japanese war may be the wish of Americans who either believe it is possible to simplify the Pacific problem confronting them by weakening Japan with any war whatsoever, but a war with the Soviet Union above all, or of those who have an interest in fighting communism and therefore would like to see Japan inflict a serious and perhaps mortal blow on the first workers' state that is building socialism and moving toward communism.

The first category consists above all of the military and naval representatives who are not supporters of a Russo-Amer. rapprochement that is aimed against J., and in general those who prefer a Japanese orientation. There are definitely more supporters of a Russian orientation among the military, but among the so-called experts on

p. 220 F. Eastern issues, including officials responsible for foreign policy and a significant number of professors working on these issues, there are apparently more supporters of strengthening friendly relations with Jap.; these circles don't show much readiness to trust the USSR (the fact that many outstanding professors recently came out with a declaration in favor of an econom. boycott of Jap. doesn't contradict this general comment: their action was prompted more by a desire to support the League of Nations as a brainchild of the liberal intelligentsia than by an intensification of anti-Japanese policy).

The second category is comprised of the not-so-numerous representatives who are consciously fighting for capitalism against comm. and then the simply rich and privileged (who don't have a financial interest

in the USSR through trade and so forth), because they are afraid of losing their prosperous status, and there are many such people, of course, in America. Then there is the middle and, in part, the petite bourgeoisie that hopes to make money from a war, but what is important to this group is war as a source of profit, and by no means a war necessarily against the Soviets. A war between the USSR and Japan, and in general with anyone, is probably favored (but not openly) by a considerable part of local Socialists, this group is numerically small, but the specific weight of its position on this issue, of course, is disproportionate to its numbers, and it may be used to fool certain elements.

Therefore it is possible that many Americans want a clash between the Soviets and Japan, which is in fact reflected in the press, but the significance of this orientation should by no means be exaggerated. The ruling circles, those who are responsible, and especially those of them who attempt to look more deeply and consider the future, hardly view the possibility of a Soviet-Japanese clash from the standpoint of the purely emotional approach suggested by others. Any strengthening of J. whatsoever can by no means appear desirable to them, but a strengthening of the Sov. Union (in the sense of their gaining prestige in the event of a failure by Japan) isn't desirable for them, either, of course, and no one is sure of the result of such a clash."

p. 222 [Conclusion: it is unlikely that the US at present will attempt to draw J. into a war against the USSR.]

File 17517 Vol. 2

p. 119

Letter from NY to C. dated 15.09.32

“We are enclosing samples of articles in the Amer. press by Wells, who returned from a trip to the Union. It was difficult, of course, to expect a British snoop to write anything good about the Union, but at any rate the disgraceful service by Intourist gave him extra opportunities to write and describe all sorts of vile things about us. In my letter of June 20 I requested that Wells be placed under surveillance, but I never expected this surveillance to be so heavy-handed that he would spot it. At any rate, in his conversations with interviewers he trumpets right and left about how he was followed every step he took in the Union and how his tail literally infuriated him. What is bad is that, as a lecturer on tourism, he will inform all of his audiences everywhere about this, and this will create miserable publicity for us.”

Newspaper  
clipping

*“Carveth Wells, explorer and lecturer, returned from a visit to Russia yesterday on the Swedish-American liner Kungsholm, and asserted that his visit had convinced him that Russia was the “greatest menace in the world”.*

*“By supplying Russia with machinery and experts”, he said, “the other countries are creating a Frankenstein monster that will devour them industrially. The people really believe they are martyrs, and are starving to enable the Soviets to export everything possible to bring money into Russia.*

Underlined  
with red  
pencil

*“Although the United States has supplied the Russians with the experts to enable them to carry out their programs, Uncle Sam is pictured everywhere as a dollar – glutton capitalist, electrocuting the worker. There is false propaganda everywhere”.*

*Mr. Wells was accompanied by his wife, and they said they refused to accompany the organized tours, which showed only what the Soviets wanted outsiders to see. For four days they were held up in Moscow, Mr. Wells said, while officials tried to persuade them to with the tours, but when they were adamant the officials finally permitted them to go, although they were kept under watch.*

*He said when they were riding on Russian trains the porters drew the blinds when the train passed through or stopped at a town, because they feared the Russians on the platform would throw stones in the windows. The porters explained that people often did this to travellers who looked comfortable and wealthy”.*

- p.120 NY to C (letter) 15.09.32  
 “The enclosed clippings about the kidnapping of Robins are the result of several anonymous telephone calls and letters to editorial offices of the Am. press. We never thought that such a frivolous activity could yield such a plentiful result (the articles are continuing) and we are thinking of using these methods from time to time in the future as well.”  
 [Colonel *Raymond Robins* actively campaigned for the Dry Law (*Prohibition*) and recognition of the USSR. The articles contain theories: he was kidnapped either by “bootleggers” or by *Russian imperialists*. + *amnesia*.]  
 In early September he met with Sov. officials.] Robins
- p. 127 What people are saying about Roosevelt’s probable policy toward the USSR.  
 (20.11.32)  
 “No one can determine with complete confidence, of course, exactly what President-elect Roosevelt plans to do with respect to the USSR, because above all R. himself has apparently not settled on a final program.  
 However, judging from everything that we have heard in the most diverse circles, including from people who are either close to R. himself or to those who are close to him, R. has apparently decided quite definitely to take measures without delay to improve and develop trade relations with the USSR.”  
 [Both supporters and opponents of recognition are working on R.]  
 “In particular, we have learned that well-known reactionary-minded individuals are currently engaged in picking out all kinds of materials, such as articles written in the past by R., or speeches he delivered in 1922 and 1923, where he made disapproving comments or worse about Sov. Russia. The purpose of this collecting is clear: they want to have at hand materials that may be used to shame R. in the event that he yields to the advice of those who consider recognition of the USSR desirable or even necessary.”  
 Source Sh-130 is obviously a businessman or trade representative in NY who has contacts among the Japanese
- pp. 121-122 J.’s position toward the USSR (J. wants to negotiate a nonaggression pact), the US and the League of Nations.
- pp. 123-124 US-USSR  
 127-129
- p. 145 Outlook for the presidential election.



File 17517 Vol. 3

pp. 17-21 [Article by Roosevelt on policy toward Japan, printed in the June issue of the journal *Asia*.

\*p. 22 "Memorandum re recognition USSR" December 12<sup>th</sup>, 1932

*"On November the 14<sup>th</sup>, 1932, I was approached by Mr. S.H. and was told that he was authorised to "make contact" by the Commissioner of Docks, Mr. Hertz, who was in close contact with Mr. James Farley. Mr. James Farley was the campaign manager of President-elect Roosevelt and is still his closest associate. S.H., referred to above, is a member of the C.P. who knows me personally very well, and he wanted to know whom of the Russian representatives here he could approach on that subject. I declined to give names or information of any kind until I met either Mr. Hertz or someone authorized by him.*

*Two days later S.H. called me that a Mr. G. of the State Democratic Committee was ready to meet me as Mr. Hertz was away in Washington. We arranged a luncheon; Mr. G., Mr. S.H. and myself attended and the conversation in substance was as follows:*

*Mr. Hertz, who is Commissioner of Docks in New York, is interested in the recognition of the USSR for personal reasons, namely – he realizes that recognition of the USSR would mean a good deal of shipping between the USA and USSR and he would like the piers owned by the City of New York to be used for that purpose instead of privately owned piers. He feels that by "getting in at the bottom" on this issue and helping to bring about recognition, he will be rewarded by the use of the piers under his control, which might be a "feather in his cap". Mr. G. assured me that he is speaking with full authority for Mr. Hertz, and that as soon as Mr. Hertz returns from Washington, and if I deem it advisable he will arrange another meeting.*

*In conversation with Mr. G., he called my attention to a very interesting item in the local Democratic machine. There is already a struggle among several democratic leaders as to who is to be the ambassador to Russia in event of recognition. Outstanding among these is Congressman Sirovich. He is pulling wires in all directions to get that appointment in event of recognition. Sirovich is of Hungarian descent. He visited Russia in 1930 and came back to the United States favoring recognition of the USSR.*

*Mr. G. further assured me that recognition of the USSR by the incoming administration is fact taken for granted by the Democrats in control of the national democratic machine. Following this, I had a conference with a Mr. L., an intimate and personal friend of Governor-elect Lehman, whose correspondence I showed you, and he likewise assured me that the problem of recognition of the USSR has been discussed frequently between Roosevelt and Lehman. He further informed me that a conference on this subject of recognition*

would undoubtedly be held shortly between Roosevelt, Farley, Senator Wagner, Congressman O'Connor and possibly Gov. Lehman. Roosevelt is studying the question, securing facts and information on this subject (from what sources I do not know) and seems to be inclined towards immediate recognition on taking office. Incidentally Mr. L. told me that he expects Congressman O'Connor to be the Speaker of the new congress, and not Congressman Rainey, as Roosevelt is very much indebted to O'Connor for his assistance in the last campaign. Also Senator Wagner is to be the leader of the Senate in Foreign Relations and Affairs.

Of course Rainey's views on the recognition of the USSR are well known, while O'Connor's views are not definitely known, but he too seems to be leaning favorably towards recognition.

p. 23 The opposition to recognition of the USSR is quite strong and very active. Walsh, Fish, and Woll are the outstanding forces around whom the opposition centers. They have already approached Roosevelt on the subject and pressed him for an answer but he gave no answer. It would be interesting to know the opinion of Alfred E. Smith on this subject.

I am trying to "make contact" with some of his intimate friends to see if we can't get his opinion on the subject.

M.F."

p. 24 \* Strictly Confidential.

re Russian Recognition

December 18, 1932.

"At my last visit with Mr. L. we discussed the difficulties and opposition which will arise when the final problem of recognition present itself before President-elect Roosevelt. Aside from the radical groups which are campaigning<sup>5</sup> for recognition there is no organized group to ward off the propaganda of the opposition which is actively engaged against recognition. It is true that there are thousands of Americans who are strongly for recognition, but these are not organized into any organization to make their opinion known and effective.

Several months ago I proposed to the F.S.U. that they take the initiative in organizing the Universities and Professional groups, such as Doctors, Dentists, Professors and Lawyers as well as students into a separate organization to actively campaign for recognition of the USSR but nothing became of my suggestion. It therefore came about that Mr. L. took the initiative in organizing such a group, from even a stronger angle. He began with organizing ex-military officers of the USA Navy and Army into an organization which will be known as "The National Committee for Recognition of Soviet Russia" and will comprise only American patriotic citizens.

Last Friday (Dec. 16) I was informed by Mr. L. that the organization meeting would take place on Dec. 18th, 1932 at the Waldorf-Astoria Hotel, which I was invited to attend. The meeting took place as scheduled with Col. John Kelly in the chair as presiding officer. The meeting was run

Friends of the  
Soviet Union

with typical American efficiency and a resolution was introduced by Col. Lewis Landes for trade and recognition of Soviet Russia as the principal basis for this organization. A motion was then made and unanimously carried instructing Col. Landes to prepare a plan for organization and to report at the next meeting. There were about 23 people present at this meeting who were registered as members. The meeting then officially adjourned to reassemble at a later date. A small group (7 of us) then drove up to the U.S. Navy and Army club to discuss further plans for organization. At this place I was informed that Mr. Orlando, an associate of the law firm of McAdoo, Jr. (McAdoo<sup>6</sup> Sr., was the one who nominated Roosevelt at the Democratic Convention for President), was present at the meeting and suggested that this organization send a committee to Roosevelt with its resolution and Mr. Orlando would arrange the appointment. In view of the facts that the plans of organization were not yet completed, it was decided to postpone the visit to Roosevelt for at least a week.

A Mr. Henry Green was also present at this meeting. I have never met this Mr. Green but I learned that he is a very interesting character and that in 1911 he was the one who organized the committee for abrogation of treaty relations with old Czarist Russia which was accomplished under the Taft administration. Mr. McAdoo, in his book "Crowded Years" devotes several pages to the description of Mr. Green. Mr. Green also showed me a letter from President-elect Roosevelt of which I shall secure a photostatic copy in the near future.

p. 25

Col. Landes is a cousin of Mr. L. who is taking the initiative in this matter. During the World War he was active in various patriotic activities and afterwards was in charge of the American supplies in Germany, at the time when the Army of Occupation was there. He is a comparatively<sup>7</sup> young man, about 40-45, a lawyer by occupation, fairly well-to-do, somewhat of an adventurer, energetic and a good business man. I have met the Col. about 5 years ago. I have seen him twice since that time. He has had some connections with the Amkino and with Mr. Smirnoff. He was the one to pay all expenses for the arrangements, the hall and publicity. Mr. L. asked me a point-blank question: what to do about further expenses. While they are willing to carry on the work, they have no money to defray the expenses. Whatever plans may develop in the future for financing the organization, at present they have no money. I therefore volunteered to contribute personally \$500 to defray expenses for organization work, temporarily.

Their plan of organization is to organize units of this "National Committee for Recognition" in various cities, drawing mostly upon ex-Army and Navy officers, ex-service men and such individuals or organizations of professional and business men which may care to align themselves with them. (Incidentally, Col. Landes intimated that Col. Hanse is<sup>8</sup> to be secretary to president Roosevelt).

Col. Landes also showed me a letter from Congressman Rainey promising him an appointment on the committee

*which is to visit Soviet Russia, providing of course Rainey is successful in getting his bill requesting such a committee thru Congress and Senate. The last time he introduced this bill, it went thru Congress, but was killed in the Senate at the instance of the State Department.*

*Exhibit for "immediate release" was given out to the press at the end of the meeting. On my suggestion Col. Graves is to be invited to participate in this organization. MF".*

p. 26 ***LETTER TO BE SENT TO MEMBERS OF ARMY and NAVY CLUB, AMERICAN LEGION AND VETERANS OF FOREIGN WARS AND OTHER MILITARY ORGANIZATIONS THROUGHOUT THE UNITED STATES.***

*At a meeting held at the Hotel Waldorf Astoria on December 18th, 1932, by a group of former Army and Navy officers, the following resolution was adopted:*

*"RESOLVED, that Col. Lewis Landes of 50 Broadway, New York, N.Y., be authorized to take such steps as he may deem necessary to bring about the formation of a national organization having for its purpose to urge the Federal authorities to establish diplomatic and full trade relations with Soviet Russia".*

*In accordance with this resolution the undersigned has the honor to inform you that he has organized The National Committee for the Recognition of Soviet Russia, an organization that is to be sponsored by patriotic Americans.*

*This group is not in sympathy with the political system known as "Communism", and is solely interested in improving the industrial situation of our United States, which we feel can be materially benefited by the establishment of full trade relations with Soviet Russia.*

*If we may judge from the experience of the past few years, literally, hundreds of millions of dollars of Soviet trade awaits our industries if the hand of friendship through the reestablishment of diplomatic relations is brought about.*

*If your sympathies coincide with this view, you can materially aid the cause by serving on our National Committee, an invitation for which is extended to you by the undersigned.*

*In doing so, you will endorse the sentiments recently expressed by the Hon. Henry T. Rainey, majority leader of the House of Representatives, who writes, "I have always been in favor of trading with Russia. The sentiment in that direction is increasing now, I assure you".*

*An early expression of your valued views on this subject will indeed be appreciated.*

*Faithfully yours,  
LEWIS LANDES.*

p. 138 Letter from NY to M 27.01.33

\* "The enclosed material regarding the Committee for the Recognition of the USSR, which was established by a group of retired US military officers, is a work we have done by special assignment from Cde. Boyev. Please do not disseminate this material outside, since Cde. Boyev intends to make a personal report about this organization on the basis of our materials to the head of the directive echelon.

The enclosed photostats of letters from various people, representing the political, financial and commercial-industrial sectors, are fairly interesting as they describe their attitude toward recognition of the USSR. We are enclosing far from all of the letters that were received, but are providing merely a description of the groups for recognition, those that are neutral, and the opponents of recognition. The letters from the heads of individual trading companies and major commercial organizations are of specific interest to us in terms of our commercial orientation, in particular for Amtorg in the future.

Until now this organization has been funded by Americans who sympathized with us, but due to a cash shortage the question will probably arise about us providing an insignificant amount of support to them."

p. 140 NY to M 19.2.33

\* "When the Committee was formed with Colonel Landes as its chairman, he sent out letters (as circulars) to many Senators, members of the Lower House of Congress, state governors, bankers, etc., proposing that they join the Committee. The letters in response... so far don't indicate that the appeal was a big success, although some of them, like those from Pennsylvania Governor Pinchot, from General Graves, senators Johnson and others, to be sure, have already played some role. Their contents were passed along to the press and printed in many newspapers. The statements by Gov. Pinchot and General Graves have drawn commentaries in a number of newspapers...

Considering the fact that at a time when the enemies of the USSR are doing everything they can to prevent recognition, when the chairman of the Amer. Labor Federation, Green, for example, is speaking on behalf of organized labor, when Russian Whites are writing petitions to members of the Congress, imploring them to oppose recognition, any initiatives toward organized statements in favour of recognition such as the one undertaken by Colonel Landes and his Committee, should not only be welcomed but also provided with support if they need it, as is the case in this instance: Colonel Landes is bearing significant expenses, which so far have been covered out of the funds put at his disposal by Americans who sympathize with his venture, but the expenses, of course, are growing as the effort develops, and it will probably be necessary to give him support, since it seems to us that his work is useful and doesn't deserve to end because of a lack of funds at the most important time."

- p. 148      Sample of Landes letter:  
*"My dear Mr...*  
*This organization has been formed by a number of patriotic Americans, former members of the U.S. Army and Navy, and has for its purpose the expansion of trade with Soviet Russia through recognition of their government.*  
*We are not in sympathy with Communism or interested in Russia's political policies, but merely wish to aid our own American Industries. During the year 1930 our sales to Soviet Russia amounted to one hundred and thirty million dollars, while in the six months of 1932 they only amounted to eight million dollars. The countries which have established*  
*full trade and diplomatic relations with Soviet Russia have greatly benefited thereby, at our expense.*  
*If you coincide with these views, you can materially aid the cause by serving on our National Committee, an invitation for which is extended to you by the undersigned. In doing so you will endorse the sentiments recently expressed by the Hon. Henry T. Rainey of the House of Representatives, who writes, "I have always been in favor of trading with Russia. The sentiment in that direction is increasing now, I assure you".*  
*An early expression of your views on the subject will indeed be appreciated.*  
*Faithfully yours, Lewis Landes".*
- p. 171      Letter from Pennsylvania Governor Mr. Kirk A. Landon, Executive Secretary, National Committee for the Recognition of Soviet Russia  
*Dear Mr. Landon:*  
*Many thanks for your courteous letter of January 4<sup>th</sup>. I have no sympathy whatsoever with Communism, but I am not afraid of it nor of the recognition of Russia by this country. There need be no apprehension that American institutions will be endangered by contact with those of Russia or by any contact with radical doctrine, if our government can be wrested from the grip of concentrated wealth and taken back by the people.*  
*In these days when our foreign trade has come close to a standstill it is stupidity of the worst kind to allow European countries to supplant us in Russian markets simply because, with diplomatic channels closed, we lack the means of business-like understanding. The problems of necessary protection for our own industries, which must be faced whether we recognize Russia or not, is entirely distinct from the question of recognition, except that it could be solved far more easily if the two governments were in direct contact.*  
*While you will know better than I what persons should be in charge of your work here in Pennsylvania, I can assure you that I consider the increasing sentiment favoring recognition to be in the best interests of our own country.*  
*With all good wishes and much appreciation,*  
*Sincerely yours,*

- p. 9 Source Sh-142 (W. A.) (military information, about mil. industry and so forth) in Wash.
- p. 9 Re deliveries of Amer. planes to China (Nanking) for war with Jap. (30.1.33)
- \*p. 51 *U.S. Army Policies Bearing on Russian Recognition 24.1.33*  
*"A. is a lieutenant in the reserve corps of the Army Intelligence corps. Speaks, reads and writes Japanese fluently. Was on active service in Japan and China and the Philippines<sup>9</sup> during and following the World War. Is kept in more than ordinary close touch with current operations of the intelligence corps work at present time, engages in special studies at the War College and is better posted on Japanese internal affairs than most reserve officers or regular officers for that matter, as he keeps in close touch with Far Eastern economic data through employment in the Bureau of Foreign and Domestic Commerce. His own specialty is Scandinavian Commerce.*  
 \* \* \*
- Army intelligence officers are carrying forward studies of Japanese internal conditions and military procedure with steadily increasing intensity for the past few months. During the past four months there have been an unusual number of special confidential lectures on Japanese affairs for intelligence corps officers. The latest such lecture was held about January 18, 1933 and was delivered by an officer (name unobtainable) recently returned from active duty in Japan who is taking charge of the Far Eastern Section of the intelligence corps work, at the War office.*
- This lecture dealt largely with possibilities of internal disorders in Japan. It was cited that current industrial output in Japan had climbed to index figure 218 compared with 100 as the 1913 base. Discussion was developed as to the meaning of these statistics, and further studies as to what they indicate, are going on...*
- The general presentation at the lecture concerned the probability of a Japanese uprising because of the bad agrarian conditions combined with mounting prices. The implication was (throughout the lecture and the discussion) that such a revolt would be welcomed by the Army section of the War Department...*
- The probability that a revolt in Japan would have extreme left aspects was mentioned casually and the impression was left that even if this was the case the War Department would approve of it for a time at least. A. is under the impression that U.S. policy towards a revolutionary Japan would remain friendly at least until the back of the present imperialist adventure is broken.*
- p. 52 *There is much talk among the intelligence corps of the possibilities of a fighting alliance between the S.U. and China. This is not thought likely with Chiang Kai Shek but considerable thought is being given to the possibility of a shift in control to such a person as Feng Yu Hsiang (the "Christian General") whose control of the Kalgan passes and possibilities of contact with the S.U. have been studied by the intelligence corps...*
- p. 53 *Conversation about current field reports is to the effect that Japan greatly fears a combination of Chinese man-power*

*with Russian planes. Intelligence corps strategists have decided that the Chinese soldiers could be very effective in holding a line while the Russian planes could demoralize Japanese troops either with bombs or propaganda or both...*

*The question of U.S. recognition of Russia as part of the War department policy has not been discussed among intelligence corps officers. A. points out that this is not a question that they would take up at all among the lesser officers until some move was made. He does not know whether any reports have come in from the field bearing on Japan's attitude toward recognition. However, it is his personal view that the War department and the general staff of the Army would favor recognition in light of other questions that have been discussed.*

*The Army wants recognition and support given to anybody who will stop Japan, he feels sure, and believes that Russian recognition will be favored by the Army for that reason. W.A. (In red pencil: William Akets)*

p. 95 War Preparations by W.A. January 7, 1933

\* *The first intimation of any increase in war preparations noted is entirely minor, and may have no particular meaning. During December, 1 I am informed by a Washington Navy Yard foreman, 40 additional employees were taken on, almost entirely from the ranks of former workers in the shops.*

*In the Washington Navy Yard practically all the work is done in the manufacture of heavy navy ordnance, gun mountings, turrets, etc., for the U.S. fleet, particularly on new cruises and battle ships. Whether ordnance is produced for the Pacific fleet or not I do not know but I am told that it is...*

*Talk among the machinists at the navy yard is that employment promises to pick up rapidly. They pointed to the new Japanese offensive in China as evidence but no other specific facts have been found to substantiate this feeling".*

p. 46 NY to M 27.1.33

\* "We call your attention to materials being sent with this mail that came from the newly recruited source Sh/147, who in our opinion is of great interest. Robert Allen (cover name George Parker) is a journalist by trade. In 1931 he wrote the book "Washington Merry-Go-Round," in which he described official Washington. The characters he depicts in the book are a reflection of the pettiness and emptiness of many of Washington's current Republican congressmen and Cabinet members. When this essentially malicious lampoon of unscrupulous Washington politicians was published, Hoover insisted that he be fired from the magazine where he was working. In 1932 he released a second

Allen  
(George  
Parker)



book of the same type. He personally knows most of the lawmakers and Cabinet members, and also has extensive contacts in all of the departments. He personally knows Prof. Moley, Roosevelt's chief adviser, and also knows Roosevelt himself, as well as the Democratic majority leader in the Congress. Sh/147 is a valuable contact, especially bearing in mind Roosevelt's future administration. (For now the payment is 100 Am. d. a mth.)

- pp. 47-50      Information from Sh/147 re various domestic and foreign-policy issues 27.1.33  
 \*      *"In a conversation between the writer and Professor Moley today the latter made the flat statement that Norman Davis would not be appointed Secretary of State. Moley declared that Roosevelt was fully aware of congressional antipathy to Davis. Also, that Davis was involved in American banking manipulations in Cuba. He also mentioned Davis' Morgan & Company connections as making him undesirable for Roosevelt to appoint.*
- p. 49      *In connection with the Far Eastern situation it should be kept in mind that*      Japan  
 \*      *Roosevelt is a "big navy" man. He was Assistant Secretary of the Navy during the eight years of the Wilson administration and acted as the liaison figure for the admirals in pressing their views as against the pacifistic "little navy" views of Josephus Daniels, the Secretary of the Navy. As a "big navy" man Roosevelt shares the general attitude of the admirals and navy strategists that an uprising "of any kind" is to be hoped for in Japan. Naval intelligence officers say they are advised that there is widespread unrest in Japan and that "radical" sentiment is gaining powerful headway. Their attitude is that this is "all to the good", and it is to be hoped that it will quickly come to a head in serious outbreaks. They are aware that the movement is of a communist origin and character, but manifest no hostility because of this fact. What their attitude would be if a Communist regime were to be set up in Japan they do not say. But to start with they would view with "friendly" interest internal turmoil in Japan".*
- p. 28      Sh/147 20.1.33 (various issues)  
*"Borah reports privately that in a talk with Senator Bulkley, Democrat of Ohio, following the latter's visit to Roosevelt of his home in Hyde Park, that Bulkley remarked: "You are going to win out on Russian recognition when Roosevelt takes office. He told me he was going to act promptly on that as soon as he takes over". Bulkley is a wealthy lawyer, who secured his election in 1930 by running as a wet. He is considered friendly to recognition, but is interested chiefly in prohibition repeal and banking legislation.*
- p. 29      *From naval intelligence quarters the following information is forthcoming concerning*      Japan  
*Japanese military preparations in the Marianne, Caroline, Marshall group*

*of islands off the coast of the Philippines. These islands are about 1,000 miles from the Philippines, 1,800 miles from Hawaii. They were turned over to Japan under a League of Nations mandate after the World War. Japan has been extremely secretive about its operations in the islands. In 1930 the State Department at the instigation of the Navy requested Japan to permit the visit of the USS Ashville, as a "courtesy" call. The Japanese side-stepped the suggestion on the ground that it had not completed harbor soundings. Next year, again at the Navy's instigation, the State Department asked the Japanese foreign office to permit the American Governor of the Island of Guam to make a "courtesy" call. Again the Japanese turned down the request, this time on the excuse that the natives on the islands were too uncivilized for such amenities. Two other requests to permit American official visitors were made by the State Department, both rejected on one plea or another. Finally, last summer four American naval officers, speaking Malayan, disguised themselves by staining their skins, and reached the islands as native fishermen. The information they reported to the Navy Department is as follows:*

*That the Japanese have completed extensive harbor developments in the islands, that they have a number of large oil tanks erected, that there are a number of huge warehouses filled with naval and military stores, and that scattered in strategic locations on the islands are a number of heavy concrete big gun foundations, covered over and hidden by under-growth and huts. In May of this year the Japanese fleet holds war maneuvers centering around these islands"*

p. 57 Sh/147 dated 19.2.33

p. 58 *"It is definitely established that Sumner Welles, will be Under-Secretary of State. He is an old friend of Roosevelt's. He is friendly to Russian recognition. It should be noted, however, that while friendly to Roosevelt, and has his confidence, Welles is not a powerful factor in the framing of the latter's foreign views. Welles' wife is very wealthy. In preparation for their coming high official position they have rented the Thompson home, on Massachusetts Avenue. Roosevelt will live in this residence the few days he will reside in Washington before being inaugurated.*

*Sumner  
Welles*

[Senator Claude Swanson may be Secretary of Navy.

p. 59 *"Swanson is slated for chairman of the Foreign Relations committee after March 4, when the Democrats come into control in the Senate. He is a rabid big-navy man. For years he was opposed to Russian recognition, following the election and a conference with Roosevelt during his first stay at Warm Springs, Ga., Swanson let it be known that he had changed his views and now*

*avored recognition. Following this conference Swanson told Borah that Roosevelt had told him, "I intend putting an end to the Russian recognition question". This is the only direct information as to Roosevelt's stand. Numerous reports have come from intimates and advisers that he is friendly to recognition, but Swanson quotation is the only specific statement to this effect".*

p. 69 Copy of message, apparently from Sh/147.

Under a Columb. Univ. letterhead:

*"Will you, in all confidence, go to the Congressional Library and look up the files of Wallace's Farmer and give me your opinion of Wallace as (a) a Progressive, and (b) a man of forceful expression.*

Wallace

*You will readily see why I am asking for this and I turn to you as a good judge of these questions.*

*With all good wishes, I am*

*Cordially yours, Raymond Moley".*

p. 130 NY to M 16.12.32

Hansen

\* "We have received document No. 459 from our new contact, Captain Hansen, who has been in the Union several times. The USSR interests him insofar as he can make various commercial deals with us. He used to be associated with the Export Line shipping company,<sup>10</sup> and is now associated with the dock in Hoboken and is trying to attract ships with cargo from the USSR to that dock. Hansen has very high-level acquaintances in Wash. He showed us a letter from Congressman Rainey, who is being talked about as president of the new Congress, in which the latter informs Hansen that Roosevelt in all probability will consult Rainey on the Russian question and, knowing that Hansen was in the Union, Rainey alerts him to the possibility of an invitation to Wash. to obtain information from him. In addition, Rainey promised Hansen that when a commission is sent to the Union for talks, he would be included in the commission. We will try to get a copy of Rainey's letter to Hansen by the next mail."

p. 133 Letter from Rainey under the letterhead "*House of Representatives U.S. Office of the Majority Leader*". November 28, 1932

\* *Mr. R. Hansen  
120 West 105' Street  
New York, N.Y.*

*My dear Mr. Hansen:*

*Thank you for your letter. I assure you that if I am consulted with reference to trade with Russia, and I expect to be, I will be glad indeed to call the attention of President-elect Roosevelt to you and to your wonderful fund of information on the subject. I am keeping the matter in mind.*

*Very truly yours,  
Henry T. Rainey*

p. 131

\*

Report from Hansen on the positions of various agencies regarding recognition

*"During the years 1929-1930-1931 I made seven trips to the Soviet Union. Every time, before leaving and after my return, I was in Washington and had conferences with the State Department, Commerce Department and Congressional leaders regarding the results of my trips, general conditions in the Soviet Union etc. After my return to U.S. in 1931 I had a conference with President Hoover.*

*Speaking in a general way, I would say that the attitude of the State Department changed exceedingly little, if at all, in favor of recognition, whereas the attitude of the Commerce Department grew more and more benevolent and especially Secretary Lamont and Asst. Secretary Klein were always willing to assist me in every possible way in order to promote better relations between the Soviet Union and U.S.*

*I shall review the individuals:*

*President Hoover was non-committal, but not hostile. I have reason to believe that his attitude is now more favorable towards Moscow than it was one year ago.*

*State Department. Secretary Stimson is first of all a lawyer, and he does not seem to be able to judge Soviet conditions or our relations without all the prejudice which law-paragraphs can give. He is not at all broad minded, and disclosed few statesmanlike traits.*

*R.F. Kelley,<sup>11</sup> who is in charge of the Eastern European Department of the State Department, is a decided enemy of the Soviets. He seems to take great stock in all kinds of rumors emanating from Warsaw, Riga and Bucharest, and he could never fall in line with my favorable reports.*

the Polish  
factor

*Ass. Secretary Cotton, who died more than a year ago, was the most able and most broadminded person in the State Department, in my judgment.*

*The State Department seems still to live under the shadow of ex-Secretary, now Chief Judge, Hughes. The policy inaugurated by Hughes is generally followed, and it is generally claimed that he still exercises considerable influence in that Department. It is also claimed that President Hoover values the advice of Hughes very much.*

*Commerce Department. I do not know the present Secretary and cannot give his views from personal contact. I have reason to believe that he is benevolent to normal trade relations. Most of the Chiefs of the various Departments, notably Cricher of the Transportation Department, Hopkins who is asst. Director of the Bureau of Foreign and Domestic Trade, and Chalmers of the Tariff Division are all very much in favor of normal relations with the Soviets.*

*An exception is Domeratzky of the Regional Information Division. I believe he is a Pole and seems to be filled with Polish hatred.*

Poland

*Treasury Department. Secretary Mills is against the Soviets and I have found him unwilling to assist in any way which might create better relations. Asst-Secretary Lowman is antagonistic to the Soviets, and Eble, the*

*Customs Commissioner, is a decided enemy.*

- p. 132 *Post Master General Brown has always shown keen interest in my reports and he always seemed willing to judge conditions, based on facts placed before him.*  
*On April 22, 1932, a joint resolution was introduced in the Congress requesting the President to establish normal relations with the Soviet Government. I was surprised to witness the apparent change which had taken place in the Foreign Relation Committees of the Senate and the House in favor of the Soviets. I had occasion to discuss the recognition resolution with many members, and I found an exceedingly friendly attitude.*  
*This resolution was sidetracked, but the very fact that it could be introduced plainly shows that there is a change in the sentiment of the Congress.*  
*It is no use to underrate the influence which the present depression has on the attitude of the U.S. towards the Soviets. Congress is not blind to the fact that at least 60,000 laborers were constantly employed in 1930 for making export goods for USSR. As the depression is far from over and will face the next Congress and the new Congress after March 4, 1933, there is every reason to believe that the attitude of the Congress will grow more friendly.*  
*It is contended by good authority that President-elect Roosevelt is very favorable towards the Soviets, and the leaders of the new House and Senate, Congressman Rainey and Senator Robinson, are both very much in favor of normal relations. Especially Rainey is fighting hard for better relations.*  
*I firmly believe that the new administration will handle the Soviet relations in a much more friendly way than the outgoing administration.*  
*Senator Walsh is prominently mentioned for Attorney General in the Roosevelt Cabinet. Walsh is very favorable to the Soviets, and as chief of the legal branch of the Government his word will carry considerable weight.*  
*Personally I do not believe that there will be much of a change in the attitude of the Hoover administration towards Moscow, but I look for a decided change to the better as soon as Roosevelt takes office”.*

p. 84 “Japanese-American relations” 19.1.33

- p. 85 “The report that just appeared that the Japanese have been engaged for a while already in expanding and equipping the ports on the islands that were given them by the Peace of Versailles as mandated territories south of the Philippines will undoubtedly make the Americans even more nervous about Japan. The Japanese state that these works doesn’t violate the accords, that they have trading objectives in mind, but these assurances will hardly provide any comfort. Whether the objectives are trade or something else, Japan’s naval ships are deriving benefits from these improvements, which Amer. admirals are not at all indifferent about.  
 Incidentally, people have now started talking about J.’s decision to hasten its naval maneuvers and conduct them this year precisely in those areas, i.e. south of the Philippines. The independence bill calls for the liberation of the Ph. in 10 years, but until then anything

could happen. It's no surprise that these Japanese maneuvers as well are causing additional annoyance in Wash. Maneuvers by the Amer. navy are coming in the near future (in February, I think), and their task will be to defend the California coast against an attack from the West...

The entire Unit. States navy (with a minor exception) is still concentrated in the Pacific Ocean, of course this is merely a precaution by Wash., but the chances of a peaceful resolution of the conflict that is intensifying and widening in that ocean from this concentration of forces are not necessarily improving. To be sure, the States don't want a war, they are unquestionably not prepared for one, but precisely for that reason one has start pondering the possibility (as insane as it is) of an attempt by J. not to lose a favourable moment for itself in the struggle with America, which, of course, it cannot avoid. Incidentally, in the past one could hear a similar argument about the possibility of an attempt by J. to get into a war with the USSR before it was too late. Now people talk about this much more seldom than before. In general, the hopes for an opportunity to provoke a clash between J. and the USSR have faded even among the most untemperate anti-Bolsheviks; people almost never write or talk about this. Resolving the conflict by this method no longer seems possible: despite all the zealously exaggerated recent accounts about the failure of the five-year plan and the agrarian difficulties the Union is going through, people apparently realize that the Union is strong and that J. knows this. It wasn't for nothing, people say, that Matsuoka stated in Geneva that J. must catch up with the USSR with regard to the technical equipment of its armed forces.

p. 86 [Deliveries of Amer. arms to China in 1930-32. Deliveries of arms from Britain and France to Jap.]

"As for the export to J. from the Unit. St. of cotton and scrap iron, nitrates and other nonpeaceful cargos, we have written about this more than once, and the fact that J. doesn't mention this while complaining about the aid America is supposedly providing to China can hardly surprise anyone. The shipments of nitrates from Hopewell in the state of Virginia are continuing to this day. The intensified link between the interests of Dupont and Japan is not being denied even now. The Winchester and Remington plants, which manufacture weapons, have even increased their numbers of workers over the past year, and this at a time when unemployment is rising everywhere and few people can doubt that these plants are being operated for the needs of J. The manufacturers of military products don't try to hide the fact that they consider it absurd to miss out on revenues that will otherwise go into the pockets of French and Brit. businessmen, and apparently like them are granting Japan credit."

Business trip  
by Kheifets to  
US!

p. 15 "Japanese ambassador tries to convince Amer. merchants that all evil is in the USSR"  
(apparently dated 3.2.33)

"The ambassador of J. to the U.S., Debuchi, who had been invited to a breakfast by the New York Chamber of Commerce, tried to convince his listeners that everything taking place in Manchuria will ultimately yield benefits to Americans, and more to Americans than to others.

The difficulties that have been noted over the past few years in Manchuria, he said, are the result of Russia's aggressiveness there. Since the war with Russia in 1904-05 J., which sacrificed hundreds of thousands of lives of its sons in that war, has spent two billion yen on Manchuria's development and on stopping Russia's forward movement toward the P. Ocean.

The creation of Manchukuo, said Debuchi, will open the doors in that region to everyone, and that is why J. recognized the independence of Manchukuo after it seceded from China. America will receive more benefits from Manchukuo's rebirth than any other country. There are no clashing commercial interests between Jap. and the U.S., he continued. Trade, on the contrary, binds J. with the U.S. more than others, the U.S. is J.'s best customer, and J. ranks third among Am.'s customers. In addition, J. is a middleman for selling America's products in China.

J. seeks to be a bulwark of order and peace in the Far East...

It's appropriate to add to this the report that appeared in the newspapers that J. is extremely concerned, supposedly, about the widespread rumor that Roosevelt plans to recognize the USSR and that people in J.'s govt. circles are apparently saying that such a step by the U.S. would be viewed in J. as an indicator of approval by the U.S. of the USSR's anti-Japanese policy in Asia."

p. 70

The Unit. States and the USSR. 3.1.33

"As we have already mentioned more than once, activity by the enemies of the USSR, which has now been intensified by the possibility of a change in the policy of Wash. toward Moscow in the near future with the forthcoming change of administration in March, is much more definitely noticeable than the activity of friends or the sentiment of those who, while not especially friendly toward the S.U., prefer to see a change in the States' policy toward it for financial reasons.

The concerted campaign by the press, which is now carrying on about the supposedly total failure of the five-year plan, as we have noted, apparently stems not so much from attempts to prevent a change in policy toward the USSR as from a desire to convince the public that life under communism is by no means better, and even worse than in capitalist countries, even during a grave econom. crisis (the existence of which few people now venture to deny or attribute to "psychological" rather than econom. factors). What touched off these articles were several pessimistic comments by Walter Duranty in The New York Times regarding the difficulties with food products in the USSR, although they were accompanied by clarifications that ultimately boiled down to the fact that, notwithstanding the unquestionable difficulties, which are quite natural in building a country from scratch on a completely new basis, and despite the disruption to a certain extent in the plan for economic development caused by fears of war in the F. East as well as by the fact that it was impossible to meet export targets because of the econom. crisis throughout the world, one cannot help but acknowledge the achievements by the USSR to be astonishing, and there is no reason to doubt that, for all its difficulties and notwithstanding all the attempts by the capitalist world to impede this,

see  
*"Moscow  
 Correspondents"*<sup>12</sup>

the S.U. is following the path mapped out by Lenin and, in Duranty's view, will of course overcome all the difficulties and will arrive at the goal for which the public, though grumbling, is enduring all sorts of hardships, is denying itself a lot in life and is sometimes working beyond its strength.

This benign criticism by Duranty, albeit somewhat underscored by the timing of its publication, was followed by an article by Will Durant, who has returned from a trip around the Union, in the Saturday Evening Post, which was filled with hatred of communism, and then one article after another by various correspondents of lesser caliber came pouring in, and appearances at meetings, debates, lectures, etc., by such characters as Don Levine, who became a celebrity at the time he announced his discovery that the S.U. cannot fulfil its pretentious plan for industrialization of the USSR, since the Union doesn't have sufficient reserves of the necessary raw materials, and so on and so forth. In other words, articles whose purpose was to prove the advantages of the capitalist system over any other by minimizing the achievements of the planned economy of the USSR, have been joined by articles and speeches that are straightforwardly hostile toward the Union and inspired by various Walshes, Matthew Wolles and their ilk who are working against the USSR and seeking by any means to prevent a change in the policy of Wash. toward the USSR for the better. One may think, however, that this campaign began too early and therefore its results will suffer significantly. By the time the question of what Roosevelt should do with the Russian problem comes up, a portion of the lies that have now been put into circulation about the analysis of the results of the first five-year plan before these results have even been calculated by the Union itself will have been refuted, and a portion will have been clarified in a completely different way than the people who

p. 71

spread the false rumors and gave false interpretations of various facts wanted.

Even now, along with the malicious attacks and distortion of facts, friendly items and articles are appearing in the press, information is printed about the USSR that depicts the situation in a completely different way than what the hostile campaign is providing. The same Eugene Lyons (a United Press representative in Moscow), along with exaggerated conclusions about food difficulties, reports, for example, on big achievements on the public-education front.

Along with distortions about the collectivization of agriculture he writes about successes in the struggle against illiteracy and about the rise in the number and importance of clubs, theatres, museums and other organizations supporting the cause of public education.

John Kingsbury, who has returned from a trip around the Union, writes about the completely extraordinary achievements of the USSR in the area of public health care; speaking at meetings of medical and other societies, he says that the health-care system in the USSR is organized on a wider scale than anywhere in the world. The president of Columbia University, Butler (a highly influential person in America), cites tremendous achievements by the Union in education, but he also gives to the press reports on the activities of the Society of Atheists in the USSR, which were obtained by one of the



organizations he heads from some "correspondent in Europe" and which are intended to harm the Union in general and at this point in time, when public opinion is being prepared for the review of policy toward the Union in particular.

The reports from the USSR on the new policy regarding the grain collection, regarding measures to stop the excessive turnover of workers at factories, regarding the tax in the form of milk and dairy products, all this is currently being subjected to brutal criticism, which in most cases shows ignorance and a lack of understanding, space is also being devoted to this in editorials, but people will probably get tired of all this soon, like everything in America, it will peter out, and the atmosphere for the hostile campaign will probably become less favorable. It's interesting to note that even a newspaper as reactionary and definitely hostile toward the Union as the New York Evening Post has carried even benevolent items in view of the growing understanding that the situation in the F. E. is developing in an extremely unfavorable way for the U.S., that America's interests have seriously suffered because Jap. was given an opportunity to do whatever it wanted with Manchuria and that all this was in large part the result of Washington's disregard for the S.U. as an unavoidably important factor in F. E. affairs; an understanding that rapprochement with the USSR is one of the primary steps for rectifying this incorrect policy by Wash. in Asia, is becoming the position of a growing number of people and is finding more and more supporters in various segments of Amer. society...

- p. 72 Of course, there isn't enough information yet to speak with complete certainty about what policy Roosevelt will adopt, there is much that hasn't been clarified yet, but one can say at this point that if the supporters of recognition become a little more vigorous, if during this period a few more speeches in favor of recognition are produced, a few more lectures and well-produced debates, articles and a little more activity among those who sympathize but aren't displaying their sympathy yet in any way, then it is highly likely that the question of recognition can be moved forward. The overall conditions right now are definitely more favorable for recognition than ever before, the mood for establishing trade relations with the USSR has definitely reached an intensity such that it can be used as a basis for preparatory work for recognition, and we think this work should now be developed to the maximum."

#### The Polish Question

##### File 17517 Vol. 1

- p. 223 [In May 1932 the station called C.'s attention to the Polish Press Information Service, which had opened in NY a few months earlier. Attention was called to an item on Litvinov's speech in Geneva.]
- p. 225 *Polish press information bulletin issued by The Polish Press Information Service. (Room 608A, 385 Madison Avenue).*

*“The purpose of the Bulletin of the Polish Press Information Service is to summarize and interpret some of the more important news emanating from or concerning Poland”.*

- p. 227 *“Litvinoff opposes moral disarmament”.*
- p. 228 *“On March 15, 1932, Political Commission of the Geneva Disarmament Conference appointed a Committee to study the Polish proposal for moral disarmament. The only voice of protest which was heard in Geneva on the occasion was that of Mr. Maxim Litvinoff, Soviet delegate to the Conference. The Germans, though voting against the proposal, refrained from protesting against it. It is not surprising that the delegate of the USSR thus voiced the opinion of his government. He should be congratulated on his frankness. Since the establishment of the Soviet regime, it has devoted its attention to spreading subversive propaganda in other countries. It has stirred up hatred against classes and against nations. It is just that sort of activity which would be punishable by law, if the Polish project is adopted. And – the expressive protest of the Soviet delegate demonstrates, how very necessary the establishment and enforcement of such a law is in Europe today”.*
- p. 229 May 1932
- “The enclosed copy of a brochure on the question of a review of the treaties concerning borders and the Polish corridor is an interesting sample of Polish propaganda abroad. The brochure was issued in Warsaw and is notable for its exquisite printing work. As for the substance, it is replete with exaggerations and juggling of the facts. As a method for influencing the Americans, who are the target of the brochure, it uses scare talk about German plans to get closer to the Sov. Union.” (Decision: “The material is of no value.”)*
- p. 238 *“The German demands have only as aim the subservience of Poland politically and economically to Germany. Still more, the present pressure of Germany to the east is also the realization of the plan of direct contact with Soviet Russia for the purpose of bringing into existence the German Soviet alliance, an alliance of revenge, as is without doubt the Soviet-German agreement of Rapalo extended and confirmed by the Berlin agreements in 1926 and 1931. Poland victoriously repelled the bolshevik invasion in 1920. What service she did to all Europe at that time is acknowledged by Lord d'Abernon, British Ambassador in Berlin from 1920-26, in his book “The eighteenth decisive battle of the world”. On the occasion of the 10-th anniversary of Poland's victory over Soviet Russia this eminent statesman writes as follows: “In many historic situations Poland has been the defending wall of Europe against Asiatic invasion. At no time have the services given by Poland*

*been greater, at no time was the danger more threatening”.*

*We have now the right and the duty to remind public opinion of the whole civilized world of this when the ideas of overthrowing existing treaties constitute a part of the bolshevik program, aiming at destroying entire legal order in the world”.*

p. 91 Poland's anti-Soviet propaganda in the Unit. S.

“As was already noted in previous summaries, the Bulletin of the Polish Information Service that is issued in NY continually engages in anti-Soviet propaganda, resorting to every available expedient and stooping to printing even the most absurd rumors and lies. The latest bulletin of 15 July, for ex., recommends to readers a new book on Sov. Russia that just came out in London under the title “Germany’s Russian Face.” The book was written by someone named Cecil Melville and, according to the Polish bulletin, is an exposé of the secret military relations that supposedly exist between Germ. and the USSR. Melville is a former correspondent of the Westminster Gazette who has traveled a lot around Europe and was stationed in Geneva at the League of Nations in 1927. In 1930 he wrote about an agreement that was supposedly reached between the Reichswehr and the Red Army, and revealed the circumstances of the death of the German officer Amminger in the USSR. What is interesting, of course, is not what the book is, but the fact that an official Polish bulletin printed abroad is engaged in promoting such books, whose purpose is to discredit the USSR in the eyes of foreigners.”

p. 5 Vol. 2. Bulletin dated 11.4.32.

[A plot to assassinate a Germ. diplomat in Moscow has been uncovered in Moscow. The Sov. authorities stated that a Polish citizen was the instigator of this attempt.

*“On March 16, the Polish Minister in Moscow requested the Commissariat for Foreign Affairs to elucidate this statement and name the “Polish citizen” in question, but to date no satisfactory reply has been received. The trial just concluded brought forth no evidence to substantiate the official statement.*

*Insinuations of plots hatched against the Soviet regime by foreign powers form one of the most frequently used weapons in the Communist propaganda arsenal.*

*The recent conclusion of a non-aggression treaty with Poland does not seem to prevent the Soviets from launching a tirade on Poland's “counter-revolutionary” intentions and her alleged designs on the integrity of the Communist empire.*

*Though possibly surprising at this time, these Moscow tactics are not new. Practically every spring since the establishment of the Soviet Union, rumors have been spread that an attack on Russia was imminent and that supreme efforts were required on the part of the population in order to be fully prepared for all eventualities. The result*

- p. 6 *of such tactics is that, for a time at least, "an impending Polish attack" stirs<sup>13</sup> the wavering communists into a spurt of new activity. It forms a good stimulus for the apparently waning stock of communist enthusiasm.*  
*It is doubtful whether this spring will form an exception. Tales of "Polish concentration on the border" will probably appear with the usual regularity and wealth of detail.*  
*To Poland little harm can be done by such tactics. But it seems regrettable that the spreading of false alarms is necessary in order to induce "the communistic citizens to perform their duties and possibly to detract their attention from the failure of ambitious schemes".*

Vol 3

- p. 126 The European Anti-Soviet Barrier." December 1932.  
 "Noteworthy for its shamelessness is a survey of the Baltic countries done by Robert Machray, the author of a number of books about the countries that various enemies of the USSR have used or attempted to use against it (among his books: "The Little Entente" and the recently published "Poland 1914-31" have had a certain amount of success, especially among those who like to comfort themselves with the hope that the Sov. Union will not last long). This survey, with the heading cited above, was printed in the December booklet of the magazine Current History, which is published by The New York Times and commands the attention of circles that are more interested in foreign policy than the daily press permits. In the high-level politics of the postwar period, he begins his article, the boundary that separates the Sov. Union from a number of border states, from the Baltic Sea to the Black Sea, plays an important role. These countries, from north to south: Finland, Estonia, Latvia, Poland and Romania...  
 Many viewed these countries not only as border states but also as making up a "barrier." This role was entrusted to Poland by Lord d'Abernon, who called that country "a barrier against the eternal threat of an Asian invasion." Recent events in the F. E. and the pressure of Japanese expansion on the Sov. Union have made some think that the above-mentioned countries don't want to content themselves with a passive role, but are thinking about possible aggression against the USSR from West in the event that J. attacks it from the East.
- p. 127 Then, analyzing the series of conferences that have taken place in the past in order to form a League of Baltic States and simply in order to achieve a consensus in the struggle against the USSR, the writer ironically stresses that the purpose of the 1926 alliance treaty between Poland and Romania, although it was specified as mutual defense against aggression, was obviously something more in actuality. What the agreement between all these countries boils down to, says the writer, is

that “the General Staffs of Finland, Estonia, Latvia, Poland and Romania shall maintain contact with one another and shall share the information they have, as a result of which no significant troop movement in the Sov. Union will escape their attention along the entire border from the Baltic to the Black Sea.”...

“In general, the Baltic states and other countries that border on the USSR sympathize with J., but not because they have particularly tender feelings toward that country but because they are pleased that J. is against the USSR and therefore they feel that their position is strengthened. They believe that, confronted with Japan as a problem, the USSR is already preoccupied enough as it is.

Some observers, our writer continues, regarded the nonaggression pacts that the USSR negotiated with most of the countries that border on it... as strengthening the overall position of the Sov. Union. But these countries don't share that view. Although they would like to preserve peace and are prepared to negotiate nonaggression pacts with the whole world, they view these treaties (with the USSR) merely as one more acknowledgment of the Russians' weakness. Then follows the explanation that these countries, he says, don't trust the USSR, but in light of the aforementioned factors about the touching unity of these countries' army staffs and the ironic comments about the word “defense,” we can disregard all of these explanations and draw our own conclusions about how the anti-Soviet elements view the treaties, which, however you look at it, capitalist countries signed with the USSR.”

File 40935 Vol. 1 "The US Government"

- p. 46 To Stalin, Molotov, Beria 12.12.44  
 "The USSR NKGB herewith reports the contents of cable No. 6344 dated 27 November of this year from the English ambassador in Wash. to the English For. Off.  
 The contents of the cable were obtained in London through an agent.  
 "1. The appointment of Stettinius as secretary of state will certainly be confirmed by the Senate. Translated into the language of the current political struggle, this signifies a victory by Harry Hopkins (Roosevelt's personal adviser—our note<sup>14</sup>) over Byrnes, who is an independent individual. (Byrnes is the director of the Office of War Mobilization—our note.) When the acceptance of Hull's resignation became known (the only reason for which is Hull's poor health), senators Connally and George expressed a desire to see Byrnes, a representative of the southern Democrats and their close friend, as his successor.
- p. 47 Two hours later the president announced the appointment of Stettinius, about which, it is assumed, he informed Connally and George. Stettinius told one of the State Department employees that Hull himself proposed him as his successor.  
 The most important and immediate result of this appointment is a closer relationship between the State Department and the White House, which undoubtedly is a positive development. Stettinius is a loyal protégé of Hopkins and never forgets it...  
 The president's intention now to conduct
- p. 48 his own foreign policy is becoming increasingly noticeable, Hopkins's old (New Deal) prejudices against the bureaucratism of the State Department, at least recently, have faded, and he is working with individual leaders of the department on a wider scale than before. This tactics will be implemented even on a wider scale after Stettinius's appointment. Stettinius has good relations with the Congress and the public. He is a young, charming, competent, energetic, educated, active Amer. administrator. Politically he presents a highly desirable contrast to the "tired old men" and the "Europeanized diplomats," who are condemned by the Amer. people.  
 Since the important strategic posts have been filled by such people as Forrestal, Harriman and now by Stettinius (Forrestal is the US Navy secretary; Harriman, the US ambassador to the USSR—our note<sup>15</sup>), the White House and Hopkins in particular are getting more complete control than ever..."

Merkulov

USSR People's Commissar of State Security

- p. 49 [Cable from "John" in London dated 8.12.44, based on data from "B."]

- p. 88 To Cde. Dekanozov, USSR NKID 23.11.44  
Re the appointment of the US ambassador in Helsinki and the chargé d'affaires based on information from Stockholm (rather than Wash.)  
  
Fitin
- p. 92 Information from "Cautious" dated 31.10.44 re the work in the OSS on a handbook about Japan. Surnames of the employees of the Far Eastern department and their descriptions. "Cautious"
- p. 98 Information from "Muse" dated 14.12.44 re the intensification of informational work in the OSS on the USSR "Muse"
- p. 99 The rest is sundry information on various issues, e.g. about the fact that "Dulles's daughter, who works for the OSS, has contacts in Yugoslavia. She probably lived in that country at one time and had a youthful affair with the king."
- p. 130 "Vadim" in Wash. on 22.6.45, based on data from "M," reports that the policy of redistributing power, which is being pursued under the guise of transferring power to representatives of the West, represents an orientation of the Democratic Party toward more conservative groups." "Mole"
- p. 131 Background on Senator Pepper based on a report from "Mole" "Mole"  
"Kane" is Senator Pepper
- p. 141 Memorandum re the balance of polit. forces in the Amer. Congress (based on press information and agent materials).  
The only agent report is a quotation from a cipher cable sent by the Engl. ambassador in Wash., Halifax.
- p. 142 "The English ambassador in Wash., Halifax, wrote in his report to the Engl. For. Off. on the political situation in the US as a result of the elections:  
"The result of the elections is the clearest approval of the Roosevelt admin.'s foreign policy. Almost as important as the president's re-election is the defeat in the elections of the isolationist leaders in the Senate and the House of Representatives (Nye, Danaher, Holman, Worth Clark, Fish, Day, Maas, Dies, Busbey and others. Note from NKGB). There is no certainty that the isolationists can gather the necessary one-third of senators' votes to block the treaties. The elections clearly showed the voters' approval of plans to participate in international affairs, a trend that, as I have reported, has been steadily growing across the country throughout this year."  
Halifax noted, however, that since "8 isolationist senators were re-elected, the R. administration will be forced to act with the proper caution."  
Addressing the outlook for the relations between the broad Democratic bloc that has formed around Roosevelt and the reactionary forces in the country, Halifax writes:  
It is hard to imagine that the polit. clashes between the New Deal and the Political Action Committee in its vanguard on the one hand and the bloc of reactionary Republicans and southern Democrats on the other will lead under the existing party system

to a rupture of that system and will radically change the current party structure, thereby creating a new polit. and economic situation. This is unlikely to occur during the Roosevelt administration, although it could begin immediately during the polit. hiatus that would form in the event of R.'s death."

- p. 151 To Cde. Vyshinsky, USSR NKID; Cde. Mamulov USSR NKVD. 14.08.45  
 "We have received the following information about the new appointments in the US. All of the changes in the US govt. are taking place not on Truman's initiative but under pressure from the chairman of the Democratic Party, Hannegan. With Hannegan's help, major oil industrialists placed their man, Clark, in the post of attorney general. Clark is a bribe taker. Truman is aware of this, yet he appointed Clark attorney general so as not to damage his relationship with Hannegan. The newly appointed secretary of Labor, Schwollenbach, is described as a man of liberal views, but easily influenced. The new secretary of the Treasury, Vinson, holds conservative views and is a protégé of US Secretary of State Byrnes, with whom he has been friends for many years. Byrnes secured this appointment based on the fact that the Treasury Dept. plays an important role in the conduct of foreign policy. He considered Morgenthau to be a dangerous liberal who was under the influence of radicals..."
- p. 152 Roosevelt's widow supposedly plans in the very near future to become politically active with a view to heading up the progressive forces, which can counter the influence of Truman's reactionaries. She is close to such people as, for ex., New York City mayor LaGuardia, Ickes, Morgenthau, Wallace and others.  
 We have information that R.'s widow would like to visit the USSR.  
 Fitin."  
 [Basis: cipher cable from "Vadim" in Wash. dated 8.8.45 based on data from "Near."]
- p. 158 To Cde. Vyshinsky, USSR NKID (memorandum from Fitin) 25.8.45  
 Background on the new US secretary of State, Byrnes.  
 [Biography, career – pp. 160-164.]
- p. 164 "In connection with the appointment of Byrnes as secretary of state all of the agent  
 p. 165 information that we have points out that Byrnes is regarded in US ruling circles as an experienced statesman, that he has the almost unlimited confidence of the Senate and the most conservative business circles, as well as the Democratic Party leadership, and will influence Truman in the realm of foreign policy.  
 The well-informed senator Kilgore, who headed

apparently  
 from "Mole"



the Subcommittee on War Mobilization of the Military Affairs Committee, stated in a private conversation that he regards the Byrnes appointment to the post of secretary of State as “the greatest danger to US foreign policy.”

The Byrnes appointment has been welcomed in the Congress and in all US reactionary capitalist circles and has been criticized only by the most progressive and extreme-left elements.

Taking note of this fact in his comments regarding the B. appointment, the English ambassador in Wash., Halifax, writes in his report to the Engl. FO:

“... What makes the progressive community apprehensive about B., to wit his close contact with the Senate, was precisely one of the factors that prompted Tr. to appoint B., since T. himself is a favorite of the Congress.”

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H. goes on to write:

“Members of the Senate regard B. as their man. He enjoys broad popularity in the Congress and in govt. circles. He is a close friend of T., who nominated him for vice-president in 1944.” One of the reasons for B.’s appointment as secretary of state, according to official reports and our agent materials, is B.’s ability to maneuver and operate in the reactionary polit. and business groups whose support he needs. Halifax writes on this point:

“B. considers himself—and this is acknowledged by others—a man who is good at the art of settling disputes.”

According to agent data, B. is a representative of powerful polit. and business groups, will play a big role in the conduct of U.S. foreign policy, and will resolve certain important matters on his own. They point out that B.’s strong suit is his

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excellent knowledge of the members of the Congress and knowledge of the ruling circles in each state, the biases and weaknesses of individual senators, the personal squabbles between them, etc. Skilled at peacemaking and mediating, B. knows how to use this and when and how to strike at his adversaries.

As for B.’s views with respect to the USSR and American-Soviet relations, we have information that, while B. formally supported R.’s foreign policy and upon returning from the Yalta conference publicly spoke out in favor of preserving the unity of the three great powers, behind the scenes he expressed displeasure with “R.’s overcompliance toward the Sov. Union at Yalta.” This is precisely what the alleged reason was for B.’s resignation as director of the Office of War Mobilization and Reconversion upon his return from Yalta.

Senator Thomas said in a private conversation that B. doesn’t understand the need for good, strong relations between the US and the USSR and will thereby cause harm to the US. In his view, B. is giving bad advice to T. in this regard. O’Neal, a member of the Democratic National Committee, said in a private conversation that during the San Francisco conference already B. was insisting to T. on “a tough position toward

“Mole”?

- p. 168 the USSR.”  
 Several agent reports state that the basic principle that B. will follow in US foreign policy will be to ensure the econom. expansion of the US. B. will encourage peaceful relations with the USSR to the extent that it doesn't interfere with the implementation of the plans of aggressive Amer. imperialism.  
 In regard to the appointment of Vinson as secretary of the Treasury Halifax reported to his govt. that “B.’s friendship with Vinson will probably bring about even greater cooperation between the econom. and polit. aspects of US foreign policy...  
 According to our information, Bernard Baruch, the well-known financial, social and polit. figure and  
 p. 169 former adviser to Roosevelt, said that neither B. nor T. agrees with his view that it is imperative to be tough with Germany and it is possible to develop good relations between the US and the USSR. Baruch expresses great apprehension regarding Byrnes’s foreign-policy line.  
 All of the official and agent materials point out that B. is a close personal friend and the right-hand man of T.”  
 Deputy head of Department 8 of the 1<sup>st</sup> Dir. of the USSR NKGB.  
 Mordzhinskaya
- p. 180 Report.  
 Memorandum to the personal attention of Morgenthau (no signature)  
 “It cites a request to the US ambassador in Bern in October 1942 from Secretary of State department Sumner Welles regarding the collection of information on Germany’s plans for the mass extermination of Jews in Europe. However, high-ranking State Dept. officials Atherton, Dunn, Durbrow and Hickerson were people who were drawing up the opposite instructions for Bern.  
 Long of the State Dept. also tried to conceal the current situation involving these contradictory reactionary actions by Atherton and the others.  
 Mail No. 1 from the US for 1944 source “Mer.”

## Volume 2

- p. 19 Memo “Truman’s Reactionary Inner Circle” (1946)  
 “After R. died one of the first questions that was raised throughout the world was the following: will the incoming president T. continue the policy of his predecessor R., will T. be able to exercise real leadership and control in the country, or will the central authority weaken and be divided among several members of the Cabinet and senators.  
 Now we can consider it completely established that almost with his very first steps T. departed from R.’s policy course and that both US domestic and foreign policy are guided more by a handful of reactionary politicians

who control the country's industrial-financial capital than by T. himself.

This situation is no accident and it was the only possible and acceptable one for the people who put up T. for the Senate and then for the vice-presidency of the US and who funded his election campaign.

A few months after T. came to the White House, 80 percent of the govt. Cabinet was replaced. All of the top posts were filled with people who have been associated for a long time with T. or by their protégés...

- p. 26 The Engl. ambassador in Wash., Halifax, sent his minister a cipher cable on Tr. the day after R.'s death (13.4.45). A number of points describing T. were expressed so candidly that they deserve to be repeated, especially since reality has validated the Engl. ambassador's assertions.
- The cable says that "Tr. is pro-British." "His position on issues of international politics, from our standpoint, is irreproachable." "It's quite possible that T.'s popularity in the Senate and the respect he has for the Senate will result in his heeding the advice of the Senate and seeking its support much more than the previous president did."
- [Halifax predicted the resignations of Morgenthau, Biddle, Rosenman, Ickes and Perkins; he listed Tr.'s friends.]
- "Tr. was a good friend to us in the past," the ambassador wrote. "He is an honest and well-informed person and is well aware of the limits of his own capabilities. He is prepared to listen endlessly to advice and to study new factors and technical issues. I am confident that he has a great interest in personally meeting with the prime minister and with you... The more quickly an attempt is made to secure the relationship between England and America... through personal contact between the makers of British policy and Tr. and Senate and State Department advisers, the more trust
- p. 27 T. will enjoy from the people close to him and the better it will be for the great alliance of our countries and for the world."

“Various materials on the US for 1924” File No. 7 Vol. 1  
(the first files in the archives are about White emigration)

- p.8 Handwritten message from one N. S. (~ N. Soroker):  
 “The Russian Refugee Relief Society (R.R.R.S.A.) has been founded in NY under the honorary chairmanship of Her Highness Irina, Princess Yusupova.”  
*“The Russian Refugee Relief Society of America, Inc. has decided to organize a Committee of Friends to be under the Honorary Chairmanship of H.H. Princess Irina of Russia, Princess Youssoupoff. Donors who contribute to the Russian Refugee Relief Society \$1000 or more, will be recorded as Life Friends of the Russian Refugees”.*
- p.4 Address: 350 West 87<sup>th</sup> Street, New York City.
- p.10 The same N. S. passed along a clipping from The NY Times of an interview with Grand  
 see Tsarev p.32 Duke Nikolay Nikolayevich by an *Associated Press* correspondent on 4 May 1924 N.N. lived “in a small country house some twenty miles from Paris”.
- p. 2 “*Exiles in Paris see Sovietism in peril*”:  
*“Exiled Russians living in Paris are greatly cheered by reports arriving almost daily from Moscow of an impending change. The struggle for power between the triumvirate, consisting of Stalin, Kameneff and Rykoff, and the moderate groups is growing more tense, in the opinions of Russians of distinction here, who believe that the present regime is toppling, and that even a slight push would throw it over. The hopes of both monarchists and liberals seem to unite upon the Grand Duke Nicholas Nicholaievitch, second cousin of the former Czar and once in command of the Russian armies... The Grand Duke had on a table at his side letters and reports just arrived from Russia, to which he made casual allusion, and continued:*<sup>16</sup>  
 ...  
*“The army is flesh of the flesh of the Russian people. When the hour of liberation strikes, and as soon as the people have recognized the necessity of overthrowing the yoke of the oppressors and of re-establishing the National Government, the army will come to the same conclusion and will cease to be a Red army. All those who, having remained in Russia, were forced to enter the Red ranks, will be only too happy to atone for their voluntary or involuntary treason toward their country. They will be joined by those who have shed their blood for the liberation of their country from the Communistic yoke and now are pining in exile, and there will be then one valiant powerful Russian army worthy of the greatness of Russia, standing guard over her honor and the peaceful prosperity of the Russian people”.*

- p. 12 To the OGPU INO  
From Kovno dated 21.9.24 to Menzhinsky, Yagoda, Artuzov, Pilyar, Vaynshteyn, Deribas.  
 “A new anti-Bolshevik org. has now been formed in NY, and this is the kind of propaganda that is being waged: “For a long time already there has been a developing need, and it has begun to be acknowledged, for closer business contact between various Russian public and commercial groups in the North Amer. U. States and Canada for purposes of a successful struggle against the dark forces of the International, which are hostile to their ideals and aspirations. The Russian-Amer. Financial Syndicate, which has formed for an active struggle, defines its most important task as serving as a link between diverse Russian national organizations – polit., cultural-educational, religious and commercial – unifying them in the struggle against the corrupting influences of international communism and the ongoing Bolshevik atrocity in Sov. Russia. To achieve this goal, the Russian-Amer. Financial Syndicate, formed by Russian and Amer. financial groups, is doing organizational work regarding business support and funding for such societies, unions and associations, which define their immediate tasks as: 1) fighting Sov. comm. and socio-polit. phenomena related to it that are corrupting the Russian state system; 2) promoting the restoration in Russia of legitimate and national-historical law and order that is capable of giving the Russian people free expression of its creative genius and ensuring for Russia strong development of its creative forces and 3) restoring and solidifying the unity of the sacred Russian Orthodox Church and a relentless struggle against the so-called “living,” or Soviet, church.”
- p. 13 [On 8.10.24 the OGPU INO received White Guard documents from the Standing Commission on Agricultural and Industrial Immigration of the Council of Labor and Defense. The documents came out of the US:]  
 “Such appeals are widely disseminated in America among Russian émigrés so that they send them to their relatives, acquaintances, etc. in the USSR. A directive should be issued to Political Control to carefully review letters coming from America in our mail.”
- p. 14 “To the Red Army.  
 For seven years the Jews have been reigning over Great Russia. For seven years they have been tormenting the Russian people, ruining the country, selling Russian land to foreigners piecemeal, while taking the money for themselves and buying houses and estates abroad. For seven years they have been abusing the Russian Orthodox faith and for seven years you have not only been serving the Yids but have also been supporting their power, by defending it when the worn-out people, your fathers and brothers begin to rise up. You point your rifles against your own, for the impious unbelievers.  
 For seven years you have been bearing the name of the red army. Discard it. It is shameful! You are red because the blood of your brothers is on you, those Russians who don’t want to submit to Yid authority, as they consider this a stain on them. The Yids called you that on purpose, so that everyone would know that you are their servants, that

you are red with blood.”

[It goes on to discuss Lev Bronstein, who used to be a sales clerk at a drugstore, during the war served as a German spy and gave out Russian plans, killed the tsar and his family, and now sits in the Kremlin Palace and reviews parades. The Germans paid Trotsky and Lenin 50 million in gold “to make a revolution, corrupt the army and bring in communism.”

Close ranks under the leadership of the Supreme Commander-in-Chief, Grand Duke Nik. Nikolayevich.]

“The Russian soldier has never been afraid of death, he has bravely looked into the face of even a formidable enemy, and he especially won’t be afraid of a handful of Yids. Russia’s salvation is in your hands. Standing shoulder to shoulder, empty out the weapons and ammunition depots with a concerted push and march boldly forward for the Russian Orthodox Faith, for Mother Russia, for the liberation of the Russian people from the Yid chains—forward!”

Union for the Salvation of Russia.

p. 15

(About themselves:)

The Union for the Salvation of Russia is a clandestine organization operating in Russia; has a department in Finland; agents in every country.

pp. 39-52  
pp. 128-175  
pp. 318-329

Copy of *Intelligence Summary for August 22, 1924 issued by Military Intelligence Division (G-2). War Department, General Staff.* (Europe, F. East, Lat. America.) Sent from Vienna. 5.10.24

pp. 56-73  
Engl. text pp. 75-97

Letter from US ambassador in Riga Coleman (F. W. B. Coleman) to the State Dept. dated 10.02.24

Regarding the relationship between the RKP, the Comintern and the Sov. govt. Based on Sov. newspapers. The participation of the Com. Party of America—quotes remarks by Zinoviev at the MOPR conference:

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“The Communist Party in America is legalized under the name of the Workers' Party, and has been so far a year already... The revolutionary movement in A. is just beginning, as a matter of fact, but A. is a powerful country in every respect and, therefore, even the first steps of the revolutionary movement there are of great significance. America is virgin soil for the work of the Communist Party.”

p. 81

“In addressing the conference of the M.O.P.R. (International Revolutionary Relief Society) Zinoviev said: “(IZVESTIA, №27, February 2, 1924): “The Communist Party in America is legalized under the name of the Workers' Party, and has been so far a year already... The revolutionary movement in America is just beginning, as a matter of fact, but that is a powerful country in every respect and, therefore, even the first steps of the revolutionary movement there are of great significance. America is virgin soil for the work of the Communist Party”.

[The file is a collection of miscellaneous materials on the US received from other countries, mostly European.

pp. 104-106

Re intelligence activity by the US Embassy in Constantinople. Received 4.8.24.

- p. 121\* From Riga dated 21.8.24 to the OGPU INO Chicherin, Menzh.<sup>17</sup>—Yagoda, Artuzov—Pilyar. “On Monday, 18 August the Amer. envoy in Latvia Coleman hosted an intimate luncheon, to which N. I. Guchkov, old man Lehrs and others were invited. Old man Lehrs is the former vice-president of the Moscow Russian-Amer. Chamber of Commerce, whose chairman in Moscow was N. I. Guchkov, as the Moscow mayor. Lehrs is an American by parentage, an Amer. national, lived in Moscow for a long time and conducted commercial business. Lehrs’s only son—John Lehrs—was at one time a secretary to the Amer. representative in Latvia, Gade, and then went to work for the ARA and was assigned to Moscow. The discussion at the luncheon was mostly on polit. topics and primarily about the situation in Russia. According to Coleman, America is best informed about the real situation in Sov. Russia. This quality of being well informed stems from the fact that all the offices of the ARA organization have assisted and performed intelligence-gathering functions. Informational material has flowed from all of the provincial offices to Moscow, where it has been systematized and then sent to NY...
- p. 122 In Coleman’s view, the downfall of the current authority in Sov. Russia is inevitable, mostly due to econom. factors, but guessing or predicting a time frame for this downfall is difficult, because in his view and that of the Amer. govt. such a downfall could occur all of a sudden and painlessly or it could be protracted and the dissolution will be very painful. The protracted form, in Coleman’s view, is possible only if the Sov. authority itself agrees to certain concessions or reforms and is able to secure loans abroad.”
- p. 232 From Riga 21.4.24 to the INO Menzhinsky—Yagoda, Chicherin. Message from the French ambassador to the Fr. MID dated 25.02.24. “The chairman of the American Federation of Labor, Gompers, who doesn’t miss an opportunity to state<sup>18</sup> that he and the workers’ groups that he represents are thinking about the Bolsheviks, recently published an article in the Brooklyn Eagle (reprinted by other magazines) in which he laid out his view of the new English govt.’s recognition of Sov. Russia. Mr. Gompers doesn’t see any reason or justification for such an important act. “It is impossible,” he says, “to allow any compromise with the communist autocracy in Moscow. Any compromise in some way is a victory for Sov. Russia—and consequently, a loss for democracy. No econom. factor can be
- p. 233 so significant as to justify this kind of step. What is most important is that a fundamental question is at stake. It is highly indecent that the representatives of a free people should to such a degree forget everything that has happened in order to recognize a regime which not only did not get its powers from the people but which has choked off any manifestation of freedom in the country, while declaring that its first and foremost objective is the overthrow of world democracy.”

- p. 248      From London dated 23.10.24 to Chicherin, Menzh.—Yagoda.  
 \*      “Two days ago, i.e. on Wednesday, 8/X, the Amer. ambassador came to the French Min. of For. Affairs and stated:  
 Washington is very concerned about the direction that French policy is currently taking toward Sov. Russia. To this point French and Amer. policies toward Sov. Russia have been unified, but at present a substantial difference in views is noticeable. While Fr. now plans to recognize the Sov. Govt. unconditionally, Washington continues not to consider it possible to start any talks whatsoever with the Soviets, until the latter give it categorical assurances of their readiness to give compensation for a potential recognition of Sov. authority. Wash. defines such compensation at present as a formal statement by the Sov. Govt. that it is prepared to fully recognize the right of all of Russia’s peoples to self-determination and to full autonomy.  
 The latest events in the Caucasus, however, have shown that the Sov. Govt. definitely intends to strike this principle from its program, something America will never agree to. Until today Wash. counted on support in this matter from Fr., but the line of conduct that the French have taken lately indicates that these expectations were mistaken.  
 Wash. certainly does not wish to exert any pressure whatsoever on France by interfering in its foreign
- p. 249      policy, but is compelled in the most amicable manner to warn Fr. that if it parts ways with America on this basic question, it will be very difficult for the Amer. govt. in the future to influence America’s financial circles, and particularly all the companies linked to Standard Oil, in order to maintain the exchange rate of the French franc.”
- p. 257      From Riga 23.12.24. To Chicherin, Menzh.  
 \*      “Upon returning from Wash. to Riga on 3 December, the ambassador of the N. Amer. Unit. States Coleman said that Hughes and others in Washington were very interested in the Russian issue, they asked him a lot of questions about Russia, and that Hughes stated in a conversation with him that as long as Sov. authority exists, Wash. doesn’t want to have anything to do with Russia, even if Sov. authority held on for another 25 years. Hughes stressed that, despite the campaign by Senator Borah and his supporters for recognition of the USSR, the govt. will never do this, however, since the USSR is a great nation, Wash. would like to see it as a member of the League of Nations.”
- p. 270      To Cde. Trilisser, head of the Foreign Dept. of the GPU  
 \*      Memorandum.  
 “From the informational materials in the possession of the NKID—it has the material only until October from America—regarding the attitude of the Amer. Govt., polit. figures, trade-union leaders, the press and public opinion toward the Sov. Govt., the following is clear:



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1. The Amer. Govt. still has a hostile attitude toward the Sov. Govt. The policy of ex-president Harding, which was guided by the Cabinet secretaries Hughes and Hoover, hasn't changed since Pres. Coolidge took office: despite increased pressure from several senators on the Amer. govt. to begin any talks at all with the Sov. govt., the Amer. govt. isn't changing its policy;
2. Over the past year the Sov. Govt. has gained many supporters among polit. figures, including senators, congressmen and others. Among the most notable (who can be called friends of the Sov. Govt.) are senators Borah, La Follette and others. (It is possible that La Follette and Borah will run for president in 1924.) La Follette has a better chance than Borah, because La Follette is backed by the large Farmer-Labor organization, and that organization recently already had a victory in the election of one of its senators to replace a Republican senator who had died.
3. The latest trips by senators, congressmen and other polit. figures to Russia provided a major impetus of sympathy for the Sov. govt. The majority of them who gave newspaper interviews take a favorable view of the Sov. govt., except for a few, and they are not of major significance. When the Senate begins its work, the group of senators who visited Russia can be expected to introduce a bill to begin talks with the Sov. Govt. It is difficult to foresee what form the bill may take, because there are some disagreements among these senators: some favor full recognition (Borah's view), while some favor an econom. rapprochement (Johnson's view). One way or another, the Russian issue will be of major importance for the elections in November 1924. The Democratic Party doesn't reveal a definite line regarding the Russian issue. People are already beginning to prepare for the coming elections.
4. Trade-union leaders are hostile to the Sov. govt., especially the president of the American Federation of Labor, Gompers, and his retinue. Wherever the Russian question is discussed, they take a hostile line and prevent the passage of resolutions for recognition of the Sov. govt., but then the masses themselves of the Union are for the Sov. Govt. This is obvious from the fact that 56 different unions have adopted resolutions for recognition of the Sov. govt. Typically, when Amer. govt. officials start talking about a rapprochement with Russia, Gompers starts pressuring them to contravene this (I personally know that Gompers has great influence among Amer. govt. officials).
5. The press, as always, takes the line "whichever way the wind is blowing," and especially the American press, depending on the mood of its bosses. Some pretty good comments about the Sov. Govt. have been noticeable lately.
6. As I mentioned above, 56 trade unions have adopted resolutions for recognition of the Sov. govt., and the public mood also confirms this. This is clear from the fact that major rallies for recognition of the Sov. govt. are taking place all the time.
7. The counterrev. Russian organizations are pretty well organized. They even have some influence on govt. officials and use all sorts of means to discredit the Sov. govt. (but we have very little material on them).
8. The agricultural situation in America is very critical, since farm produce isn't selling, and urban

output far exceeds agricultural (more material can be gathered on the farm-produce crisis if necessary).

p. 272 9. There are Russian representatives there, for example, from the Red Cross, Arkos and others, but there is no material on their activities yet, and there are also quite a lot of Amer. organizations working for recognition of the Sov. Govt. (I have a list of organizations).  
Special representative Osechko  
14.11.23.

p. 273 To Cde. Trilisser, head of the GPU foreign department.

\* "To follow up on my memorandum of 14/XI regarding the rest of the materials from the NKID and the materials that the GPU INO has, I can add the following:  
1) Even though<sup>19</sup> when the President of the U.S. of North America Coolidge took office and after he spoke with former Secretary of the Interior Fall (Fall visited Russia this year) he promised before the new Congress opens (the Congress is elected every two years, the elections take place in November and the newly elected Congress doesn't convene until December of the following year) that he would have a talk with the senators and congressmen who are for and against Sov. Russia, so that he can dispassionately deal with the Russian q. himself. But to this point he hasn't dealt with the Russian q. yet and it's possible that he already won't deal with it, since there will be a new presidential election in November 1924 and the Russian q. may figure in the campaign; it is also possible that President Coolidge is afraid of Gompers, who is an enemy of Sov. Russia, but one way or another, if the Russian q. is not brought up in the Congress this December, it will be stalled until the new presidential election.  
2) As for the action side in favor of the recognition of Sov. Russia, it is not very well organized, although there are a few organizations that are working in favor of the recognition of Sov. Russia, but they have not had major success because of their lack of cohesion. Their work must be coordinated.  
3) Commercial transactions, of course, can be started; one can sense there that if  
p. 274 we just start making serious deals with large companies, we can have major success; the fact that representatives of large commercial firms who have visited Russia have made pretty good comments about Russia.  
4) There are various representatives in America from us, Arcos, Vneshtorg, the Komsto on Reimmigration, the Red Cross, but there is no coordination of their work, on the contrary, one can sense contentiousness, and besides, the ACP lays claim to management and control.  
5) The ACP is quantitatively and qualitatively too weak to have influence in the Congress or in the Senate in favor of recognizing Sov. Russia.  
6) There is a disagreement on the reparations q. among the politicians: some favor interference by America in European affairs, while others are opposed; but the govt. itself opposes interference.

7) America's attitude toward Japan is very hostile. America is conducting intensive military intelligence in Japan. If Senator Johnson<sup>20</sup> for president (according to newspaper reports, Johnson will be nominated from the Republican Party), America's relations with Jap. will deteriorate even more, since Johnson is a strong opponent of Japan. Amer. mil. intelligence is producing summary reports on the poor condition of the Chinese army and on the good condition of the Russian Red Army. The assignments that the American General Staff is giving its military attachés are to ascertain the condition of the Chinese and Russian armies, and in the event that America goes to war against Japan, whether friendly relations would be beneficial or a joint campaign against Japan.

p. 275 8) White Russians have a strong influence in America, they are still making use of resources from Russian church property. (It will be possible to use to our benefit the priest Kedrovsky and others, who are waging a powerful struggle for the retention of Russian church property and the recognition of Sov. Russian ownership. It is also clear from the materials that they are adherents of Sov. Russia)."

Special representative Osechko.

21.11.23

p. 315 To Cde. Minkin, Chief Concession Committee under the Sovnarkom  
\* "In connection with the negotiations between the CCC and the American Harriman company regarding the granting of a concession for the Chiatura manganese mines, the view is being expressed among the German and English businessmen currently in Moscow that the signing of a contract would cause protests from England and Germany. The struggle to get this concession is currently taking place both in Russia itself and abroad among the biggest capitalist companies.

Harriman

Trilisser, Oct. 9, 1924

p. 317 Political summary report No. 37 from Section 1 of the counterintel. department of the OGPU  
Oct. 2, 1924

"The German national Ronnby tells Heinrich Rust, who is living in the Yevropeiskaya Hotel in Moscow, that England and Germany will make protests if the Amer. Harriman group gets the manganese concessions in Russia. The struggle to get this concession is taking place both in Russia itself and abroad [among] representatives of the biggest capitalist companies. Rust in Russia has contact with someone named Sv., from whom he is getting information about the situation and about the progress of the negotiations between various groups and the Sov. govt."

Harriman

Head of Section 1 of the KRO of the OGPU Formayster

p. 331 Narkomindel USSR cc: L. B. Krasin, M. A. Trilisser,  
To Cde. G. V. Chicherin, S. K. Pastukhov, Ya. Z. Mayers.  
\* Esteemed comrade.

I have already reported to you that after considerable effort we succeeded in Persia in negotiating an agreement through our mixed-ownership Shark company with the Ford Co. on the sale of its motor vehicles, tractors and parts in Persia.

There is no need for me to prove to you how important and politically significant this, to all intents and purposes, first deal of ours with Ford is. I would like to call your attention only to the objectives I set in doing this work and seeking this link to Ford. I tried in the process to find a project for a bilateral deal and a longer-term agreement between us and Ford specifically here in the USSR.

To implement the foregoing I am now proposing, already with the approval of Cde. L. B. Krasin, this plan:

We enter into an agreement with the Ford Co. for the transfer to one of our organs of a general representative power for the USSR and simultaneously for the construction by that company in southern Russia and in Vladivostok of assembly plants to build motor vehicles to be sold by the general representative office: from the southern plants, throughout our territory up to and including the Urals, and from Vladivostok, throughout the Far East and Siberia up to and including the Urals.

In addition, I also believe that the construction of assembly plants in the southern part of our country will enable Ford, and therefore

p. 332 us as well, to transfer a large portion of work from its Asian base—from Trieste—to us in the USSR, since it is more convenient in our country to supply vehicles to the markets of Persia, Afghanistan and our own, which was part of the intention when Ford equipped its Trieste base. If the theory that Ford's broad back is concealing hostile attitude by Hughes against the USSR is correct, then it is all the more imperative to take a close and positive look at the plan I am proposing.

For negotiations regarding this matter I detained the Ford representative in Persia, who entered into an agreement with us on work in Persia. He is waiting there for my invitation. His last name is Garicker.

I request that you urgently authorize the Office of the Plenipotentiary to issue him a transit visa through the USSR so that I can have a chance to invite him here as soon as possible.

I look forward to your response.

With communist regards, B. Shumyatsky

21/X—24

Ford

p. 333 \*

1. The principal objection to the plan proposed by Cde. Shumyatsky is the harshly anti-Soviet position taken by the Ford Co.
2. Ford's anti-Soviet activities are manifested in the subsidizing of a whole host of anti-Sov. organizations, e.g. the International Organization to Combat the Comintern, the Obara League and Russian monarchists.

Ford

3. This situation is especially notable for the fact that Ford has less reason for such a position than the capitalists who incurred serious losses as a result of the revolution.
  4. Proposals by the Ford representative in Persia Garicker are not authoritative enough to apply to the entire Union, since he is unlikely to be empowered by Ford to conduct negotiations for such an agreement.
  5. It's unlikely that moving the base from Trieste to Russia is so advantageous to Ford that he would abandon his anti-Soviet orientation in the pursuit of profit.
  6. As for the econom. benefits of the planned agreement for the USSR, the relevant interested agencies will provide their reports.
- However, even if this agreement is deemed economically beneficial, in this instance we will still have to take a negative view of it, bearing in mind the individual characteristics of Ford's attitude toward the USSR.

Head of INO Trilisser.

"Diplomatic intelligence" 1926. File No. 224 Vol. 1

- p. 15 Agent report on the International Committee to Aid Prisoners.  
2.1.26 To Cdes. Menzhinsky, Dzerzhinsky, Litvinov.  
"Like all such organizations, the above-mentioned committee consists of a small number of active leaders, surrounded by a wider group whose connection with the committee is based on sincere conviction, sentimental feelings or chance, is less tightly knit and more or less random. In this case the committee's active nucleus consists of Roger Baldwin, the chairman Henry Alsberg, Vladeck (Charney) and Charles Ervin. The rest of the members, who include such names as Eugene Debs, Robert Lovett, Norman Hapgood, are a decorative and inactive periphery for the activities of the leadership group.  
Roger Baldwin is an ardent representative of the pacifist-anarchist cult of freedom, which he places higher than any other interests or goals. His commitment to democratic-pacifist theories of freedom of speech and nonresistance have brought him into conflict with Communists and the Sov. govt., who reject these theories.  
Alsberg is a comrade-in-arms of the anarchists Emma Goldman and Alexander Berkman, and apparently shares their animosity toward any organized govt. and toward the Sov. one in particular. Vladek is the dir. of the Jewish Forward, a newspaper whose hostility to the Sov. govt and to Communists surpasses the attacks of any other newspaper in America.  
Ervin is an old member of the Socialist Party and has long engaged in factional debates with the Communists.
- p. 16 Each of these individuals in various instances has displayed his fundamental disagreement with communist theory and an open hostility to the Sov. govt. It was therefore inevitable that a Committee headed by such individuals would sooner or later exhibit open hostility to the Sov. govt.  
[The committee recently released a book of 317 pages titled "Letters from Russian Prisons" (Albert and Charles Boni, NY, 1925). The foreword was written by Baldwin. The book was compiled from documents showing the Sov. govt.'s methods in prosecuting political prisoners and conditions in Sov. prisons and exile. The documents come from individuals who were arrested or exiled by the Sov. govt. They were collected with the help of the Amer. journalist Isaac Don Levine.]
- p. 25 "After some initial, seemingly pro-Bolshevik, prancing in the form of several dispatches and a couple of books, Levine in 1919 adopted a definite anti-Soviet "orientation," which manifested itself Don Levine
- p. 26 especially in the publication of a book by Maria Bochkareva, a former commander of a women's death squad. This Bochkareva, a semiliterate woman, was brought to the U.S. at the time to describe the Bolsheviks' brutal deeds to gullible listeners, including Woodrow Wilson. Levine supposedly wrote this book based on Bochkareva's account, supplying it with a foreword under his own name.

p. 28

\* Agent report from Wash. dated 4.1.26 to Menzh.—Yagoda, Dzerzh., Chicherin, Litvinov, Stalin, Gurevich, T. (Trotsky)<sup>21</sup>.

Possibly a  
ROSTA corr.  
Russian.

“On Saturday, 21/XI “X” was received by Senator Borah. Senator Borah warned him at the very outset that he was not speaking for publication on the Russian q. because nothing but harm could be expected from it; he willingly agreed to fill in “X” for his personal guidance.

Borah

In his view, recognition of the Sov. Govt. cannot be expected anytime soon. Of course, the Senate will raise the issue, but he isn’t confident of success because the Cabinet isn’t psychologically ready for this step yet. The Cabinet secretaries who are more involved in this q. than the others are Hoover, Mellon, Kellogg, and right now they are the busiest people in the world (he said this not without irony).

When “X” asked whether there is a majority in the Senate in favor of recognition of the USSR, he replied that on foreign-policy issues there is no majority against the govt. Recognition of a new govt. is the prerogative of the Cabinet, and the Congress cannot impose on it relations with an unacceptable govt. Nevertheless, apart from a direct vote against the president, it seems possible to exert pressure on the govt., and this is being done all the time, and especially will be done during the forthcoming session of the Congress.

p. 29

“X” asked what the Cabinet’s motives were in opposing recognition; he replied that there have been various motives at various times. Hughes, as a constitutionalist, was expecting changes in favor of constitutional principles. When the initiative passed to Hoover, econom. interests took priority. Now the influence of international factors can also be felt. Actually, they have always been considered, but since Kellogg’s arrival they have begun to be stressed more...

He complained about the lack of public support. The press is almost totally opposed, and again the reason for this is that on foreign-policy matters no one can bring themselves to “make trouble” for the govt. “X” used this point in the discussion to ask him whether certain commercial circles are indeed pushing for recognition of the USSR. He replied that that was indeed true, but it was by no means on a massive scale. In Borah’s opinion, the views of broad commercial circles in Wash. would at least force the Govt. to put the matter on the agenda. Under current conditions one has to wait for some psychological moment to raise the issue of Russia to the fullest extent. He went on to comment that, in speaking about help from the public, he doesn’t mean only commercial elements. On the contrary, assistance from the intellectual sectors would be even more desirable, because their opinion would carry weight as the opinion of individuals who have a direct interest; trade leaders are usually accused of having a personal interest...

p. 30

The conversation about the situation in Russia, in which Senator Borah is very interested, went on for a long time. He knows that the comments of people who recently returned from Russia, are very optimistic. Half in jest, “X” asked him the reason for his intercession in favor of recognition of the USSR, to which he replied also half in jest “that not everything in America is about dollars,

contrary to Europe's view, there is also a principled attitude toward issues here. "We don't care about the internal regimes of other countries," he said, and many of us firmly hold this position. The attitude toward Russia today is one of the grievous legacies of Wilson, who wanted to impose everywhere his views and his notions of how people and peoples should live together." (The twinkle in his eyes was full of irony.)

Senator Borah is a typical western farmer's son, proud, self-important, steadfast, but polished and very courteous. There is a certain arrogance and theatricality about him, but he is without question sincere."

- p. 34 \* Message dated 2.1.26. To Stalin, Litvinov, Chicherin, Gurevich, Menzh.—Yagoda, Dzerzh, T.  
 "Borah is now skeptical. He doesn't believe that the prominent capitalists are really afraid of communist propaganda; on the otherhand he thinks that they are indifferent and don't want to take on the initiative of overcoming the hostile trend of public opinion, which is pervaded by prejudices and fears. The time hasn't come yet when they realize the necessity of such a step. Still, B. is convinced that the Russian q. will come to the fore in the Senate after the tax bills leave the scene. This will probably happen in March.  
 He refuses to say anything about the current chances. He says he doesn't know how many members of both houses have changed their hostile attitude to a more favorable one. He is convinced that the trend is changing for the better. Russian trade with the Unit. States is substantially promoting this."
- p. 35
- p. 83 Agent message from America 4.1.26 to Menzh.—Yagoda, Chicherin—Litvinov.  
 "On 9/XII a very prominent Englishman had a conversation with Hoover about the USSR. Hoover told his distinguished interlocutor that the viewpoint of the Govt. and his own regarding recognition of the Soviets remain the same:  
 1. The States will not get any polit. benefit out of recognition. The govt. has not hindered trade relations with the USSR and won't hinder them. Personally he, Hoover, is ready even to support cooperative trade organizations by expanding their credit, which he has demonstrated in practice. It is sad to see the Govt. of a such a poor country as Sov. Russia spend funds so frivolously. It allocated 50,000 rubles for the congress of Negroes. We all know that a large portion of the money was stolen, and what did they prove in the end? We know that Moscow agitates and plays dirty tricks wherever it can, but here in the States all that will come out of it is flimflam.  
 Therefore one of Coolidge's 2 advisers continues to be uncompromising, and Borah's "noble gesture" will be left hanging, unless something extraordinary happens. Recognition in the near future is unlikely unless this scoundrel throws out something here that is really new and smart."



p. 177

From America 2.4.26 to Chicherin, Stalin, Rykov, Menzh.—Yagoda, Cde. T.

“The consensus in the parliamentary and top official circles of Wash. boils down to the fact that the q. of recognizing the USSR will come to the fore right after the elections to the Congress in November of this year; until that time nothing will be undertaken on this matter. Senator Borah recently had a discussion of this q. with President Coolidge. The president is said to have commented directly on the q. of recognition for the first time during that discussion. I am not opposed to recognition, he reportedly said, but it’s not up to me to make propaganda for it. That’s your job.

Borah himself is unconditionally in favor of recognition: “The most often used argument against recognition is that Bolshevik propaganda poses a danger to American polit. institutions. We shouldn’t be afraid of this at all. Bolshevik propaganda in this country will have no success as long as the living conditions of Amer. workers are much better than those of European or any other workers throughout the world. And if econom. conditions here become radically worse, revolutionary ideas will start to gain a foothold here even without Bolshevik propaganda.”

pp. 318-326  
 \*(written by an  
 American)  
 p. 318

General overview of the question of recognition of the USSR. 24.4.26 Agent message from America. To Yagoda, Chicherin—Litvinov, Stalin, T.

“The question of recognizing the USSR should on no account be considered one of the problems that are of the greatest interest to the Amer. govt., or Amer. financial-econom. interests. In general, since the Coolidge admn. does not have a definite decision about the next step on the Russian q., it is temporizing, leaving this q. to time and public opinion, with a certain slant, however, in favor of future recognition. This attitude of the admn. is based on the view, commonplace as it is but still persuasive, that a govt. as strong and stable as the Russian one eventually must be recognized. Accordingly, the admn. does not oppose the attitude of financial circles, which leans in favor of recognition, but to the contrary, is quietly and cautiously supporting it...

... It should be kept in mind that the Foreign Affairs Committee of the Senate and especially of the Lower House have almost no information about foreign affairs and display very little interest in them. The only competent and decisive factor in Amer. foreign policy is the Admn. When the Admn. pushes a button in the Foreign Affairs Committees, the Congress usually agrees with it. The frequent differences of opinion between the Admn. and the chairman of the Senate Foreign Relations Committee, Borah, by no means signifies that the Committee as such is turning into an opposition to the govt....

p. 319

Nonmembers of the Committee who would have an interest in recognition of the USSR based on their progressive tendencies include La Follette, Wheeler and Norris. Their view of this q. boils down to the idea that the US govt. must recognize the USSR simply on the basis of intl. law and common sense. This recognition must take place without any stipulations regarding commun. propaganda in the US or any other country.

They believe that ordinary Amer. laws amply protect against overt action by the Amer. Communists (an attempted uprising); as for verbal communist propaganda, it is fully permitted by the Constitution. Even if communist propaganda is capable of overthrowing the existing Amer. system, they say, it fully deserves this. Of course, such a possibility coming from their lips is a rhetorical turn of phrase, because essentially they are still committed supporters of Jeffersonian democracy. Borah's views fully coincide with the opinion of the above-mentioned trio...

p. 319 As a result, the decisive factor in the q. of Russian recognition, since it is basically decided by the govt., is the Admn.

The attitude of the Admn. (i.e. Coolidge) to the Russian q. is determined by many contradictory factors. The top officials of the various desks of the For. Min. are fully informed about the situations in the various countries. But they often display a bureaucratic attitude toward various issues and in general have little influence. To the extent that he issue involves Coolidge's Cabinet, he is susceptible to the influence of only two men—Mellon and Hoover. Hoover's influence on a resolution of the Russian q. is substantially defined by his interests, which are primarily mining and metallurgical interests in China. The current status of his Chinese financial ties makes him an opponent of Russia and of recognition. But at the same time Hoover is an extremely intelligent man. As the head of the Commerce Department, he uses that position to consolidate and protect US business interests abroad, which he does with extraordinary skill. If these business interests demand recognition, Hoover will yield to them. There are indications that he is not an active opponent of recognition, but is waiting for a satisfactory resolution of the Chinese mess and other international complications before taking a more decisive position.

The most powerful member of the Cabinet is undoubtedly Mellon. There is a strong probability, now that the tax issue has been resolved in a manner satisfactory to him and to big capital, that Mellon will retire in glory. He is old and exhausted, and would like very much to rest on his laurels. At any rate,

p. 320 even after retirement he will have enormous influence on govt. affairs. In the view of informed Washington observers, Mellon is tempted to approach the q. of recognition cautiously but favorably. He is a relatively objective intl. banker who is pondering the advisability of resuming ties with Russia. His monopolistic dominance of the aluminum and bauxite industry is international in nature, and so are his numerous and varied business ties. This creates a strange muddle of concepts in his head. A reactionary in America, he is pseudoliberal on foreign matters. In the close-knit circle of presidential advisers he is increasingly pitting his influence against that of Senator Butler, Coolidge's closest personal friend and the purveyor of his views in the Senate. Butler represents the most conservative wing of the Republican Party. Representing the interests of New England's textile industry, he is an advocate of high tariffs. A constant struggle is undoubtedly taking place in the president's mind between the views of intl. bankers as personified by Mellon and the New England manufacturers represented by Butler.

Evidently the president is personally tied more closely to the New England interests and is more susceptible to Butler's influence. The latter, incidentally, is running for re-election in November, and almost no one doubts that he will be beaten by former senator David Walsh, a liberal Democrat..."

[Position of the State Dept.:] "It is difficult to determine the view of Kellogg himself, because in all likelihood he<sup>22</sup> doesn't have one. He is known as a "nervous Nellie." This nickname comes from his nervous and cowardly attitude toward foreign matters. He personally doesn't have a decisive influence on the country's policy."

- p. 354 Agent message from A. dated 5.5.26 to Stalin, Rykov, Yagoda, Chicherin—Litvinov.  
"According to a private remark from Kellogg, it is not out of the question that confidential negotiations on recognition of the USSR could begin through the ambassador in London, Houghton, a supporter of recognition. The States' terms are known. The administration is not afraid of communist propaganda."
- p. 369 [The information is apparently from a journalist who interviewed Kellogg on 19.4.26. The transcript of the interview has also been sent to Yagoda, Rykov, Stalin, Chicherin—Litvinov.]
- p. 370 Kellogg mentioned Ambassador Houghton after the official interview.]
- p. 367 The US on the neutrality agreements of the USSR. From America 8.5.26  
\* To Chicherin-Litvinov, Stalin, Rykov, Yagoda.  
"Official Wash. is keeping a close watch on Russia's effort to enter into agreements on mutual neutrality with the Baltic states, Poland and Germany... The official viewpoint is approximately as follows:  
Russia regards the LN as a capitalist League, which eventually will be used, directly or indirectly, against Russia. As a result, the USSR is taking advantage of the League's current difficulties and the signs of its disintegration to bolster its own position in Eastern Europe... The obvious benefit to Russia that the neutrality agreements with its western neighbors provide is recognized here. However, they can be achieved only at the League's expense. The point is made that the Covenant of the League obligates its members to take common action against a power that attacks any of its members. Therefore the proposed neutrality agreements between the USSR and its western neighbors theoretically run counter to this LN Covenant. In short, the view here is that, although the planned neutrality agreements with the USSR may theoretically conflict<sup>23</sup> in some way with the LN constitution, in practice they don't conflict with it, except perhaps for Romania. There is no certainty here, however, that one of Russia's neighbors, for that matter, won't attempt to attack it in the future. In that event, of course, the guilty party, with or without France's help, will attempt to arrange things so that the blame can be pinned on Russia. Under this smokescreen other enemies of Russia could use the LN constitution as a justification for supporting the attack on Russia. The League's chiefs, therefore, are expected to attempt, insofar as it is possible, to derail the proposed neutrality agreements.  
The most importance is attached to the negotiations for a neutrality

agreement between Russia and Germany...

A de facto alliance between Russia and Germany has long been regarded here as inevitable. While the foreign ministries of other countries point to the relatively meager results obtained by Germany from the Rapallo Treaty, interpreting them as an indication that Germany in the future will abandon the unsuccessful cooperation with Russia, the local foreign ministry takes the opposite view.

p. 368 As long as Poland exists, Germany will be compelled for its own protection to seek friendship with Russia. All the confidential reports coming in here corroborate the impression that Germ. is building its foreign policy once and for all on this basic factor. This factor consists of obvious econ. benefits that derive from the close economic cooperation between Russia and Germ.

The view here is that Russia's negotiations with its western neighbors (except for Romania) for neutrality agreements, along with Russia's refusal to participate in the LN preparatory conference on disarmament, will serve, in the hands of France, Romania and others, as a starting point for an extensive campaign against Russia and its supposedly imperialist and militarist policies.

In this regard two facts should be underscored:

1. France and its vassals essentially do not believe in Russia's aggressive intentions.
2. The US govt. does not believe<sup>24</sup> that Russia is a military threat to the rest of Europe.

During his visit here Houghton painstakingly explained to Coolidge and Kellogg that an increase in propaganda against Russia is coming in Europe and that the U. States must take it into account in advance, despite the fact that the French Foreign Ministry has already managed to convince Amer. representatives in Paris of this fact."

p. 400 From America 3.6.26 to Yagoda, Stalin, Berzin, Chicherin—Litvinov, T.  
Revolt in Poland.

"Twelve hours after Pilsudski's revolt erupted in Poland, the US govt. had still not had any direct reports on it...

P.'s movement is viewed here as an attempt to establish a fascist dictatorship. Similarities are drawn between the polit. situation in Poland today and the situation in Italy on the eve of Mussolini's coup...

The view here is that his coup attempt is supported by powerful French influences and that, in addition to establishing an internal dictatorship, he plans a more aggressive foreign policy toward Russia and Germ. According to reports received here that are based on preparations for the revolt, which were under way for the past few months, P., despite several "radical" aphorisms of his, remains the same chauvinist he was when he was waging war against Sov. Russia."

“Diplomatic intelligence” 1926. File 224 Vol. 2

- p. 10 Memorandum “Re Econom. Relations Between the USSR and the Unit. States of America” dated 16.7.26 to Rykov, Chicherin, Menzh.—Yagoda, Gurevich, Prokofyev. “Material written by one of our agents, a long-time Amer. resident and good expert on the Amer. econ.” (Possibly Ye. I. Omelchenko (citation of his book) – p. 22)
- p. 12 “The question of how to treat Sov. R was a burning one for Amer. public opinion about six or seven years ago. The war had just ended. The specter of communism and world revolution had risen up in Eastern Europe. In the atmosphere of war hypnosis, the idea was drummed into the broad masses that Sov. power was merely a blind tool under German control. Amer. soldiers were in Siberia and in the area of Archangel. The question of how to treat Sov. R. seemed very important and vital to everyone.  
The situation has changed drastically since then. The war is almost forgotten already. The econom. position of the Unit. S. is basically satisfactory. There is almost no unemployment. The Sov. Union is far away. There is little direct benefit to be seen from it. Nor is there direct harm or the threat of revolution. So why worry, does it really matter whether Wash. recognizes Sov. R. or not? Wouldn't it be better to leave this question to the professional politicians, let them deal with it. This matter is of little concern to individual citizens of the Unit. S. This apathy of the broad masses of the Amer. people toward the USSR is the main factor defining the atmosphere that surrounds the question of recognition.  
Official Wash. supports and cultivates this apathy. One isn't supposed to speak about recognition of the USSR. The entire inertia of the enormous bureaucratic machinery supports and illuminates the established attitudes toward the Sov. Union. It is not only taking on the force of an old custom, but seems quite normal. Previously Wash. repeatedly had to justify itself before various groups for its policy toward S. R. In so doing, the point was made everywhere that relations aren't normal, of course, but this abnormality is only a temporary phenomenon. Now it is completely the reverse. Any proposal regarding a re-establishment of relations with the USSR seems highly innovative, like a desire to change the established, normal order. And the initiators of such proposals are forced already to justify themselves for their encroachments on entrenched tradition...
- p. 13 In short, despite a few sharp deviations, pressure from supporters of recognition continues to increase. But it's still a long way to recognition. A whole host of random occurrences favorable to the Sov. U. must still accumulate. And then some episode that in itself may be very minor will tip the balance in favor of the supporters of recognition. It's very difficult to foresee exactly when that moment will come, precisely because of the major importance of the element of randomness in the current status of the recognition q. Perhaps negotiations with the S.U. will begin during the next six months, or maybe we will have to wait another two years.

- In these circumstances S.U. policy must pay increased attention to all of the so-called random factors
- p. 14 that have influence in Wash. In this regard the following measures can be recommended:
- 1) The work of Soviet econom. orgs. in the U.S. must be of a strictly business nature. They must create an atmosphere for a benign attitude toward the USSR solely through their seriousness and businesslike manner. Sov. organizations must do a good job of carrying out their commercial mission. The organizations must not engage in any activity other than pure business. In particular, no matter how tempting work in favor of recognition of the USSR may seem, it must absolutely not enter into the functions of Sov. econom. agencies in the Unit. States.
  - 2) An invitation to various kinds of Amer. commissions consisting of members of the Congress and generally of people close to the Repub. Party, which is in power, to come to the Sov. U.
  - 3) The appointment of several Amer. citizens from among circles friendly to the Amer. admn. as unofficial proxies of the S.U. in Wash. In this way a certain semiofficial contact would be established between Moscow and Wash. Such an unofficial representation would significantly strengthen the work of the Russian Information Bureau, headed by B. Skvirsky, which now operates in Wash.
- pp. 19-22 [The activities of Amtorg and other orgs.]
- pp. 14-18 [USSR-US barter: practical advice.]
- p. 22 [Immigration]:
- “In considering Russian-Amer. econom. relations at their present stage, one should not overlook the fact that R. has not one but two trade-balance assets in the U.S.—Russian exports and Russian immigrants. The second item in econom. terms seems no less important, and probably more so, than the first one.
- [According to the 1920 census, there are 1,400,495 people in the US who emigrated from areas that make up the territory of S.R.
- p. 23 More than half are Jews; one-quarter are people who regard Russian as their native tongue (also Jews for whom Russian is their native tongue). + immigrants’ children born in the US who in many cases know Russian. total > 2.5 mil.]
- p. 25 “Amer. immigrants are connected by strong albeit gradually weakening threads with their old homeland. While adjusting to the conditions of Amer. life, becoming assimilated and Americanized, this mass continues to follow the events overseas very closely and to react nervously to all the turns in Amer.-Russian relations.
- Immigrants provide financial assistance to their relatives and friends who are in the S.U. Immigrants detach worker cooperatives and communes from their community and send them to the USSR. Small and medium-level capitalists who are interested in Sov. concessions also gather in this community. Immigrants will be a significant factor in the distribution of Sov. loans in the U.S. Finally, immigrants are also important as a force influencing Amer. public opinion.
- This status and influence of immigrants must always be kept in mind when structuring the econom. policy of the S.U. in the US.

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The cultivation of a benign attitude on the part of immigrants toward the S.U. must be an essential element in the USSR's Amer. policy today. Later, when the S.U. receives legal status in the U.S., the tasks of the Union's plenipotentiary representatives must include direct protection of the econom. interests of immigrants."

[Resolve a number of problems: 1) unrestricted return to the homeland—visa and passport processing

- p. 27 2) money orders from immigrants. According to approximate calculations by the Amer. Dept. of Commerce, immigrants in 1924-25 transferred 25 mil. doll. annually to the S.U. A total of 8 mil. doll. was imported from the USSR to the US in 1924, and 13 mil. in 1925. "Hence it is clear that Russian-Jewish immigrants in the Unit. St. are a much more substantial asset for the Sov. U. than all Sov. exports to America."
- 3) The return of skilled workers to the S.U.

- p. 41 [Attracting Amer. tourists]:

"Love of foreign travel is a kind of national characteristic of Americans..."

- p. 46 At present Amer. tourists barely visit the S.U. at all. Is it possible to draw to the S.U. at least 10 percent of the whole wave of tourists who go to Europe. This will amount to 35,000 people a year.

- p. 47 [The minimum costs for each tourist to the USSR are 800-1000 doll. => 30-35 mil. doll. a year, which is more than the total amount of money orders by immigrants and is significantly more than all of the Sov. exports to the U.S. =>

1) to solve the visa problem; 2) develop routes and guidebooks

- p. 48 in English, hotels, etc.; 3) to create a bureau in the US to encourage tourism in the USSR.

- p. 87 Attitude of the financial circles of the NAUS toward the USSR. 16.9.26

To Stalin, Gurevich, Chicherin, Mikoyan, Menzh., T. Agent material from the US.

"A vice-president of Chase National Bank who belongs to the modern type of banking leaders who are proficient with the pen and use it to defend the interests of big capital reaffirmed in a private discussion that Chase National Bank, unlike other Amer. banks, was and is now the financial institution that has long recognized the necessity of working with Russia. Thanks to this, it now finances a significant portion of Russian imports from the US, and a large portion of Russian banking transactions in America pass through it.

He went on to say that crucial circles in the financial world are starting, bit by bit, to become convinced that Europe's revitalization is impossible without Russia, and the more the US govt. drags its feet with recognizing the USSR, the longer this revitalization process will take. True, the current US govt., in the vice-president's view, is not so interested in Europe's revitalization that it would take some steps in the Russian q. for that reason alone, especially since the same Repub. Party for 30 years has hindered the indus. development of the southern states of the NAUS or at least did nothing to aid this growth. However, here is where a purely Amer. interest comes into play. The natl. wealth of the US is growing bigger and bigger, and the increase in capital is taking on ever larger dimensions. Last year alone A. produced

27 bil. worth of new assets. Despite increasing extravagance, the country wasn't able to spend more than 21 billion of it, and the remaining 6 billion had to be put into savings accounts and banks. Taking into account the sums that have already been saved up, the further accumulation of cash capital will bring about increasing inflation of assets and so the country eventually will wind up in a vicious circle. Given the fact that the States' growing means of production exceed its own needs, and exports are feasible only

- p. 88 by granting foreign customers new loans, the q. of their creditworthiness therefore takes on for A. paramount importance, both econom. and psychological.  
As for the q. of recognizing the USSR, the banking leader expressed the view that the failure by Am. to recognize Russia is largely attributable to foreign propaganda; he even backed up this view with a number of his own observations and bits of information. This underground propaganda is supposedly even being conducted by governments that have recognized the USSR themselves, e.g. England, France, Germ., Italy and Poland. Having recognized the Sov. Govt. themselves, they have an interest at the same time in not having A. follow their example.  
In the view of the Chase National Bank vice-president, the purpose of these tactics is quite clear. Although these countries themselves (except for France and perhaps England) are economically on the edge of the precipice, they are doing all they can to underscore their "psychological" creditworthiness as the saviors of world capitalism, and on this basis to retain for as long as possible the role of sole winners from the surplus of Amer. dollars. People in the U.S., however, are beginning little by little to see the true motive behind these schemes. The Amer. financial world and a segment of the trading circles are beginning to understand that the aforementioned countries are taking on the lucrative role of guardians of Amer. dollars...  
"It is highly gratifying," the vice-president continued, "that such individuals as James Goodrich, the former governor of Indiana, Albert Ritchie, the governor of Maryland, and other significant and disinterested individuals are now speaking out for recognition of Russia. Unfortunately, there is still a band of mercenary English and Italian propagandists who turn up either in the person of the Catholic priest or in the figure of the so-called Amer. "leader of the workers," whereas professional Russian propagandists in A. are causing only minor damage, and reasonable people have long since grasped
- p. 89 the insignificance and harmlessness of these people and have gone beyond them to the issues of the day."...  
When asked what influence on the opinion of influential Americans the ouster of Zinoviev and other ringleaders in the USSR has and how this fact will affect their attitude toward Russia, the banking leader replied that this is still hard to judge, but at any rate he and his banking friends have long been convinced as it is regarding the impotence and harmlessness of the Moscow and Leningrad extremists."



- p. 138     \*Reasons for the denial of a visa to Cde. Sokolnikov to enter the NAUS. 20.10.26  
 Agent material from the US. To Stalin, Chicherin, Menzh., Artuzov, Yagoda.  
 “The reasons the For. Min.<sup>25</sup> denied a visa to Sokolnikov boil down to the following:  
 1. S. is regarded in the US as a prominent leader of the Comintern, and in the minds of top For. Min. officials, even though he was the people’s commissar of finance, he was identified more with the Comintern than with the Sov. govt.  
 The For. Min. views the task of the Comintern, including S. as a member of it, as conducting “subversive propaganda in other countries.”  
 The For. Min. has no special information to the effect that S. intends to use his visit to A. for purposes other than financial and commercial. It still believes that, because of the identification of S. with the Comintern, granting him a visa would be a bad precedent.  
 In addition, the For. Min. fears that the anti-Russian press in A. will use S.’s visit as a pretext for intensified propaganda against the For. Min. and the Admn., which they say are “changing Russia policy of their own accord” and “opening the door to foreign agitators.”  
 When a dispatch appeared in the Amer. press from Moscow about S.’s forthcoming visit, this gave anti-Russian groups in A. an opportunity to protest to the For. Min. against the forthcoming visit. First the For. Min. vacillated, unable to bring itself to deny S. a visa, but the intensified hostile pressure from outside put an end to its vacillation.  
 2. The second reason for barring S. was the fact that he is in disfavor among the Moscow powers that be.  
 The For. Min. took the view that S. cannot speak on behalf of the Russian govt. and that the latter will not
- p. 139     be guided by his reports. This opinion is based on the fact that “Stalin, Rykov and others fired S. from the Min. of Finance because he was a member of the opposition at the last congress.”  
 According to the For. Min.’s information, S. at that congress was a member of the Zinovyev faction, which opposed concessions to the peasantry. Everything that is identified with Zinovyev is especially distrusted in the US.  
 True, the For. Min. believes that S. demanded a more “rightwing” policy, speaking out in favor of the denationalization of foreign trade. The For. Min. cannot comprehend why R. is specifically choosing him for a financial mission when it knows that he is unacceptable to the For. Min. as an active member of the Comintern—except perhaps because Moscow believes his defense of the denationalization of foreign trade recommends him from the standpoint of the For. Min. In this regard the point is made at the For. Min. that S.’s personal politics are of no importance to them since they are officially not supported by the Sov. govt.  
 3. The For. Min. specifically regards the eve of the November elections as an unfavorable moment for an important Russian mission to the US. Even if such a mission had solely financial and commercial objectives, in the event that it was headed by a highly prominent Russian figure it would indirectly take on polit. significance and would be commented on precisely in this context by the public and the press.  
 4. This fact doesn’t signify a change in the For. Min. policy

under which it has, to this point, approved the passports of a long series of commercial and financial agents from R. It will continue to facilitate such visits by Rus. agents, except for cases in which the individual has "too much renown" as a Comintern figure. Both from the standpoint of the Sov. govt. and from the standpoint of the State Dept., it is regrettable that word of S.'s plans got into the press too early, thereby generating pressure on the For. Min. to bar him. If it were not for this advance word, the Dept., given all of the foregoing considerations, is unlikely to have denied the visa."

p. 140

\* From America 10.11.26. To Stalin, Rykov, Menzh., Chicherin, Yagoda.

"Washburn (a former deputy of the NAUS Secretary of the Treasury) has passed a proposal from the Mellon group (Mellon is the current NAUS Secretary of the Treasury) through a professor to be forwarded to the Sov. govt. The NAUS Govt. knows about this proposal. The proposal boils down to the following:

The Sov. govt. sends a sufficiently authoritative person to the NAUS with a mandate (which must be in English), signed by Stalin, Rykov and Kalinin, to conduct negotiations for a treaty between the Sov. govt. and the NAUS.

The NAUS recognizes the Sov. govt. under the following conditions:

1) acknowledgment of debts and 2) renunciation of propaganda by the Soviets. The NAUS, for its part, recognizes the claims of the Sov. govt. against it and pledges to arrange a long-term loan of half a billion dollars.

The person who is sent must travel for commercial matters. The main purpose of the trip must be secret. The first steps must be of a private nature, and if they are successful it will be possible to start official negotiations. In any case the meeting will be useful.

Washburn is a confidant of Mellon, and at the same time his interests are linked to those of Morgan.

The negotiations are expected to last 8 months.

p. 156

From America 30.11.26 to Chicherin, Pyatnitsky, Yagoda, Artuzov, T., Menzh.

Re the denial of a transit visa to Cde. Kollontay by the NAUS govt.

"The information that the State Department denied Cde. Kollontay a transit visa because, as a prominent Communist, she cannot be allowed into the NAUS under a law passed by the Congress in 1918 is not accurate. To this point the For. Min. has applied the 1918 law not to Communists or Russians as such but each time to certain individuals for specific, secret reasons. The most typical instances of this kind are the cases of Karoly and Saklatwala. Karoly isn't a Communist, and the US wasn't afraid of him; in effect he was barred at the request of the Horthy govt.

Saklatwala, although a Communist, wasn't undesirable from the standpoint of the US; he wasn't allowed in solely as a result of a secret request to this effect from

the Engl. govt.

The denial of a visa to Kollontay, meanwhile, is a tactical gesture aimed at Cent. America, an attempt to undermine the prestige of a competent envoy who is heading for the most troubled area of Cent. America.

At the same time the US is taking account of the fact that, despite the growing mood against the “Yankees” in Cent. A., there is an old habit there of following in the footsteps of the US and of fearing its displeasure. Based on this fact, the US hopes that even if it can’t protect Mexico from the “pernicious” influence of a new Sov. ambassador, the example of the US will still close off to her the borders of other Central Amer. countries, which the US believes Kollontay will attempt to visit at some point.”

- p. 224 Report (research paper) by the head of the Division of Eastern European Affairs at the State Dept., Robert F. Kelley, delivered at the State Department’s School of Foreign Service on 31.12.1925.  
To Menzh.<sup>26</sup>, Stalin, Chicherin, T.  
“The Territory and Polit. Structure of the Sov. Govt.”  
[“A fairly objective report.”]<sup>27</sup>  
“Commenting on the Declaration of the Rights of Peoples to Self-Determination, Up To and Including Secession and the Formation of Separate States (Declaration of November 16, 1917), the speaker notes: “But the Bolshevik notion of the word “people” means “proletariat,” and therefore the Bolsheviks in practice grant the right of self-determination only to the prolet. that proceeds under the flag of the Communist Party. The speaker says this explains the Bolsheviks’ attempts to form Soviet republics in Latvia, Finland and other countries.”  
Commenting on the act that formed a unified USSR (Dec. 31, 1922<sup>28</sup>), the speaker notes: “In this way a single international entity was created that is better adapted to serve Sov. interests than the individual, quasi-independent entities that existed until now. The speaker also sees this act as restoring
- p. 225 and reunifying the former Russian Empire from the state entities that split off during the civil war...  
Commenting on the class-oriented character of the Sov. Constitution, the speaker notes that “it (the Constitution) does not recognize the individual as such, but only the social functions of the individual. It doesn’t recognize human beings as such, but only those whom it calls working people. It doesn’t attach any importance to organizations or to the distributive functions of the bourgeoisie and generally tends to deny the importance of intellectual forces.”
- p. 226 Discussing elections, the speaker says: “The principle of an open ballot is one of the most powerful tools held by the Com. Party.”  
The report concludes as follows: “That is the make-up of the Constitution of the Sov. govt. But we are deeply mistaken if, based on the external forms of the Sov. Constitution, we come to the conclusion that the Sov. govt. is what is customarily called a govt., i.e. a group of people who reveal the will of the people. In this case the govt. is a tool that the RKP uses to control the peoples that have come under its dominion. The so-called govt. is a creature of the RKP.”

- p. 229 The foreign policy of Sov. power since 1920 can, to a certain extent, be viewed as an external expression of the new econom.
- p. 230 policy. Both foreign and domestic policies point to radical changes in some fundamental views of the Bolshevik leaders. The partial abandonment of applying commun. theories inside the country has inevitably led to a revision of the Bolsheviks' views of international relations. During the first period of Bolshevism its leaders' foreign policy was guided by two assumptions: 1) That the war had created a revolutionary situation and that a world rev. was inevitable, and 2) that a socialist state could not exist in a capitalist encirclement, that the fate of Sov. R. depended entirely on what became of the world rev. But the failure of the intervention and the Bolsheviks' victory in the civil war on the one hand, and on the other the defeat of Bolshevism in Bavaria and Hungary, as well as the unrealized world rev., forced the Bolsheviks to come to different conclusions, to wit, that there is no world rev., but the Sov. repub. exists. The Bolsheviks are revising their theory as follows: the world rev. has been delayed for an unknown period of time. Two distinct social structures of society must live side by side. They cannot insulate themselves, and therefore some "modus vivendi" must be found. (Here the speaker quotes a letter from Bukharin to Suvarin in Izvestiya of January 11, 1923.) The first step of this modus vivendi in domestic policy was the NEP, and in foreign policy, trade negotiations with England and Italy. One might have thought that foreign policy would take a more or less noticeably new direction: not at all. The basic principle remains the same: solidarity of the working masses of the whole world. World revolution remains the same yardstick by which the Bolsheviks assess all the events in the world. Both in domestic policy, where communism continues to be the ultimate goal, although its realization has been put off for a while, and in foreign policy rev. remains the beacon toward which the Soviet ship of state is pointed, although light from the beacon is not burning as bright as during the early days of Sov. power. The goal has remained the same,
- p. 231 only the practice has changed. The Sov. leaders need de jure recognition not only to strengthen their own authority, not so they can hold on until the social rev. occurs, but out of a desperate need for loans, which they are unlikely to receive until S.R. achieves a place in the family of nations. De jure or de facto recognition of the Sov. govt. imposes certain restrictions on Sov. representatives abroad. During the first period of Sov. power its representatives abroad openly and shamelessly conducted revolutionary propaganda, because they had nothing else to do in a bourgeois country. This resulted in the expulsion of Radek and Ioffe from Germany, Litvinov from England and Vorovsky from Sweden. With the advent of a new phase in the foreign policy

of the Bolsheviks, the 3<sup>rd</sup> International took on propaganda duties, and therefore the Sov. leaders are trying in this way to separate the govt. from the Comintern (quotes Chicherin's article, "Five Years of Sov. Power")...

p. 232 The Sov. govt.'s foreign policy will only become comprehensible if one takes the view that the world is divided into two hostile classes, between which peace can exist only in the form of a truce."

p. 279 Conversation with E. Burland, a director of Blair & Co. To Stalin, Chicherin, Menz., T. dated 18.11.26.

"E. Burland, one of the directors of Blair & Co. Foreign Corporation, who once worked with the ARA in Moscow and was then in Moscow again with Lyman Brown, who was mentioned in previous summaries, said that Blair is beginning to take an interest in our affairs. This interest was somewhat delayed when newspapers started ringing the bell about the split in the VKP(b). But now, after the reconciliation, this is considered to be a sign of the consolidation of power.

According to Burland, although this is not the time to talk about recognizing the USSR, in general it should proceed not through Wash. but through the bankers. Wash. took a certain tone at one point and cannot get rid of it. If the USSR somewhat altered the situation by coming to terms with the bankers about a certain portion of the debt, Wash. would change its viewpoint and this would enable it to retreat more easily from its original position.

Burland thinks that negotiations should be started with the Morgan group about funding the obligations of the tsarist govt. or other debts, the amount of which held by Morgan and National City Bank is estimated at 75,000,000 Am. doll. Capital debt and interest could be assessed in as small a sum as possible, in any case more favorably than for France.

According to Burland, Morgan will not refuse to hold talks on this subject if they are approached in great secrecy and privately. An agreement with him, however, will immediately change Wash.'s position."

p. 355 To Stalin, Chicherin, Menz., Voroshilov, Unshlikht, Berzin dated 28.8.26.

"It is reported from reliable sources that the Polish ambassador in America contacted Kellogg and stated that Poland needs to increase its econom. power by expanding its territory and in view of the necessity to prepare for an offensive. The ambassador requested that A. show a friendly attitude to Poland. Kellogg refused, calling such a step an adventure, which will disrupt Poland's finances even more.

The Baltic states, supporting Poland, also contacted Kellogg separately and state that their economic situation is critical, and they cannot exist without foreign support. Russia, knowing this, seeks to swallow them up, and to prevent this Poland must act.

Kellogg passed along their memorandum to Hoover so he could study the financial position of the Baltic States and give him a report."

- p. 356     US policy toward the USSR (summary of agent reports).  
To Stalin, Rykov, Chicherin—Litvinov, Menz., T. dated 28.8.26
- p. 358     "...Local senior officials believe that the reported defeat of Zinoviev by Stalin and the majority of the Com. Party significantly lowers the "risk" attached to negotiations with the Sov. govt.  
People in Wash. also believe that Stalin made Bukharin vice-president of the Comintern in order to take over control of that organization from Zinoviev.  
This, they believe, will bring about better coordination between the tactics of the Sov. govt. and the Comintern, which will create more favorable prospects for Russ.-Amer. negotiations when these negotiations actually begin."

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p. 7

Re Soviet lumber. 3.08.30 (apparently from Berlin).

“Yesterday an Amer. commercial attaché delivered a special letter from Cabinet secretary Lamont addressed to the Germ. min. of for. affairs in which the Amer. govt. asks the Germ. Embassy in Moscow to find out whether the Sov. govt. really uses the labor of polit. and common criminals in logging for exports to the NAUS. The Amer. govt. intends to take measures to prohibit the importation of Sov. lumber into the NAUS. Since the Amer. govt. does not have diplomatic relations with the USSR, the department of foreign affairs asks the Germ. Min. of For. Affairs, taking into consideration that this issue is of exceptional “humanitarian importance” to the NAUS, to conduct an appropriate investigation and report on the results directly to the govt. in Wash.

The Germ. Min. of For. Affairs has already stated that it doesn’t see any obstacles to fulfilling this request, and has instructed the Germ. Emb. in Moscow to dispatch vice-consul Stelzer, who is a specialist on the status of the Sov. lumber market, for this purpose from Leningrad. Germ. shipping companies that have a contractual relationship with the Sov. govt. to transport lumber made a statement yesterday to the head of the Amer. department of the For. Min., de Haas, that they protest against the fulfillment of the request by the Germ. For. Min. and that the Germ. govt. has no stake whatsoever in fulfilling the request of the Amer. govt. The Germ. shipping companies are asking that the vice-consul’s trip be suspended.

The Germ. Min. of For. Affairs decided to leave the request of the Germ. transport organizations without a response.

p. 53

The Amer. journalist Duranty on the USSR. 4.04.30 (from Berlin)

Duranty

To Cde. Roller--KRO (see p. 59)

“A representative of The New York Times who has a prominent name in America as a journalist, of Irish origin, arrived in Berlin recently from Moscow. He reported to the a group of Amer. journalists on the USSR. Duranty is regarded in America as an authority on Sov. matters, especially since the departure of Scheffer. Duranty believes that the five-year plan will be fulfilled. He said, verbatim: “Sentimentality cannot make policy, and it is America’s task to look the facts straight in the eye. The English are idiots. They will not see the stupidity of their Russia policy until it’s too late for them. It is America’s task to make use of the situation and orient itself to the fact that Russia will fulfill its gigantic economic program and that America’s industry and finances should play a highly important and highly profitable role in this. Maybe thousands in Russia will die of starvation in the coming months and years, maybe tremendous hardships and difficulties will have to be overcome, but the five-year plan will be fulfilled. A. cannot allow itself the luxury of being sentimental. And therefore every measure must be taken to develop dealings with Russia.

Scheffer

In five years the whole world and above all England will be rushing to get involved in Russian dealings, but by that time Am. should have already firmly entrenched itself in Russia.”

In the view of a prominent Amer. journalist in Berlin, Duranty’s assessment of the prospects for the econom. policy of the USSR will be of great importance to Wall Street.”

- p. 58 On 5.08.30 the agent material “Report by Colonel Williams (intel. division of the NAUS Gen. Staff) on the military situation in the USSR” was transmitted from the GRU. Williams
- p. 59 [The report was delivered on 16.04.30 by Lieutenant Colonel R. N. Williams for reserve officers. Williams used to be commander of the 2<sup>nd</sup> division of I corps of the Amer. Expeditionary Force, and in addition, he spent 4 years in East. Europe on assignments from the intel. division of the Gen. Staff.  
The agrarian program of the USSR is doomed to fail. The best sources of information: Duranty, Chamberlain (the Monitor) and the German Scheffer. Duranty
- p. 61 Assessment of the Red Army:  
“...Out of the 30 mil. people who are capable of bearing arms, 4½ million could take part in a war. Out of 40 mil. people, 5 million have some kind of military training, or out of 50 million, 9 million of the appropriate ages. The Soviets have 3 mil. rifles, 30,000 heavy machine guns, 20,000 light machine guns, 12,000 field artillery pieces, and many of them are obsolete.  
He went on to present the summaries that the War Dept. has regarding Russia. The army has a lot of manpower, the morale is poor, the training worse than in any other army of the great powers. The Sov. Union could fight well defensively, bringing 5 million men into the fray in 3 months. The country’s immense spaces, the large numbers of its cavalry, the readiness of peasants to fight against an invasion of the Union’s territory, everything taken together makes the Sov. Union strong on defense. No combination of border states can hope to win without assistance from at least one great power. Nor can any single great power count on victory.
- p. 62 The Sov. Union cannot think about an offensive war, because in that case the govt. would fall in 24 hours.
- p. 65 [The Manhattan chapter of the Amer. Reserve Officers’ Association: breakfast and a report from Williams. W. has headed the Russian department of the military intelligence office of the War Min. for 4 years already. Information is secret, not to be disclosed or published.]



## Fabrications

- p. 76     Message dated 12.09.30 "Re Amer. fabrications."  
 "It can now be said with indisputable clarity that the whole affair involving the notorious fabrications that were released to the press by the former New York police commissioner Whalen is closely tied to the crusading campaign against the USSR launched by the Pope. It is well known that when Whalen was director of Wanamaker's department store he received a salary there of 75,000 doll. a year. When he moved to the police, he received only 10,000 doll. a year there, and the remaining amount of 65,000 doll. was paid him by the well-known arch-millionaire Mackay, the owner of an American postal and telegraph company, who along with Wanamaker had an interest in Whalen as police commissioner. Mackay and Wanamaker are both prominent Catholics who are closely tied to the papal throne. The direct connection with the Pope runs through the well-known judge O'Brien, the Pope's representative in America, whose son is married to Mackay's daughter. Incidentally, the president of an Amer. railroad car company, Wooden, who is one of the directors of the Russian-Amer. Chamber of Commerce, is closely tied to this group."
- p. 78     Message from "Tommy" dated 15.05.30 (apparently illegals)  
 "Unsure that you are receiving all of my letters, I am sending you once again the fabrications distributed to the press, as well as the forms discovered at the printing plant. If you closely examine the inter-office memorandum, especially the punctuation after the number and the repetition symbols after the "address for telegrams, [you will see] that there is no question that they were typed precisely in the same place as the fabrications. I can report in regard to a description of the owner of the printing plant that he is the shadiest, most crooked character, who did a year in prison for rape, and who sells pornographic cards and alcoholic beverages. In view of the fact that we captured him suddenly and demanded that he sign a statement to the effect that he printed them, he is now running around to all kinds of agencies and individuals, hoping to get money from whomever he can. There is a risk that a scoundrel like Max Wagner (this is not his real name, for your information, because he is a Jew from Odessa) may disavow his signature once he gets money from the Whites, with whom he is connected, or even from the police authorities." *Wagner*
- p. 83     Message from "Tommy" dated 2.05.30. Tommy  
 "I am forwarding copies of the fabricated documents printed in today's evening newspapers, as well as a copy of a telegram from Whalen to the Associated Press with a proposal that the documents be printed on May 2 rather than the 12<sup>th</sup> as planned. In my opinion, all this was fabricated by the Whites with the help of some fired employees of Amtorg like Bagayev, Antonov, Benetskaya and others." *Grover A. Whalen*

Whalen is operating autonomously in this context, cooperating with the local Intelligence Office. All this was done without the knowledge of Wash. and the Democratic Party, of which he is a member. Whalen is leaving his police job and is preparing to run for mayor of New York City, so he wants to be the savior of the bourgeoisie from the looming communist danger.

Tommy.”

- p. 79 Inter-office memorandum under a Comintern Executive Committee letterhead with a “top secret” stamp dated 20.12.29.  
 “Dear Comrade Saul.  
 The newly arriving functionaries must be sent to the localities as soon as they arrive in the USNA. Instructions will be issued to them by Cde. Boris in Washington. We are sending out a precise list of the people who are coming in and their routes with the next mail for precise implementation.

Comradely regards.”

- p. 98 Distribution of people being dispatched around the States of the NAUS. (Supplement to Grafpen’s mandate.)

New York—Bogdanov, Garin, German, Vasilyev, Markov, Petrov, Obratsov.

Massachusetts—Plechko, Kuchin, Rozengauz.

Illinois—Sharkov, Denisenko, Konstantinov.

North Carolina—Anikiyev, Yakovlev, Rabkin.

South Carolina—Gartenberg.

Pennsylvania—Kulchinsky, Avdeyev, Vinokurov.

Connecticut—Tikhomirov.

Michigan—Malyshevich, Robertson.

Georgia—Philips, Flowers

- p. 80 Under a Comintern Executive Committee letterhead dated 3.01.30.  
 To Cde. G. Grafpen, Amtorg. Petrovka 3/6. Moscow.  
 Mandate.

The executive committees of the Comintern and the Profintern have instructed us to issue you this mandate, under which you are being sent again to the USNA as a general representative for operations and administration of the aforementioned organizations.

Your duties include implementation of the resolutions adopted at the last joint session of foreign chapters of the Comintern and the Profintern. All of the revisions, as well as all new directives, will be sent to you through diplomatic couriers to one of the Europ. countries that have USSR missions.

You must coordinate all of your work with Cde. Bogdanov and advise him regarding matters that have some connection with commercial affairs.

Cdes. Dubrovsky and Sheftel are required to send you all files that have a bearing on their previous work through our line, and their activities in the future must be confined to notary functions under the Red Cross flag. Cde. Sheftel is being dispatched to Europe.

Bogdanov is  
 chairman of  
 Amtorg (p.  
 133)

You must be in constant contact with Cde. Krayevsky, who is subordinate to you in his polit. work in South America.

Krayevsky  
(see below)

Because of the latest rabid attacks by the traitors, your headquarters will temporarily be located in Seattle, in the state of Washington, where you will be dispatched by Amtorg as the manager of their branch, where current business is to be transferred to. The archives from underground apartments must be sent to Moscow by freighter.

Between March 15 and 20, convene a congress in Seattle of all your chief representatives, who must receive instructions and literature on organizing the May Day demonstrations from you and cash from Cde. Seversky, who continues to manage the financial department.

Regarding the comrades who are being dispatched from the USSR to be under your authority, assign them to regions according to the enclosed list.

Make every effort to conclude the work in Seattle within six months. Upon concluding the establishment of a solid base with contacts, apartments, warehouses and a printing plant, return to New York.

Inform us in cablegrams regarding all substantive changes in the program.

This mandate shall expire on December 31, 1931.

Representative of the Comintern Executive Committee

Fedorov.

p. 82

Under the letterhead *Amtorg Trading Corporation 261 Fifth Avenue New York* dated 10.03.30                      Personal—highly secret

To Cde. I. Polyakov Amtorg Moscow

(cc: C.I., Cde. A. Fedorov)

Dear Comrades.

I hereby fulfill your cabled request to send a list of hard-to-replace party comrades who have been dispatched to work in New York: Belitsky, Berlin, Bogdanov, Garin, Delgass, Zyavkin, Kanevets, Kasilov, Kolomoitsev, Konovalov, Kopelevich, Kofman, Lavrentyev, Lindorf, Magidson, Mamayev, Markov, Markova, Petrov, Poverman, Potrubach, Rutenberg, Rykov, Sverdlova, Fetvays, Tsukerman, Tsurypa, Sharapov, Sheftel and Shulga.

The removal of any of them may cause a work interruption that would be highly dangerous for us, but if the political situation requires, I ask that the substitution be carried out gradually, with at least three months' notice to us.

Unfortunately, the full report on the transfer of the center has not been finished yet, but I am working hard on writing it and hope to send it to you in a few weeks.

I will also send out this list to the other interested organizations.

Comradely regards

- p. 91      Telegram from Whalen to the A.P.  
*"Photostatic copies of certain documents placed in your hands by the police commissioner for release afternoon papers May 12 are hereby released for afternoon papers tomorrow Friday May 2.*  
*Grover A. Whalen police commissioner.*
- p. 94      Signed statement from *M. Wagner*: *Wagner*  
*"I printed this about 4 months ago in submitted<sup>29</sup> 2 copies as a proof. But the men did not come back for the order.*  
*M. Wagner, May 8<sup>th</sup> 1930.*
- p. 217      (From letters from the Amer. station for 1931-32.) Skvirsky  
*"Skvirsky is the head of the inf. bureau of the NKID in Wash. Has been abroad since 1921, left the F. E. Republic, was a Menshevik in the past, was with the S.R.'s, now a member of the VKP(b), doesn't know the USSR, although he is an unofficial agent of the NKID. Has many relatives in the NAUS who are businessmen, is tightly connected to them, S. has nothing Soviet about him, a typical Amer. bourgeois. Never did party or public work and doesn't even know what it is, he is a member of the party in a nominal sense. Has lived in the NAUS for 12 years, previously was in China. Linked and has close relationship with Trotskyites, especially Eastman, his private secretary is the daughter of the prominent Trotskyite Heiman. When he receives secret assignments from the NKID, he entrusts them to secretary Heiman (an American), and through her they leak to the Trotskyites and then the police. Skvirsky is unknown in Amer. circles and if someone needs to contact his bureau (companies), the Americans avoid him and try to operate through Amtorg, or S.'s secretary, just not him. S. has been unable to establish any business contacts. In the matter of the recognition of the USSR by America he is only an impediment, since For. Min. officials avoid him (he is not a *persona grata* for the Americans), and prominent politicians don't want to know him. All his actions only delay recognition, but on the other hand the people who do hang around him include dealers from the black market who work with Soviet promissory notes, Trotskyites and various representatives of small companies that want to make some extra on the side from Russian deals.*  
*In his personal life Skv. is a typical petit bourgeois, lives in grand style and has large amounts of savings."*

- p. 130      Feb. 1932.  
A. Petrov, head of the Amtorg engineering department in NY and a member of the VKP(b), intends to become a defector. Petrov is an operative for the military neighbors. Petrov
- p. 131      4<sup>th</sup> Directorate of the staff of the RKKA to Cde. Gorb, asst. head of the INO OGPU 7.02.32.  
“This is to report that, according to information received by us from NY, there is talk circulating in Amer. White émigré circles that the head of the Amtorg engineering department, Petrov, intends to become a defector. He is well informed about what is being done in the Delgass group, what he is engaged in and how, etc., thanks to his close contact with a person named Vasilyev and his frequent visits to the apartment of Antonov, Delgass’s partner. Petrov’s contact with the Whites is also corroborated by the fact that his wife took an active part in arranging a “Russian-Italian concert” at the New York opera, in which the “Russian part” was represented by a choir of Cossack officers who were propagandized there as victims. Petrov, Delgass, Vasilyev
- pp. 137-146      memorandum dated 10.1.32 from Makhnikovsky addressed to Amtorg chmn. Bogdanov with a request that it be forwarded to Dybenko of the RKKA.
- p. 133      Defector T. Ya. Makhnikovsky (*Machnikowski*<sup>30</sup>). Makhnikovsky
- p. 135      Message dated 18.4.32.  
Quit Amtorg in 1927. There is information that for a number of years afterward he was used by foreign intelligence services, including the Polish service. p. 136—called an “international adventurer.”
- p. 147      Another message: “Currently has no employment and has become a nonentity.”
- p. 148      As head of Amtorg’s aircraft department Makhnikovsky deliberately bought faulty engines for the USSR.
- p. 149      Statement by Petr Apriyevsky, member of the USSR Osoaviakhim, dated 19.04.1932.  
“Dear Comrades:  
I ask you to direct your attention to the following: in 1926/27 I worked as an assembler, and later at the testing station of the Mechanical Metal Craft plant in the town of Garfield in the state of New Jersey, where Liberty 12 aircraft engines were assembled. This aforementioned plant was specially equipped by Mr. Hughes for the assembly of these engines, which were put together into a single unit from junked engines that he bought during annual military auctions from various aircraft cemeteries. This junk came to the plant in railroad cars.  
The Amer. war min. sold off this scrap, but on the condition that these engines were not used for flying purposes, which was proven by a stamp on the engine housing that said “*Not to be used for flying purposes.*”  
These engines were disassembled. A special team was designated to file off these inscriptions and the serial numbers. After this operation the engines were cleaned and soaked in special tanks filled with various acids.

Later the engine was re-assembled and after the final assembly the “new,” cleaned engine was placed on a machine tool, where it was tested for an hour, yet the engine was run at full acceleration for a few minutes, whereas according to the standards of the technical bureau of the Military Aviation Ministry, an engine should run at full speed for at least thirty minutes. After that the engine was considered in good condition, removed from the machine tool and sent to be packed for dispatch to the Union.”

[All this was reported to Amtorg, incl. to Makhnikovsky.]

p. 150 Another memorandum:

[Makhnikovsky and Miroshnikov were responsible for engines. (both defectors.) A special company called Zaustinsky was established for this purpose.

“As far as I can recall, as an anarchist in 1918, Makhnik. with a machine gun in his hands defended the Merchants’ Assembly building on Dmitrovka during our seizure of power. After that he repented and was accepted into the party, I think by Zamoskvorechye, apparently with recommendations from responsible party members.”

p. 153 Memorandum re Delgass (Amtorg vice-president Basil Delgass) (no date, address, etc.)

*Delgass*

“V. V. Delgass came to the US with his wife, son and daughter on July 22, 1926. In July 1930 he refused to leave for the USSR. The initial reason he gave for his refusal was that it was impossible for him to give “false” information to the Fish committee of the Congress than was functioning at the time and to which he had been subpoenaed as a witness. In simpler terms, the Fish committee was an excellent means for him to secure a US residence visa. As will be proven below, the Fish committee also afforded him the opportunity to become an out-and-out adviser and consultant to indiscriminating officials who have a weakness for sensation, newspaper reporters and all sorts of anti-Soviet organizations. Soon after his refusal to leave for the USSR, Delgass along with Antonov, a former employee of Amtorg’s oil department, opened an office under the name of “Amrusco.” For starters, the “company” sent out letters to a number of Am. companies offering its services to supply “from the primary source” all sorts of confidential information about Soviet-American trade, about Soviet affairs in general and about the dealings and situation of Amtorg in particular. They also offered their services in consultations regarding orders placed by Amtorg. What orders Amtorg’s portfolio contains, what prices should be asked for, what credit terms should be given, etc. Besides this activity, D. also engaged in another kind: he bought and resold Amtorg promissory notes. The opening of the office was followed immediately by a number of interviews in the press, where he advertised his “nobility” and loyal attitude toward the US govt., without forgetting to talk at the same time about his planned commercial dealings. All of the newspaper clippings with articles and interviews with D. are enclosed with this letter. Throughout these nearly two years D. has repeatedly made public speeches on the Russian question. In his last speech in November 1931 at a meeting of

*the League of Struggle Against Communism, he attempted to prove to the audience that “hundreds of Russian spies connected to Moscow are operating in the US” and that the danger from this also lies in the fact that the information obtained “is sold to other countries.” [Apparently the allusion is to Germany.]—No, Japan! p. 158<sup>31</sup>*

- p. 156 *Speech by D. on 28.11.31 at a meeting of the League of Struggle Against Communism. About 70 people attended.*  
*“D. read his report, which was printed on 20 or more pages. It was mostly a summary of what he called the “interconnected community” of Soviet activities in this country, consisting of Amtorg, Intourist, the Russian Information Bureau,” the Civil Liberties Union...He gave an account, naming names, of the activities of people who have come here, mostly with false passports, or in the guise of engineers, economists or other experts (or specialists), but who in fact came here as spies. Then followed a long description of the three main Soviet institutions that handle information from abroad—“the Cheka, or the OGPU,” “the Military Espionage Department” and “the Third International”—and how they operate through missions in countries that have recognized Russia (he kept saying “Russia” or “the Soviets”) and through the commercial representative offices in the countries that have not recognized the Soviets...*
- p. 157 *Other activities by the Cheka: “It seeks to push laws through parliaments, influences legislators and so forth and so on.” “The second secretary of a mission is usually a member of the Cheka. Every trade delegation has a Cheka agent, for example, the General Manager at Amtorg. A representative of the Third International worked in the economic department and in the aircraft department of Amtorg. The latter works for the sole purpose of obtaining military information under the guise of other work.” The head of the Red Cross was a member of the Third International, and the person who now heads Intourist is the chief agent of the Cheka in this country. The person who heads Amkniga also serves in the Cheka; the second agent usually heads the Aircraft Department of Amtorg. The person who headed the flax department of Amtorg was also a secret agent. Usually the people who head the other “purely commercial” Soviet concerns operate in this country as Cheka agents... Realizing that the US is the main fortress against Bolshevism, the Soviets do most of their work in this country.*
- p. 158 *Everything that they [the spies—A.V.]<sup>32</sup> send in is examined and studied in Moscow. Even if the Soviets cannot use for themselves information that is obtained this way, why shouldn’t they sell it to other nations, now, for example, to Japan?*  
*There are currently two main spies in this country: Amtorg, the so-called Trade Delegation, and the Russian Information Bureau in Wash. The head of the latter organization is someone by the name of Skvirsky, who once headed the Far Eastern Department, but was recalled from there (for propaganda?)<sup>33</sup> S. has openly admitted that he belongs to the Com. Party. He is currently in Russia,*

*and he shouldn't be allowed back in here, since Communists are not allowed in here; but he will be, of course, allowed in.*

*Amkino and Amkniga are also tied to Amtorg in these matters. Only one director of Amtorg is an Amer. citizen, Mr. Nelson; all the others are Soviet citizens. In doing the Cheka's work, Amtorg coordinates illegal activities with the activities of the Communist Party. The Communist cells in Amtorg do this work."*

*"Sergey Petrov is currently the head of the aircraft department. He has twice traveled around the US, gathered military data and other information, and as he was leaving this country I told Mr. Fish: "Why don't you search his luggage, you will find everything you want immediately in his possession." But Fish replied: "But what if we don't find anything? We will be prosecuted."*

*Petrov*

*"It is easier to obtain information in America than in any other country," Fish continued.*

*"For example, Petrov entered into a contract with Sperry Gyroscope Co. to obtain military information about aircraft—the US govt. gave this info. to Petrov—he receives authorizations to visit all of the military and naval bases."*

*p. 159 Delgass stated that he first learned about the military spies in 1927; as early as 1925 Magnikovsky was working.*

*p. 160 Question: "Can you tell us, Mr. Delgasss, why you left them?"*

*Answer: "The most revealing answer to that question is the fact then when we were supposed to appear before the Fish committee, we were all assembled and we were told what we should say; but I didn't want to tell lies, so I left. This is, of course, a secondary reason. There are deeper reasons. I am not all Russian. I was born in Moscow, but I'm only 25 percent Russian. I am Belgian. In 1924 I was sent to London. I didn't want to engage in sabotage and I sensed that after Lenin pushed the NEP through perhaps an opportunity had appeared for Russia to become a democratic state. Then, after 1928 and Bukharin's statement, Amtorg's position changed. Stalin berated Bukharin and the others, asking why they hadn't adequately laid the groundwork in America; so they changed their policy and intensified political propaganda here. The Soviet engineers who were here were ordered to return; they were arrested and executed. I don't remember how many of them there were." (This was in reply to the question.) "Yes, I have also officially been executed in Russia."*

*p. 165 [Kosov worked for Amtorg for about 5 years. In Aug. 1931 he traveled to Germany on a business trip and stayed there.*

*S. L. Kosov*

*p. 166 Kosov was a member of the VKP(b).*

*p. 167 Simon Kossov, naval engineer.*

*p. 170 Worked in the US from June 1927 until August 1931 as deputy chmn. of Amderrutra. Freight work.*



- p. 221 Memorandum from the INO OGPU "The Apparatus of Amtorg" dated 1.4.1926.  
*"The board of Amtorg at the time of its establishment on May 1, 1924, was created through the mechanical merger of the leaderships of two existing organizations in hostile competition with each other: Arcos of New York (Sherman and Fainberg) and Prodesco (Vol and Fox), where two (three?)<sup>34</sup> comrades from the USSR were brought in: Khurgin and Ziev and Volynsky.*
- p. 222 *"Amtorg's business grew quickly, rush periods occurred, and Cde. Ziev, who was the de facto head of Amtorg, became flustered and began to run things in a downright hysterical manner, acting high-handedly like some extremely narrow-minded general of the old regime who found himself governor and regarded the guberniya as his own fiefdom. We have to dwell on Cde. Ziev's methods at a little more length, i.e. these methods in large measure explain the sad condition of Amtorg's staff in which it is now. As a young party member who works abroad almost all the time, P. Ya. Ziev is psychologically out of touch with the USSR, doesn't follow events in it and even in this respect, unfortunately, lives more according to other people's counsel, mostly from his friend Turbin, a nonparty member. And since he is not strong in his principles and is weak in terms of business, he has easily come under the influence of the nonparty "commercial" group, and not only failed to make use of potential assistance from the American Com. cell at Amtorg, which currently numbers up to 40 comrades, but has formed hostile relationships both with it and with most of the employees. Constant vacillation in dealing with coworkers, tactlessness, rudeness, firing responsible employees and taking them back, a story that repeats itself with every responsible employee. Things reached the point of tragicomedy, when people around the office were already smiling and asking, "who did he fire today, who did he take back." This situation, however, made the staff extremely nervous, which eventually killed any initiative, turning many into bureaucrats who performed their duty and work poorly. Despite such occasional terrorism, the most important thing was not done, to wit, elements of that "commercial" group (Sherman, Fainberg, Fox and others), who latched onto the USSR's American dealings solely in their personal interests, were not removed from the organization.*
- p. 223 *Speaking of relationships, it is apropos to take note of the extreme typical way in which employee's work is evaluated, where Cde. Ziev's completely un-Soviet policy has made itself felt. In order to maintain his grand life style, Cde. Ziev has done everything to maximize his own personal material well-being while using every method to block a proper wage for low-level employees. The minimum wage was increased from 100 to 125 doll, the 500 doll. salary was therefore augmented with a 250 dol. (now 225 dol.) allowance, and in addition his wife was set up in a job through a secret channel<sup>35</sup> with an outrageously high salary of 300 dol. Meanwhile when low-level clerks*

*are hired the minimum of 125 and even 100 dol. is not met. On this basis the most varied conversations have taken place and Cde. Ziev and the management have become even more remote from the employees."*

*[Krayevsky's business and managerial mentality is close to Ziev's.]*

Krayevsky

p. 234 *[Krayevsky left to represent Amtorg in Argentina at the end of 1925 or the beginning of 1926.]*

*The entire memorandum—pp. 221-235—is pervaded by a desire to improve Amtorg's commercial activities. There is not the slightest reference to intelligence work.*

p. 236 *To the Central Control Commission of the VKP.*

*"As a party member, I cannot remain silent about the outrages that our comrade party members who head the Soviet institution in America Amtorg, Cdes. P. Ya. Ziev and B. Krayevsky, have allowed themselves to perpetrate, taking advantage of the absence of any local oversight (by the party or by auditors, labor inspections and so forth) whatsoever, as well as the distance from the USSR.*

Ziev

Krayevsky

*[For instances of misappropriation of funds by Ziev and Krayevsky, see pp. 236-237]*

p. 238 *Observing here on the spot the operation of our organizations and the uneconomical attitude, to the point of criminality, toward the people's funds, and comparing this with what is being done there in the USSR on the savings front, where literally every kopek is counted, where people lose their party membership and liberty for various periods and so forth and so on for the slightest waste, one cannot comprehend the indifference with which the central regulatory bodies of the USSR treat agencies of Sov. Russia abroad; in particular, the work of Amtorg, which does an annual business of several tens of millions of dollars with a complete absence of oversight.*

*M. Poletayev*

*Director of Tsentrsoyuz in America,*

*member of the VKP*

*New York, 6.06.1926.*

p. 241-243 *[In 1927 or at the beginning of 1928 a subcommission of the P.B. (apparently the Politburo of the VKP(b)) was working<sup>36</sup> on the investigation of the situation at Amtorg.*

p. 244 *Re engineer S. A. Vasilyev (in New York).*

*To the INO OGPU 24.04.1928.*

*"Engineer S. A. Vasilyev, head of the magazine Amerikanskaya Tekhnika, published with the direct participation of Amtorg, latched onto Amtorg not only for financial reasons but also for intelligence reasons for the Russian department of English counterintelligence in New York.*

*Engineer Vasilyev appeared in NY in 1923 as a member of the White immigration from Constantinople to America. Right after he arrived he got a job as*

an instructor at the Russian People's University, which had been established with money from Bakhmetyev and was supported with subsidies from Rockefeller, because he had managed to have a few lessons there and had delivered a series of lectures. While he was associated with the People's University, he joined the staff of the newspaper *Novoye Russkoye Slovo* through Fovitsky, the rector of the People's University and editor of the newspaper *N.R.S.*, and from there, through friends of Shimkin, the newspaper's publisher, he linked up with Amtorg.

Some time after he became acquainted with staff members of Amtorg he gained the trust of Turbin, and through him, of several members of the American Workers' Party who were working at Amtorg, because shortly after he became close to Turbin articles began to appear in the *N.R.S.*, either without any byline or with the byline of Lisitsyn, that reported information that had been discussed even at meetings of the Amtorg party cell.

By scheming through Turbin at Amtorg, engineer Vasilyev sought at any cost to remove engineer V. V. Chikov, Popyrev and others from Amtorg, especially after Prigarin [apparently the head of Amtorg]<sup>37</sup> stated at a board meeting at the end of 1926 that agents of the foreign department of the GPU were working among Amtorg employees. He carried out his initiatives, because as a result of scheming Cde. Chikov had to leave Amtorg, and Popyrev had to quit his collaboration with *Amerikanskaya Tekhnika*."

Chikov

p. 245

G. V. Turbin (Georgy Vasilyevich) is a staff member of Amtorg (at Amtorg since 1925—p. 251). A friend of Ziev.

p. 247

"Picking out a convenient moment (engineer Chikov's illness), Turbin was appointed head of the technical department, which caused very great surprise among all of the staff members, since Turbin, although he called himself an engineer, displayed technical incompetence and ignorance at every turn.

Chikov

While he is a nonparty member and a big careerist, Turbin is extremely clever at wearing a mask of loyalty to Communists and members of the RKP who hold power; in his treatment of them, he is openly flattering and obsequious, which helps Turbin even to make friends with some of them.

In a suitable setting, however, he criticizes and complains that it is impossible to work in Soviet conditions.

Turbin tries to surround himself with a nonparty element. It is more than typical that the Technical Department does not have a single Russian party member, Turbin cleverly gets them out; as for the few American party members who work in the Tech. Department, Turbin blocks them.

p. 249

[Engineer S. A. Vasilyev is a former SR and relative of Kerensky. First his wife Dorkarkhanova, a performer with *The Bat* (headed by Baliyev), made her way to America. She was followed by Vasilyev; for a long time he had no job.]

Vasilyev

- p. 251 Memorandum re Turbin (information for 1925-26)  
dated December 1928.
- p. 252 "It is obvious from the description of Turbin that he lives in a grand style (he bought an opera subscription for 400 doll.), is frequently drunk and is a careerist. For purposes of making easy money, Turbin buys 1,500 doll. in shares of Kerensky's war loan at a time when Prigarin of his own pressure [accord—A.V.]<sup>38</sup> makes a statement in America that "Soviet power is prepared to pay in cash to settle Kerensky's debt."  
[The P.B. subcommission resolved at one point that Turbin was to be replaced within one month.]
- p. 253 Re Georgy Vasilyevich Turbin and Johann Ohsol. 25.1.27.  
"Turbin and Ohsol are sufficiently familiar figures to you. The former is the Asst. Mgr. of the Export Office of Amtorg, while the second is a Member of the Board of Amtorg. An intensive debate has been under way in the American press, especially of late, over the so-called "Soviet problem," and one of the pressing aspects of this "problem" concerns payments on Kerensky's war debt. Although shares of this loan do not have an official price, they are still being sold to various interested parties. A few days ago shares of this loan were bought at a New York banking office by Turbin for 1500 dol. and by Ohsol for approximately the same sum.  
We attach extraordinary importance to this fact not because the initiative of so-called "loan intervention" comes from Amtorg—responsible staff members of a trade mission—but we deem it necessary to address another fact, which will illuminate the action by Ohsol and Turbin.  
Prigarin of his own accord, without any instructions whatsoever from the Center, made a statement here in America that "Soviet power is prepared to pay in cash to settle Kerensky's debt." We know that a cable from Moscow dated 19/XI-26 rebuked Prigarin that he "should not have made and did not have the authority to make such a statement." Evidently Prigarin's statement was interpreted by Amtorg's departments (of course, all this on an unofficial basis) as a consummated decision, which in all likelihood explains the action by Turbin and Ohsol.  
One may ask how this fact is to be evaluated. After all, short-term profiteering in terms of making easy money was born within the walls of Amtorg. Finally, if all these matters wouldn't be of negative, purely polit. significance to us, perhaps they wouldn't be worth writing about. Who will guarantee that the bank will not "secretly," as is customary in America, inform everyone who  
Turbin, Ohsol
- p. 254 needs to know and stands to gain from knowing that the top-level personnel of the trade mission purchases the aforementioned shares.  
This fact once again underscores the lack of minimal loyalty that we have the right to demand of a member of the board of the trade mission, as well as of Turbin,

*who plays an important role in the overall array of Amtorg's activities.*

*Ohsol is a member of the local Com. Party.*

*Turbin maintains the closest contact with a right-wing SR group, including its leader, engineer Vasilyev, whom he tried to move to Amtorg."*

Georgy Agabekov. Cheka at work. The Book—Education—Charity Association. Moscow, 1992

- p. 198 *[The GPU station chief at Amtorg was Chatsky (around 1929). Before he arrived from the US, Agabekov for a short time became the head of the Anglo-Amer. sector, replacing Borisovsky-Meltser.]*
- p. 199 *Meltser turned over 2 files to Agabekov: 1 on England, the other on the US.*
- p. 200 *"Now let's move on to America," said Meltser, opening the new file. "The station chief in America is Cde. Chatsky, who is officially an employee of Amtorg. Our main task in America is to prepare public opinion for recognition of the USSR. This is a task of enormous importance, since if there is a successful outcome we would brush everyone off. If America were with us, we would pay less attention to England and, most important, to Japan in the Far East. And economically this would be a salvation, because in the end all the capital is concentrated in America," Meltser said.*  
*"All this can be found in a Pravda editorial, you'd do better to tell me what the results of our work are," I asked.*  
*"Oh, the results are terrific. Amtorg has strengthened its position and has developed excellent commercial activities. By making use of the commercial contacts, Chatsky is conducting a big campaign in favor of our recognition. Chatsky's reports are now with Trilisser. He took them to do a report for the CC. You'll find out the details from them.*  
*"Chatsky's second task is to obtain Amer. passports. You know what an Amer. passport means abroad, especially in the East. It's everything. One can travel anywhere with that passport. Almost all the employees of Comintern travel with passports sent by Chatsky..."*  
*"Is that all on America?" I asked*  
*"On our line that's all. But Chatsky in addition is the Comintern representative in America. He has to keep in touch not only with Communists in the Unit. States, but he is also the plenipotentiary for Mexico. The Comintern transmits all the money and instructions to us, and then we forward them to Chatsky at Amtorg. This work takes up a lot of his time and also hampers him in conducting purely intel. work. But the compensation for this is that we receive plenty of material on*
- p. 201 *America from the Comintern, whose agents do a terrific job," Meltser concluded."*

*File "Data Sheet" No. 2557 Vol. 1 (Delgass)*

p.3 *Reply to Delgass's letter from Harley-Davidson Motor Co (Milwaukee, Wis.)*  
*Amrusco*  
*Suite 901*  
*Chrysler Building*  
*New York, New York*

*March 27, 1931*

*Gentlemen:*

*We are in receipt of your letter of March 19, in which you point out the risk in carrying Amtorg acceptances and offer your services in disposing of any Amtorg trade acceptances which we might have without recourse to us.*

*We have been dealing with the Amtorg Trading Corporation quite a few years and have handled their trade acceptances amounting to several hundred thousand dollars. Our experience has been entirely satisfactory. Every trade acceptance without exception was paid on the day of maturity, and we have every reason to believe that the Amtorg Trading Corporation will meet their obligations as promptly in the future as they have in the past. For this reason we are not in a position to avail ourselves of your services at the present time.*

*While it is more or less beside the point, we might mention that an offer such as you make has somewhat peculiar features. It is the intention to lead us to believe that Amtorg trade acceptances are more or less dangerous and that the holder runs the risk that at some time or other Amtorg will fail to make payment on maturity. Then, however, the offer is made that you will buy the acceptances and take the risk for us. There is one point that we would like to have explained to us; possibly a little enlightenment<sup>39</sup> on this point will help us. If these Amtorg acceptances are really as dangerous as we have been told, why would other people buy them and assume the risk? As a general rule, the discount rate is high; but even at that, if the danger is so great, the discount rate would hardly begin to cover the risk. A careful analysis of the matter would indicate that the discount rate is high, that the risk involved is rather low, which, in other words, means a profitable transaction for the party buying the acceptances. If our understanding is not correct, we would be pleased to have you give us a better explanation.*

*Yours very truly,*  
*Harley-Davidson Motor Co.*

- p. 8 The letters were sent to the INO OGPU by the head of the Amtorg SShO (secret coding department). (1931)
- pp. 11-12 Photocopy from the Russian-language newspaper, "Delgass accuses Amtorg of military espionage."
- p. 14 Letter from Amrusco (*American-Russian Trade and Engineering Consultants*). September 18, 1930.  
*Hisey-Wolf Machine Company*  
 Gentlemen: -  
*We are writing to inform you that we have resigned our positions with the Amtorg Trading Corporation (Mr. B.W. Delgass, that of Vice President in charge of the Export Department, and Mr. N.C. Antonoff, that of Engineer in charge of purchases of oil well machinery and refinery equipment), to organize a new firm.*  
*Our resigning from the Amtorg Trading Corporation does not mean that we have lost interest in American-Russian trade. On the contrary we are deeply convinced that business relations are of mutual interest to both countries and this is our reason for organizing a Consulting Office under the name "AMRUSCO" (American-Russian Trade & Engineering Consultants).*  
*The Russian market affords an excellent opportunity for the utilization of American capital, both in the form of trade and technical assistance. This opportunity should constantly improve...*
- p. 15 *Let Us Help You.*  
*Preliminary importation plans for the fiscal year 1930-31 are being formulated in Moscow now and will be completed by November, 1930. We know already what plans are being made for the development of many of the industries in 1930-1931.*  
*We also have an intimate knowledge of the economic and financial situation in Russia and of the credit arrangements that are being made with European manufacturers.*
- p. 16 *Our consultation bureau is able to assist our friends in their business relations with the Soviet markets and corresponding trading companies in this country".*
- pp. 22-43 Delgass testified before the US Congress (the Fish committee) at the end of 1930 regarding Amtorg's activities, including the use of it as a "cover" for the OGPU and the GRU.
- p. 78 Letter from Delgass dated 15.11.1930 *Mr. Paul D. Cravath,*  
*15 Broad Street,*  
*New York, N.Y.*  
 Dear Sir: -  
*Forty-eight specialists of the Meat Packing Industry were recently shot by O.G.P.U. without trial, being*

*accused of working to the detriment of the Russian industry in the interests of the British. This is the first act of a drama now being stage managed by the Stalin regime. These murders drew an almost unanimous protest of German intellectuals headed by Professor Einstein. Unluckily, this protest came after the execution.*

*Now Stalin's government is preparing its second act. Eight prominent Russian specialists and engineers arrested recently have been indicted and are prosecuted by the notorious N. Krylenko on the charge of plotting<sup>40</sup> to overthrow the Soviet government acting allegedly under the direction of certain foreign circles.*

*Immediately after the massacre a frenzied campaign was started in the Soviet newspapers to tie-up the names of those executed with the second and third groups recently arrested and with the "Right Wingers" of the Communist Party...*

*[Leonid Ramzin, John Kalinnikov, Viktor Larichev and others.]*

- p. 79 *The truth lies in the fact that Stalin has realized that the Five Year Plan, under the circumstances, cannot succeed, - that the Russian population is starving and that the dissension in the party has gone too far. The economic situation of Russia is very bad, they barely being able to meet their foreign obligations, not speaking of placing new orders for the machinery necessary for the execution of the Plan. Hence, the necessity of diverting the attention of the masses from the real causes of collapse.*

*In order to be able to soft pedal the execution of the Plan and endeavoring to invent reasons for its failure, Stalin has concocted a trial of engineers and professors on a very large scale, involving foreign governments. This trial would give him an opportunity to tell the masses that the fault of the failure of the Five Year Plan rests not with the government, but with the plotters and their abettors<sup>41</sup>...*

- p. 80 *In the name of humanity I am entreating you, and I have no doubt that the entire Russian race, whether in Soviet Russia or abroad is with me, to intercede and endeavor to save those which are to be executed by Stalin to serve his bloody purposes. Even if the fate of the accused leaves you cold, you should do this in order to save your friends of the Soviet government from committing a new and atrocious crime. I am confident that your intercession might save the lives of the doomed.*  
*Very truly yours,*  
*B.W. Delgass.*



- p. 83 [An ostensible potential client was sent to Delgass.]  
*"I sent a representative of a leading American firm to Mr. Delgass to inquire about his services in relation to obtaining Amtorg orders. This man made it clear that he was willing to pay for "influence", but before his company would pay any money they wanted to be satisfied that Amrusco actually had such Amtorg connections which would result in the getting of orders".*
- p. 84 The first meeting with D. was on 29 Sept. The second was on 1 October.  
*"He pulled out of his drawer an Amtorg folder. This folder contained detailed specifications and information about a 600 cubic meter gas plant to be erected in Moscow. Delgass said this inquiry was just received by Amtorg".*

File No. 869 Vol. 2 1928

pp. 177-194      Report by the inspectorate on the work of Amtorg (or the NKVT?)<sup>42</sup>

p. 186      “7. The leakage of information on future orders.  
The experience of all foreign-trade operations attests to the fact that foreign companies make big efforts to obtain information on future Russian orders in order to use this information for one purpose or another in their own interests. The inspectorate knows of cases in which this information was obtained directly from trade missions,

p. 187      as well as cases in which information about orders seeped into the local market from central institutions of the USSR. From Amtorg’s experience the Inspectorate can cite cases involving an order for sprayers in which this leakage of information was utilized by the intermediary Silcox, who created a situation where Amtorg found itself face to face with a unified contractor.

The purchase of tractors from Ford in the fall of 1926 also suggests that Ford knew about secret cables from the PC of Trade that specified the amount of the forthcoming purchases (on the basis of a cable from Cde. Mikoyan dated 5 January), as well as the fact that Amtorg was going to buy tractors not from International but from Ford. Only the possession of this information can explain the tactics of Ford, who revised his offers to Amtorg several times and got an order for a quantity of tractors (3,500) that represented an extreme concession on Amtorg’s part, which had been authorized by the cable from the PC of Trade.”

Ford,  
Mikoyan  
(Hammer?)

File No. 16695 Vol. 1 "Spies"

- p. 1 To Corps Cmdr. Cde. Uritsky, head of the RKKA intel. directorate (Source "18," alias "John".) May 1936.
- "The INO of the GUGB NKVD has received a report that at the last meeting of the US Cabinet, which was attended by President Roosevelt, Secretary of War Dern raised a question about the work of Japanese intelligence and in doing so stated that 34 Japanese, 2 Frenchmen, 3 Englishmen, 2 Dutchmen and 1 Latvian national had been arrested over the past 7 weeks. The last three are suspected of having worked for the USSR, but there is no definite evidence of that.
- In Dern's view, deportation is an ineffective tool. Espionage is growing, infiltrating the milieu of officials. Two officials in his department are under heavy suspicion; Under Secretary of State Phillips has told him that there are certain suspicions about some employees of the State Department. Plans for a new submarine and an extremely valuable airplane have disappeared in the Department of the Navy; a top-secret report for 1935 that had been filed on a highly classified basis is missing in the military statistics department.
- After the conference it was decided to reorganize the secret-service divisions of the Navy, Treasury and Commerce departments. Some of the most talented and trusted employees of these divisions are being used to create a special division of 25 people, headed by W. H.<sup>43</sup> Moran of the secret service of Treasury Department.
- Attorney General Cummings, who attended the meeting, announced that based on a Cabinet decision the communist and syndicalist movement is under investigation and surveillance, and he noted that it is making progress. The investigation is being conducted by 10 highly qualified investigators, and a full report on this matter will be delivered by the end of May. The investigation has managed to recruit some former Communists and employees involved with Soviet intelligence, as a result of which Cummings had to increase appropriations for this work from 15,000 Am. dollars to 25,000.
- According to our source, the principal agent in this effort is a person whose participation in the espionage process drew a lot of attention. We believe that this person is Switz, who is known to you.

Switz

Head of For. Dept. of GUGB NKVD  
Slutsky

- p. 2 To Yezhov, Agranov 4.12.36. From "John"
- "J. Edgar Hoover, the director of the Federal Bureau of Investigation (FBI) of the US Justice Department, has personally gotten in touch in New York with a group in the New York City police that specializes in investigating antifascist activities, and proposed that it cooperate in a new anticommun. campaign. This group must get a yearlong leave from the police, and

"John"

it will receive a higher salary from the FBI. Hoover was accompanied to New York by special agent George J. Starr, who specialized in espionage and polit. activities at the Justice Department. He is in charge of the surveillance of temporary-resident and permanent-resident foreigners who engage in polit. and semipolit. activities in the interests of various organizations. Starr speaks five languages fluently and, people say, without any accent as well, he lived in Russia for several years and is one of the most qualified operatives in Amer. intelligence. He is one of three "managers" in the department in Wash. and is next in rank to Hoover. Starr will be in charge of investigations in the area of commun. propaganda and Soviet polit. and econom. espionage in America. He alone will personally direct a staff of fifty men and ten women.

p. 3

Hoover has stated that the department has decided to begin a clandestine campaign against Communists on the same scale as the campaign he conducted to destroy "public enemies." He said that at least 1/3 of all of his 230 people will be deployed for this work and that providing Starr with an organization of 50 people represents only a beginning, until more significant funds can be allocated for this purpose. He doesn't care whether obtaining the necessary information for a legal campaign against Com. Party members and sympathizers takes the department six or twelve months, he wants to have a full picture and will definitely get it. He said that the criminal division of the Justice Department wants to keep all the information and prepare all the necessary data in order to convince Roosevelt or his successor (Hoover is a committed Republican) of the need to take some radical measures against people who are undermining the foundations of democracy in America. This organization's task at present will be to obtain all the information about any organization and certain individuals who may have some contacts with Communists.

Hoover said that the department wants to have a complete set of files regarding individuals who sympathize with radical movements but are not associated with any organization, the so-called secret (or confidential) members, and especially regarding couriers at government agencies, large corporations, different kinds of schools, city administrations, etc. Part of the department's new work will consist of periodic reports regarding all the individuals who have been put into these files. He believes that continuous surveillance is, of course, out of the question, but whenever appropriate information comes to Washington, an individual investigation will be conducted and special agents will be assigned to such investigations.

For the present in New York the work of agents in this area will be headed by special agents Turow and Tracy. Both speak Russian fluently and revolve in radical Russian circles under fictitious names. They are both members of the Friends of the Soviet Union and two organizations unknown to the source with pronounced

- p. 4 fascist tendencies; one of them is a party member.  
The contact with the New York City Police Department is to be maintained solely through Inspector Lyons. Special agents are forbidden to work with the alien crime squad, since several members of this squad are considered politically unreliable. One of them is believed to be even a member of the Com. Party who is working against the police. The officers of this squad who have received instructions to assist this special work are Captain Thomas Degan and Detective 1<sup>st</sup> Class George Ballenstedt. Other individuals who were selected by the Federal Bureau of Investigation and receive an annual addition to their salary in the amount of 1,200 Am. dollars are Lieutenant James Pike from the gas-bomb squad and Inspector Michael McDermott (who used to work for the alien crime squad).  
Hoover stresses that the information is extremely difficult to obtain, since the Com. Party is very careful. He said that he has two trusted people in the Com. Party, and one of them is in a leadership position. Hoover doubts that the information coming from his trusted people in the Com. Party is accurate or credible. So the department wants to get a few more people in there, whose political reliability has been proven. Hoover said that they would not shy away from spending large amounts of money to get information. Despite the fact that only 700,000 Am. dollars is available at present, "interested organizations" have promised at least 1 million more. He said that the campaign against kidnappings for ransom has also been financed in large part by the "interested organizations." Hoover added that these organizations are not political or party groups and are acting solely for the good of the nation. In establishing contacts, the agents must not keep within a narrow framework. The department will pay all reasonable costs. Agents must never request or give out receipts.  
Hoover says that the government and especially the Navy Department are showing concern. The Navy Department believes that communist agitation
- p. 5 has advanced so far in the past six months that it can no longer be prevented. He stressed twice that this is not a "Red threat" that suddenly appears and then disappears just as quickly, and said that the issue is now a very serious one, not like it was during the regime that existed at the Justice Department under Michael Palmer. We must make all preparations so as to give the govt. a chance to take decisive measures to destroy the threat of the spread of radicalism once and for all. Hoover said the following: "I am not a political crusader. I don't serve any party and I do my job, which is to root out the communist plague."  
The facts are that H. would like the govt. to be headed by the Republicans. He has a certain amount of polit. ambition and composure and would like

to make use of the material that will be collected against Roosevelt. In that event his desire to become the future attorney general of the US could be realized. He has extremely influential connections in the American Senate, especially among the Republicans, and they always grant him supplemental subsidies. Just like his friends in the Senate and outside it, he has fascist tendencies.

Hoover said that every means must be used to find out the nature of financial transactions. "We don't know who transfers money "from over there," but we do know that it's not the embassy, not the consulate and not Amtorg. But we must find this out. It is essential to pay special attention to the bank accounts of old ladies who support organizations like the Women's League for Peace and Freedom. It is essential to carefully monitor all the bank accounts, checks and so forth of individuals who are suspected of participating in any radical movement." There is a special arrangement in this regard between special agents and the Recordac company in NY, which does constant work in photography at most NY banks."

- p. 9                      29.12.1936 Source "John" to Yezhov, Agranov. "John"  
The work of German intelligence in the US  
 Employees of the Stenek Travel Bureau tourist firm in Hoboken, New Jersey, are active operatives for German intelligence in the US (5 names). It is currently the Gestapo center in New Jersey.  
 The names of the heads of tech. espionage in the US.
- p. 10                      Regular meetings to transfer materials concerning Amer. weapons take place at the Empire Tavern, 6 East 33<sup>rd</sup> Street, NY.  
 The outstanding operatives of tech. espionage working for Germ. intelligence are believed to include Dr. Frank Müller of American Lurgy Corporation, 80 Brand Street. Another meeting place for Gestapo agents is Junkers Corporation of America, 29 West 57<sup>th</sup> Street. "This place is used by a German secret agent, someone named Antony Strassman, who sometimes presents himself as a Jewish refugee."  
 A 4<sup>th</sup> important German spy center is the firm Siemens Incorporated, 90 West Street.
- pp. 12-16              A list of fascist organizations in the US (apparently from "John"). 46 organizations.
- pp. 16-20              Theaters funded by Nazis; storm troopers and fascist press in the US; fasc. youth organizations; individuals involved in fasc. activities.

- p. 21 To Cde. Slutsky, head of Dept. 7 of the GUGB NKVD, state security commissar, grade 2.  
Report.  
“Dept. 7 of the GUGB NKVD currently has in its possession exhaustive material not only about the names and personnel of German National Socialist party and spy organizations in the US but also about the nature and substance of these organizations’ espionage. Considering that one of the tasks of these organizations is to discredit the USSR and disseminate propaganda for a rupture of diplomatic and trade relations with the USSR, we believe that the material in our possession is quite sufficient to deliver a substantial blow to the Nazis in America.  
According to our information, Amer. police organizations are informed about Nazi activities in America, yet are not taking any measures in this regard. We must assume that they are either openly protecting them or, on orders from above, are biding their time. Consequently, we cannot count on success by using agents to work against the Nazis through police agencies. The most effective way to expose Nazi activities and paralyze them in the present circumstances would be, in our view, to mobilize, again using agents, interest in these activities on the part of some influential individuals—senators or congressmen—from Roosevelt’s inner circle and to organize our agent actions in such a way
- p. 22 that information about this gets into the press and a broad newspaper campaign begins around this issue.  
We believe that such a campaign, on the one hand, would cause significant damage to the political prestige of the Third Reich and, on the other, would force administrative agencies to take appropriate measures against the Nazis.  
Having documents on the line of Sector 2 that describe the Germans’ military espionage in the US (descriptions of the negative aspects of Amer. weapons), we could also use this material to create a certain change in the attitudes of US military circles toward German military representatives in Wash.  
In reporting on the foregoing, we request your approval to give assignments to the appropriate stations.  
A draft of the assignments is enclosed.  
State Security Major Sili,  
asst. head of Dept. 7 of the GUGB NKVD  
State Security Lieutenant Grafpen,  
head of Sector 1 of Dept. 7 31.12.36
- p. 23 To Cdes. Nord and Nikolay. Draft (not sent).  
“We currently have in our possession exhaustive material concerning Nazi activities in the US (films are enclosed) with the names of individuals and spy organizations in various cities of America.  
Considering that one of the tasks of these organizations is to discredit the USSR and disseminate propaganda for a rupture of

relations with the USSR and so forth, we believe that the material in our possession is sufficient to deliver a substantial blow to the Nazis in America.

According to information received from Nord, Amer. police organizations are informed about Nazi activities in America (data from "John"), yet are not taking any measures in this regard. We must assume that they are either openly protecting them or, on orders from above, are biding their time. Therefore the most effective way to expose Nazi activities and paralyze them, in our view, would be to mobilize, again using agents, interest in these activities on the part of some senators, congressmen or people from Roosevelt's inner circle and to organize our agent actions in such a way that this information gets into the press and a broad newspaper campaign begins around this issue.

Nord  
"John"

As a practical way of implementing this, we recommend the following:

p. 24

Option one.

"19" has extensive contacts among influential liberal circles, who in turn are connected to members of the Senate and the Congress. We would find it possible, as long as it doesn't threaten "19," to give them a list of fascist organizations with their names and people's names and addresses in order to show Amer. public opinion how far-reaching the fascists' work in the US is.

"19"

Option two.

If this cannot be done through "19," then Grin should be enlisted through Nikolay (if possible) and the material given to him.

Grin

Option three.

Give all of the material to the E. (embassy), which through its contacts passes along the material for the same purpose.

Please discuss this matter jointly and let us know your views.

31.12.1936

pp. 25-31

The summary paper "On Nazi activities in America" for 1935 has been sent to "Nikolay."

p. 25

"All work related to the organization of intelligence and propaganda is directed by officials at the German Embassy in Washington, the Consulate Gen. in NY and the Germ. Cons. in Chicago. Specifically the following individuals are involved:

Kipp—according to 1929 data that we have, he is a counselor at the German Emb. in Washington and the station chief of German intelligence in the US. According to other material, he is the Germ. consul in NY and was to be recalled home in the middle of 34. According to data received recently, he was recalled a year ago and is in Berlin with the reserves of the German For. Min.

Kipp

According to other data Kipp made contact between the Nazis and Hearst through someone named Viereck and Bayer. Kipp then reports to Berlin that he has learned from reliable sources that there is an American station in Berlin

Hearst



...

working against the USSR and coordinating this work with the Poles. The cover for this station is the representative office of a large American trust in Berlin. Kipp suggests that this representative office be checked out, contact be made with it and services provided to it, thereby intercepting materials from the Poles that moves through this channel

p. 27 On the work of Nazis to buy off the press in the US.

It is clear from the material that the official apparatus of G.'s diplom. and consular offices in the US is also directing the wide-scale propaganda activities conducted by the Nazis, which involve not only agitation in favor of the ideas and regime of the 3<sup>rd</sup> Reich but also shaping public opinion against the revol. workers' movement and mainly against the USSR, which should exert the kind of pressure the Nazis want on official US polit. circles in terms of worsening diplom. relations with the USSR.

Specifically the material states (true, very obscurely) that there is an arrangement reinforced by monetary allocations between the Nazis and the Hearst trust (which in part may explain the fascist orientation and increase in hostile attacks on the USSR by that concern). The intermediaries who brought about the deal between the German govt. and Hearst as paid agents of German intelligence in the US were George Sylvester Viereck, and Karl Bayer. It is clear from the material that Viereck is personally acquainted with Hitler and has access to Goebbels and von Papen, whose employee he was during the imperialist war...

p. 32 Conclusions:

In the future the Nazis must be investigated in the following areas:

- a) uncovering Nazi work aimed against our interests, both in terms of worsening our relations with America and with regard to intel. work against our agencies in America and in our territory.
- b) Unmasking Nazi agents in America's official institutions, mostly at the For. Min. and in intel. agencies.
- c) Uncovering Nazi work against A.'s fraternal organization.

p. 33 To Yagoda, Agranov 11.04.1935

"A Jewish spy org. exists in NY under the name of the "Anti-Defamation League" and is headed by Prince. Prince is a former newspaper employee for the Hearst press. He is 40 years of age.

In connection with the Dickstein committee's investigation of Nazi activities in the US, Prince's org. has spent 200,000 dollars: the funds were raised among the wealthy Jewish population.

Among Prince's agents were: Gunther Reinhardt and Dorothy Hering of 935 Park Avenue. Dorothy Hering's task was to cultivate Royal Scott Gulden (head of the Order of '76) and Ralph M Easley<sup>44</sup> of the National Civic Federation. Hering is described as a highly skilled agent.

Prince,  
Anti-  
Defamation  
League  
(see black  
notebook)

The source surmises that Prince's organization has material about the activities of the Am. Com. Party.

- p. 34 Financial assistance is provided to Prince's organization by Felix Warburg, who is connected to the Kuhn, Loeb & Co. banking house. Warberg provided the assistance secretly, since he didn't want his name to appear in the press because his brother Max Warburg is a banker living in Hamburg. Samuel Untermyer, one of the organizers of the boycott of German goods in the US, reported that Max Warburg is sending Nazi agents to his brother, Felix Warburg, who helps them get jobs, especially on the banking line."

- p. 35 In January 1937 it was reported to Yezhov that the US has 75 so-called "brown houses," which are a center of Hitlerite propaganda and espionage.

- p. 40 Memorandum.  
"Nord has been instructed to find out from John which Nazi leaders he knows besides those already reported, whom he mentions in report No. 45—propagandists, journalists, fascist trooper leaders and so forth. In the Nazis work Nord should look for their connection to Trotskyites, both in America and against the USSR." [for the trials]<sup>45</sup>. 5.04.37 John

- p. 81 Re the meeting with "19" on 19.03.1937.  
"During the latest meeting with "19" the following was learned: "19"  
1. Re an employee of the protocol section of the State Department, Augusta Hanna. A few years ago the Am. ambassador to Guatemala, Hanna, married a German woman. She lived with him in Guatemala until he died about a year ago. After her husband's death Augusta Hanna came to the US, and since she supposedly had no means of subsistence, she was given a job in the protocol division of the State Department. She quickly got to know the most important division heads, including an especially close friendship with the head of the Western European division, Dunn. Augusta Hanna is about 38 years old, has nice looks, is intelligent and dresses beautifully. She attends parties very often with Dunn and other division heads and takes an active part in their conversations. The division heads are generally reserved, but when they have a little to drink their tongues loosen up. An assistant to "19" found out that Hanna meets very often with a staff member of the German Embassy, but so far we have not been able to find out exactly which one. She meets with him in the city and sometimes at receptions. Almost no one knows about this connection of hers, but she has told the few who have noticed it that the German is her cousin. "19's" assistant is very sure that this is not true and that she passes to this German all kinds of information p.82

about the department. She doesn't get much information in the protocol division, but her friendship with Dunn and the others gives her a lot.

When H. was still with her husband in Guat., they had a servant who was also a German. Before coming here she did all she could to get him an entry visa for the US, but the consul general there flatly refused to issue a visa, and no one, even the department, was able to persuade the consul to issue it. She made scenes and threw tantrums, but nothing helped. It now turns out that this servant works at the German Embassy in Wash., again as a servant. The embassy officially summoned him for itself.

"19" has disliked her for a long time, since he noticed that she persistently wanted to make friends with him as well. A few days ago "19" told Welles about her and about the fact that she meets with the aforementioned German. W. was outraged and said that in all likelihood she is an informant for the Germ. Emb., and possibly intelligence as well. He promised to inquire about the matter. "19" personally believes that she is connected to Germ. intelligence."

- p. 83      Letter to Nord dated 14.5.37.  
Regarding Augusta Hanna, an employee of the protocol division of the Surrogate, we find it necessary that "19" through his assistant take the task to its conclusion, in the sense that she be fired from the Surrogate as a German agent."      "19"
- pp. 87, 89-91      Material on the fascists has also been provided by "Morris."      "Morris"
- 105-111      By "24" as well.
- File 16695 Vol. 2 "Spies"
- p. 13      Letter from Gennady dated 27.10.38
- p. 14      "Crook" is currently selecting materials against the head of the US fascist organization, Fritz Kuhn. To this end he has enlisted a woman named Virginia Cogswell, the mistress of the aforementioned Kuhn. We are enclosing a description of this female prepared by "Crook." "Crook" laid out the task for himself of gathering documentary material that will make it possible to expose Kuhn's anti-American activities. To this end he moved Virginia into the Siric Hotel, installed a microphone in her room and arranged for the recording in another room of the conversation that takes place in Virginia's room while Kuhn visits her.      "Crook"  
During the past two weeks he has managed to record a conversation Virginia had with his assistant (Rollins) so as to have on record preliminary discussions with her regarding Kuhn's espionage activities. According to "C.," Virginia doesn't know that her conversation with Rollins was recorded. He needs this so as to put pressure above all on Virginia to make sure she can't disavow her reports about Kuhn at the necessary time. In addition, several discs of Kuhn's conversation with Virginia were recorded.      *Fritz Kuhn*

The conversation is of no value, since it concerned extraneous matters.

- p. 15 One conversation, the most interesting, concerning the struggle of local fascists against antifascist organizations, was technically recorded most successfully and we received it from "C." We are enclosing one disc—a recording of Kuhn's conversation with Virginia and 4 discs of V.'s conversation with Rollins. We didn't have a chance to listen closely to the content of the conversation, so we are not giving a description here."
- p. 16 Virginia Cogswell (Virginia Overshiner). (Apparently a report from "C.")  
 V. C. is more than 32 years old. She was born in the city of Atlanta. She comes from a wealthy family. Her father was vice-president of *Stromberg Carlson Carburetor Corp.*<sup>46</sup> Her grandfather was the chairman of *U.S. Steel*—after his death he left more than 2 mil. dollars. V. C. moved from Atlanta to Chicago. Lost almost all the money in the 1929 crash. Met Fritz Kuhn and was his sweetheart for 3 years. Kept a diary of events. Met Ambassador *Dieckhoff* and Germ. consuls thanks to her liaison with F. K. She knew their entire network and was up to date on all of their espionage activities. She was checked out by the Gestapo and could be cordially received in Germany by Hitler.  
 P.S. F. K.'s vile and underhanded tactics infected her against him and the German-American Union, and she is prepared to do anything and to completely expose their entire organization in this country and everywhere she knows.
- p. 17 Message (apparently from "Crook").  
 "Having established contact with Miss V. C.<sup>47</sup> and having spent 26 September [a meeting] with her, I managed to determine many new facts:  
 1. That F. K. has still continued to receive a weekly salary from Henry Ford.  
 2. That F. K. had 5 different bank accounts, all of them under various fictitious names (V. C. knows all of them).  
 3. That F. K. has a chemical laboratory near NY that is valued at 7,000 doll. The address is unknown, but V. C. can drive there.  
 4. That V. C. has expressed a strong desire to do something useful for this country, even if she has to work as a secret agent. She said that F. K. would like her to meet with Hitler, and that he would give her the necessary authority to make a trip to Germany, even paying her way.  
Enclosure.  
 It seems to me that F. K. is just crazy about her, he has endlessly proposed to her. He has entertained her like a queen. He has been a constant visitor to the following restaurants: the Biltmore, the Waldorf and the Rainbow Room.  
 On 18 September V. C. became ill, and F. K. paid the doctor with a check from the German-American Fascist Union (Bund) for 60 dollars. I have seen a photograph of this check (*photostat*).

- p. 63 [Kuhn took part in the Munich putsch on 9 November 1921. In 1924 he emigrated to Mexico and from there to the US. He became an Amer. cit. in 1934. He lived in Detroit from 1928 to 1934, and worked for Ford for a while. Kuhn
- p. 62 Bundesführer, or chairman, of the German-Amer. Volksbund.]

File 3469 Vol. 1, 1935.

Technology

p. 37 Memorandum (June 1935)

“The INO of the GUGB has obtained through agents in the US a report by the well-known Amer. scientist Dr. Goddard, who has been working for a number of years on a liquid-fuel rocket.

Goddard

The report is addressed to the US Navy Department and sums up the results of Goddard’s 10 years of work on a liquid-fuel rocket.

In addition to covering certain phases of the work that has been done, the report contains a whole host of specific data on the rockets that the author has developed (dimensions, thrust, fuel consumption, etc.) and test results.

The final section of the report comments on the prospects for the practical use of liquid-fuel rockets:

- 1) as an engine for super-speed planes;
- 2) as an engine for apparatuses sent to explore the upper reaches of the stratosphere (up to 160 km);
- 3) as an engine for aerial torpedoes (so-called “gunless” artillery).

It is clear from the subsequent correspondence that Goddard’s work was funded by private individuals. Now, however, liquid-fuel rockets have come under the Navy Department’s authority

p.38 and have been classified as secret defensive weapons.

Soviet organizations that work in the same field are highly interested in G.’s work, but so far they have not been able to obtain reliable information about his work.

According to a preliminary expert examination, this material is very valuable.

The material is being sent to Cde. Pavlunovsky, the head of the chief mil.-mobilization administration of the NKTP, which has jurisdiction over the jet-propulsion institute, for his use.

Slutsky, head of the INO of the GUGB NKVD.

p. 49 Special report to Slutsky dated 25.10.1935

Mentally ill

“On 24 October 1935 an unknown citizen brought flowers (a century plant), planted in a human skull with bronze ornaments, to the Amer. Emb. with a letter for US President Roosevelt.

On the orders of Bullitt’s private secretary, the skull and flowers were sent to the 50<sup>th</sup> militia precinct. It was determined through measures that were taken that the person who initiated sending the flowers was citizen Nikolay Stepanovich Dobrovolsky.

We arrested Dobr. At the time of his arrest it turned out, according to the tenants living with him, that he is a mentally disturbed person, which was confirmed during a conversation with him. Dobrov. was sent for examination

by a forensic-medical panel of experts.

It was determined that D. writes raving letters to various for. embassies, as well as high-ranking Soviet officials.

The NKID has been informed about this matter.

Head of Section 10 of the OO of the GUGB NKVD, Ilk.

File No. 3470 Vol. 1 1937

p.8 Letter from "Nord" dated 16.4.37  
 " "14" reported to "10" that the police informer (precisely the person who was cited in the previous mail) regarding Amtorg's affairs is someone named Jan Ohsol, a Latvian, former member of the State Duma, a Social Democrat who emigrated in the past, stayed here and became an Amer. citizen. Such a person indeed works for Amtorg as a vice-chairman. The demand that his reports to the police be turned over has not been fulfilled. Nikolay has been notified about Ohsol."

Amtorg  
Ohsol  
"10"

p.9 Special report to Yezhov 29.04.1937.  
 "Department VII of the GUGB has received information by telegraph that former Amtorg vice-president J.P. Ohsol is connected to Amer. intelligence and is doing spy work on Amtorg. According to our information, Ivan (Johann) Petrovich Ohsol is an émigré from Russia. Amer. citizen. He emigrated from Russia before the revolution. He has become completely assimilated in America. He was a member of the ACP, then left it supposedly for failing to pay membership dues. He was hired to work in the Amtorg organization and was made a member of the Amtorg board as a vice-president in June 1925. This was done in order to register Amtorg as an Amer. company under the laws of New York State. Under these laws Amtorg could be registered as a joint-stock company only if its board included Amer. citizens. Ohsol was one such fictitious member of the board. Ohsol held this position until 1936. He managed to become close and had very good relationships with all of the Amtorg chairmen and their deputies. He knew about a whole host of secret commercial ventures by Amtorg. During the investigation by the Fish (?)<sup>48</sup> committee he appeared as an interpreter and as a witness. According to comments by those who attended, he gave confused testimony. Ohsol had a fairly good relationship with the defector Delgass. In 1936 Ohsol was fired, but periodically continues to be used by Amtorg's mgt. as a translator. The investigation of this matter is continuing."

Delgass

p.38 Special report to Yezhov dated 16.05.1937.  
 "The strike movement in the U.S. has encompassed a large number of workers in various industries, including those in which Soviet engineers are working on receiving our orders and carrying out agreements on technical assistance. According to the information of Department VII of the GUGB, the mgt. of Amtorg and GUAP (Bogdan<sup>49</sup> and Petrovsky) is not ensuring the correct line of conduct by Sov. engineers during strikes, which could lead to major provocations by the Americans. Department VII has data indicating that our engineers' conduct is complying entirely with the will of the



plant's management and security guards.

The following events took place at the Douglas aircraft plant in California:

On 22.II.37 a strike was started by workers, who set up a picket line to combat strikebreakers. On orders from Bogdan (Amtorg) and Petrovsky (GUAP), the group of Soviet engineers working at that plant was to follow the instructions of the plant's management regarding work days during the strike. Our engineers, in effect, were directed by the White émigré Makhov, an employee of the Douglas company, as a result of which the Soviet engineers were working with Amer. strikebreaking engineers during the strike.

- p. 39 The Sov. engineers send an inquiry about this matter to Cde. Troyanovsky and Amtorg, but did not receive a response. Only on 14 March did Bogdan and Petrovsky issue an order for our engineers to stop working before the end of the strike. The conduct of our engineers was the subject of wide discussion by the workers' masses and the strike committee."

- p. 79 In November 1937 Jung (Akhmerov) reported on wrecking activity at a plant of the Consolidated aircraft company. The information comes from Communists at the plant.

- p. 76 Special report to Yezhov (November 1937)  
 "Department VII of the GUGB has agent information to the effect that the Consolidated aircraft company in San Diego, US, which is filling our orders under an agreement on technical assistance, is using old engineering drawings and obsolete fixtures in the process, whereas when it manufactures from its own orders the company uses more improved fixtures and new, tested drawings. In addition, it is known from the same information that a significant proportion of the fixtures for our order are made in an experimental shop, whose foreman has shifted all of the responsibility for filling Soviet orders to his assistant, a White Russian. This White émigré is a former captain in the tsarist army and a former officer in the White army, then worked in Shanghai and since 1930 has worked at various aircraft plants in the US (Boeing, Douglas, Consolidated)."

- p. 10 To Cde. Stalin, Secretary of the CC of the VKP(b)  
 "The USSR NKVD is performing work abroad to obtain through agents the production secrets of foreign companies.  
 We have secured abroad and transferred to the industry of the USSR a large amount of technical materials on problems that are relevant to industry.  
 As we have gradually shifted to military-technical intelligence, we have infiltrated the mil. organizations of several foreign nations and major world companies that are engaged in production mainly for military needs.  
 Most of the technical materials that the NKVD is currently securing abroad is of great interest to the USSR from the standpoint

of defense. These materials are transferred to the appropriate directorates of the PC of Defense and the PC of Heavy Industry.

However, the organization of the work in military-technical intelligence is running into a number of organizational inconveniences:

p. 11

1. When the NKVD of the USSR receives assignments to secure technical materials from certain directorates of the NKO, the RKKA and organizations of the People's Commissariat of Heavy Industry, it is unable to determine the degree of importance of an assignment that has been received.
2. Consultations regarding the materials that we have secured, as well as their implementation, proceed very slowly, which sometimes causes the materials to lose their technical freshness. These same factors prevent us from giving a timely evaluation of the source who obtained the materials, which is very important in our work.
3. During consultations regarding the materials, some experts and heads of institutions extract the principal technical data from the materials in the process of the consultation itself, and then when they give an evaluation of the materials they deliberately try to minimize the quality of the materials, disorienting us with regard to the source.
4. The NKVD is not in a position to monitor every step of the implementation of these materials that it transfers to the military ministry and to industry and to keep track of all the individuals who have contact with these materials in the process of their implementation. As a result, a risk arises that our foreign sources could be identified and exposed.

The aforementioned anomalies make it impossible to ensure that:

- 1) military-technical intelligence will target the facilities whose cultivation at this stage is of the most interest to the defense of the USSR

p. 12

- 2) the materials obtained will be implemented promptly and in a manner that is most expedient for the defense interests of the USSR;
- 3) the proper rules of secrecy will be followed when the technical materials secured by the NKVD are used.

In order to centralize the work, the consultation and the implementation of the technical materials secured abroad by the NKVD, I consider it imperative to set up under the People's Commissariat of Heavy Industry a permanent commission headed by one of the deputy people's commissars, with the mandatory inclusion in this commission of an authoritative representative of the USSR People's Commissariat of Defense.

The NKVD of the USSR will be required to transfer all of the tech. materials it secures abroad to this commission.

This commission should be assigned:

- a) to consult received materials through specially recruited experts who have been checked out, and
- b) responsibility for the prompt and expedient utilization of materials that have been secured.

Enclosure: Summary report on the technical materials secured by the INO of the GUGB of the NKVD of the USSR abroad for 1934 and the 1<sup>st</sup> quarter of 1935, 21 pages.

People's Commissar

of Internal Affairs of the USSR

Yagoda

\_\_\_ April 1935

- p. 13     Summary report on materials from 1.1.34 through 1.4.35.  
1. Aviation.  
Total number of materials on aviation—more than 200.  
“A large portion of the materials consists of technical documents from the Bureau of Aeronautics of the US Navy Department (*Navy Department, Bureau of Aeronautics*), which determines the line of development of Amer. aviation.  
38 materials are directives from the chief of the air corps of the US War Office (*War Office, Chief of the Air Corps*) regarding various technical matters.  
And finally, 6 items are works from the aviation department of the Massachusetts Institute of Technology in the US, which is the center of US tech. thought in a number of industries,
- p. 14     including in the area of aircraft manufacturing.  
All of these materials, given that the vast majority are top secret and are documents, are of absolutely extraordinary tech. interest for our aviation and give it an opportunity to learn about the results of the latest research work being done in the US regarding the most current problems of aviation. One can judge the abundance and value of these materials just by the fact that Cde. Kharlamov, the head of TsAGI, deems it necessary to assign a special group of 15 staff members for the preliminary processing of the portion of the materials that pertain to TsAGI alone.”...
- p. 17     [Drawings of a sighting instrument from the San Giorgio company for dropping bombs from an airplane; an altimeter for blind landings of planes, and others.]
- p. 18     Chemistry.  
“35 grams of a medical preparation in powdery form (hereinafter “bactericide”), its chemical formula and a brief description of its properties and production.  
A group of chemists has worked on the invention of this preparation on assignment from the Amer. company Schering for 6 years, and the results of their work are being in tight secrecy. The bactericide is of enormous medical and military value. The tests conducted by Professor Zbarsky both on the sample of the preparation that we secured and on the bactericide manufactured in the USSR on the basis of our materials have shown:  
a) that this preparation falls into the category of extremely powerful disinfectants;  
b) that it has a significant advantage over the disinfectants that have been known heretofore, including
- p. 19     especially powerful ones (rivanol), since it acts in more diluted solutions and its effect is immeasurably faster.  
According to Professor Zbarsky’s finding, this preparation may prove to be the most powerful remedy for the treatment of septic wounds, sepsis, gonorrhea and eczema, and possibly for the treatment of internal infectious diseases—syphilis, malaria, etc.  
In the future the bactericide may be used to disinfect drinking water (cholera, typhus, etc.) and for the preservation of food products.  
In all of these areas the use of the bactericide, which has been unknown in science until now, may produce a literal upheaval.

The work on this preparation is continuing.

The formula of a powerful toxic substance under the provisional name "TO" and "TOX" that has been put into service in the English army. England

On the basis of this formula, the toxic substance was manufactured in liquid and powdery form and turned over for testing to the Institute of Chemical Defense of the Military-Chemical Directorate of the RKKA.

Laboratory testing was completed in 1934. According to the finding of the Institute of Chem. Defense, the "TO" and "TOX," which were tested under various methods of exposure, showed high toxicity, in certain cases surpassing

p. 20 the toxicity of chemically pure mustard gas in similar research conditions. The toxicity of "TO" when inhaled and the toxicity of "TOX" when administered perorally (?)<sup>50</sup> which are close to mustard gas, are extremely valuable for practical purposes. The latter property is especially important, due to the high solubility of the substance in water and the low variability of its toxicity in water solutions, the cutaneous effect of both substances is less than that from mustard gas."

Testing on the substances is continuing.

A full description of the production process and formulation of the "Indigo" dye from the American company National Aniline Corporation.

The production of this dye is being set up for the first time in the USSR and our material affords the opportunity of taking advantage of the production experience of a large Amer. company.

The material has been deemed by the Anilobyednineniye to be very valuable and has been turned over to it for its use.

Formulations of 42 aniline dyes and intermediate products of the American company National Aniline Corporation.

The material has been deemed valuable and has been turned over to the Anilobyednineniye for its use.

A description of production methods, the production flowchart and formulation, as well as samples of the final product of the solvents "Tetraline" and "Decaline" by the Amer. concern Dupont.

p. 21 This problem is being handled by the Kharkov Coal-Chemical Institute, which has spent more than 100,000 rubles on experiments.

The material has been deemed valuable and has been turned over to that institute...

p. 22 A sample (2 grams) of "heavy water." The sample has been turned over to the Research Institute of the VOKhIMU of the RKKA for testing.

Heavy water.

p. 23 Radio engineering.

A set of detail drawings and a circuit schematic of the transmitter for the AVT-3A 20-watt airplane radio station by the R.C.A. company (*Radio Corporation of America*), a leading company in the radio field in the US.

p. 24 Instructions for the ET-5000 ultrashort-wave transceiver by the RCA company. Description, schematics and diagrams of various R.C.A. antenna devices.

“A description of the latest achievements in the television field in the US and an engineering drawing of the design of the electron gun of a television set (an “iconoscope”) in the system by Zworykin, the well-known Amer. inventor who works for R.C.A.”

- p. 75 “A description with schematics and theoretical calculations of high-voltage DC system for the transmission of large capacities over long distances.  
This system has been developed at the Mass. Inst. of Tech. (Boston) under the direction of Professor Van der Graaff for the Works Progress Administration in connection with the construction of a powerful hydroelectric station in the Tennessee Valley (US).  
This system is a totally original idea and solves the enormously important problem, especially for the USSR with its immense territory, of transmitting electricity by direct current over long distances.
- p. 31 “292 assembly and detail drawings of a continuous sheet-rolling mill with individual mechanisms by the Amer. company Mesta (*Mesta*).” [Could be used at Zaporozhstal--experts’ assessment.]  
A set of detail drawings (164 pages for 2229 parts) with the specifications of 3 universal excavators of various capacities by the Amer. company.
- p. 32 Bucyrus.
- p. 33 Slutsky 26 April 1935

File 3591 Vol. 2 "Morris" (working file)

- p. 46 Report from "Brit" dated 24.9.37.  
[Received from "Morris," among other things:]  
"correspondence between the investigative authorities in Puerto Rico and Washington, as well as a correspondence with the ministry of for. affairs in Wash. regarding an unofficial representative of Gen. Franco in Puerto Rico in the Unit. States. (?)<sup>51</sup> Of the most interest are coded Amer. cables and their decryptions."
- p. 49 [Materials regarding the case of a man who was accused of spying for the Japanese.]  
"We have received the file with all of the details, and it is of interest from the standpoint of studying the method and procedure of solving this case. In addition, it's interesting for us to know what the Japanese got here "for their money" and who their agents working here are."
- p. 57 Letter dated 14.12.37.  
[Materials from the US military intelligence archives for 1934 about the activities of the Whites: a letter from someone named "Petr" (an active White) to someone named "Fred" (an FBI agent).]
- p. 58 "Petr" describes his activities in uncovering the activities of Sov. agents in the US. (A fake.)  
The most interesting aspect is the activities of "Count Henry" and his son.
- p. 85 Letter from "Petr" to "Fred" in Wash. dated 20.10.34. (original in English.)
- p. 88 "I spoke with you about Count Henry. He is our coder and was the head of the old "tsarist" department of communications. He has a manual of the Soviet general code and does all of our decoding work. He will manage all of your codes. You are already familiar with the routine code used for the Sov. Union's relations with its Amer. agents.  
Count Henry's son has managed to slip into a job at the commissariat of internal affairs in Moscow and is informing us about any new agent who is sent to your country. He was the one who secured this code for us." ~~We have very good friends~~

File 3591 Vol. 3

- p. 83 Report from the Amer. mil. attaché in Bern dated 27.1.36.  
"German aggression in the West doesn't appear likely, G. will act against East. Europe or the Danube countries."

## File 3591 Vol. 4

- pp. 92-126 Report from the US Consul General in Stuttgart (*Stuttgart*) Mr. Honaker re “*German Political and Cultural Activity in Foreign Countries.*” (November 10, 1937).
- p. 145 [The complete translation has been sent to Stalin, Molotov, Yezhov, Frinovsky.] People’s Commissar of Intern. Affairs Yezhov.

## File 3591 Vol. 5

- p. 1 Letter from Gennady dated 25.1.38  
 “The latest materials from Amer. mil. intelligence secured by us through source “Morris.” The materials have been sent in developed form.<sup>52</sup>  
 1) P. I.—top-secret reports from the Amer. mil. attaché in Germany about issues of Hitler’s for. policy, the tactics of German diplomacy, the tasks of the German fascists regarding the USSR, etc. The reports cover the period Nov. ‘35 through November ‘37.  
 2) P. II.—top-secret reports from the Amer. mil. attaché in Poland about the following issues: the separatist movement in the Ukraine, the Ukrainian mil. org. in Poland, Poland’s assistance to the Ukraine during the revolution. The reports cover the period ‘30-‘33.  
 3) P. III-IV.—Top-secret reports from the Amer. mil. attaché in Switzerland about the following issues: the international policies of certain Europ. countries, the work of the League of Nations, as well as about the issue of the Italo-German-Japanese alliance. Material covers ‘35-‘37.
- p 91 [Report from the US mil. attaché in Berlin on speeches at the Nuremberg congress.—1.10.36  
 A survey (also by him) of Germ. foreign policy since Hitler came to power and Germany’s relations with other Europ. countries.—7.5.36]
- p. 118 “Report from the Amer. mil. attaché on German foreign policy dated 1.11.37. The war in Spain remains the center of G.’s foreign policy. Notwithstanding the reports in the world press, the Berlin-Rome axis is growing stronger. Hitler’s policy is a Bismarckian policy, opportunistic and aimed at a distant target. Germany’s pressure in Cent. Europe will increase in proportion to the increase in its military power compared with its neighbors. G. and It. are seeking to establish a fascist regime in Spain headed by General Franco, under their leadership. This would completely change the balance of mil. forces in the Italo-German bloc, since part of the French army will, in the event of war, have to remain along the Pyrenees and in Morocco; in addition, the dispatch of Moroccan troops to France will be impeded.
- p. 130 Message from the US attaché on the situation in Europe dated 17.6.37.  
 “Believes that the execution of the participants in the mil. conspiracy in Moscow was an event that upset the equilibrium in Europe and caused great damage to the Red Army by weakening the USSR’s position and simultaneously strengthening Germany’s position. This event was one of the reasons for the increase in Germ. diplomatic activity.

At the same time there was a reorientation of British policy toward Germ., which G. attributes to the following factors: 1) the threat to England from Italy; 2) E.'s apprehensions regarding the internal situation in Fr.; 3) the desire to put an end to the threat of a Europ. war as a result of the war in Spain; 4) the decrease in the USSR's prestige as a result of the execution of Tukhachevsky et al. 5. The results of the British imperial conference, at which it turned out that the dominions will decline to support E. in the event of a war caused by support to the Danube countries."

File 3591 Vol. 6

pp. 4-5 [Message from *John C. Wiley*, the US Consul General in Antwerp, to the State Dept. dated 7.01.36:  
*I have the honor to report, for the strictly confidential information of the Department, that a high Belgian official has permitted me to see a list of alleged German "agents provocateurs" in foreign countries. He allowed me to note the names having to do with the United States and South Africa".*  
 [Names and addresses follow.]

pp. 36-41 [Materials from the Justice Dept. regarding Trotsky's activities in Mexico (1937).]

p. 96 4.6.37—sent to Cde. Uritsky, head of the RU of the RKKA:  
 the actions by the Amer. authorities against the Spanish organizers of arms buying in the US (reference is to the Republicans).

pp. 100-101 Prepared on the basis of a cable from E. Hoover to *McMahon*, assistant attorney general, that was copied by "Morris."

File 3591 Vol.7

pp. 39-47 Report to the US Emb. in Moscow from a young American who worked as a chemist at the Magnitogorsk Metallurgical Plant (*Magnitogorsk Metallurgical Plant*) from 1932 to 1937 regarding forced labor and living conditions (*penal labor*).



File 28544 Vol. 1 "Detective" Martin Dies

- p. 1 Letter from Gennady personally to Victor (Fitin) dated 5.11.1939.  
[Sent excerpts from Amer. newspapers about the Dies committee.]  
"As was to be expected, all this work reflects a definite offensive by reactionary forces in the US against the Com. Party, the left segment of the trade-union movement and against pro-Soviet organizations with a simultaneous polit. attack on the Sov. Union directly. What is typical is that this wave has also swept over some liberal govt. circles that heretofore had remained relatively loyal. An example is the behavior of Attorney General Murphy, who has been frightened by the ruckus raised by Dies and his henchmen and who is now moving to destroy the left organizations, granted, with a few purely formal caveats. President Roosevelt continues to express annoyance with the D. committee and is striking at it, but even so
- p. 2 most of the Amer. press, with few exceptions, is parroting Dies and developing a campaign to extend the work of his committee through 1940.  
Apart from all of the anti-Sov. propaganda we note a number of symptoms suggesting that serious business circles, regardless of their political views coinciding with D.'s views, are not only continuing business relationships with us but are openly expressing their desire to expand and deepen them."  
[The allusion is to the Douglas and Wright aircraft companies, Henry Ford and banking circles.]  
"Based on all these data, one can make a judgment about two seemingly parallel processes, namely the unbridled persecution on the part of the press and reactionary circles and at the same time the practical attitude of businessmen. We don't know yet how the interest in us will be affected by the lifting of the embargo and the already developing boom
- p. 2 in anticipation of Anglo-French orders totaling more than a billion dollars, but at any rate the peculiar polit. situation in the US today requires deeper study for more solidly grounded and definite judgments. We are making this our immediate, day-to-day task.  
Something else that should be noted is the stunt pulled by Roosevelt's secretary and R. himself regarding Cde. Molotov's speech at the Session of the Supreme Soviet. The Amer. newspapers themselves comment that R.'s expression "about bad manners" have no precedent in history."
- p. 21 On 5.11.39 Gennady sent to Moscow  
[A cable from Matthews, the chief investigator for the D. com., to Lev Trotsky in Mexico City inviting him to give testimony.] "The D. committee desires to have a complete record on the history of Stalinism and invites you to answer questions which can be submitted to you in advance if you so desire. Your name has been mentioned frequently by witnesses Browder and Foster. This committee will accord you opportunity to answer their charges."

Trotsky

- p. 19      Trotsky's reply.      Trotsky  
 "I accept your invitation as a political duty. I will undertake necessary measures in order to overcome practical difficulties.  
 Please arrange under the same conditions entry for my wife. She is indispensable for the purpose of locating the necessary documents, quotations, dates in my files.
- p. 20      Necessary to have your questions as soon as possible in order to select the necessary documents.  
 Also desire exact quotations from depositions of Foster and Browder concerning me personally. Leon Trotsky."
- pp. 22-74      On 5 Oct. 1939 Gennady sent the records of the D. committee, obtained through Morris, regarding the activities of the German Bund and the Com. Party.      Morris
- pp. 75-79      On 5.11.39 Gen. sent a list titled "The Enemies of Amer. Democracy," obtained from "Crook."
- p. 90      Letter from the Trotskyite Goldman to Trotsky dated 16.12.39.      Trotsky, Goldman  
 "I would like to give you my assessment of the reasons for Dies's sudden change of mind regarding your coming here to appear before the committee. The main reason, of course, as you noted in your statement, is the fear of D. and everyone associated with him that you will tell the whole truth, which wouldn't help them too much, as they initially calculated. But there are also secondary reasons that I think will be of interest to you. The first point that everyone must realize is that in inviting you, D. was motivated almost exclusively by the idea of creating publicity and popularity for himself. Without question he is one of the biggest popularity seekers on the Unit. States polit. scene. In my frequent conversations with Matthews (*Matthews*) he allowed, to all intents and purposes, that that was indeed the reason, although he did refrain from directly giving this explanation.  
 We must also realize that Matthews is a renegade, and a very clever one. He was associated with the Socialist Party for many years and worked there as an agent for the Communists.
- p. 91      He broke with the Communists and was made the chief investigator of the D. committee. He understands very well the factors the considerations that guided you when you accepted the invitation to give testimony. The point is that D. and M. wanted to take advantage of this opportunity.  
 D., for publicity, and M., because he thought that your testimony against the Communists would be a definite means for justifying his position. As a smart renegade, M. also knew that you would tell the truth as you understand it.  
 From the very outset I was skeptical that D. and M. would be in a position to get you a visa,

p. 92

but M. was so positive that I didn't say anything about my doubts. It seems to me that when M. was making a serious attempt to obtain the State Dept.'s consent, certain questions came up that scared D. The State Dept., under the influence of the war, is the most reactionary ministry of the govt., and there isn't anything implausible about the notion that the State Dept. warned D. about the "risk" of your coming here, from the standpoint that you could stay in the Unit. States. They could have told D. roughly the following: "It would be nice, of course, if you could bring Tr. here, but what if the Mexican Government refuses to take him back. It's true that the Mexican govt. gave assurances that it would permit him to return, but what if there is a change of govt. during this period or if Tr. has a secret agreement with the Mex. govt. for it to deny him permission to return? Won't your (Dies's) enemies make use of this fact against you if a revolutionary like Tr. stays in the U.S., and won't you be held responsible for this?"

And it seems to me that D. should have been terribly frightened at such a prospect and abandoned this effort while using as a pretext the announcement that the Mexican govt. doesn't guarantee your return to Mexico.

Whatever the reason that you were not able to appear before the D. Comm., I regret very much, of course, that the whole affair ended so badly.

With warmest and best regards."

File 40961 Vol. 1 "The domestic polit. situation in the US"

- p. 34 Memorandum from "Sergey" (V. Pravdin) dated 17.11.44  
"On the outlook for US domestic and foreign policies."  
 "As a result of the election Roosevelt has unquestionably improved his positions and has great opportunities both to carry out domestic polit. and econ. reforms and to implement a policy of international cooperation and participation in an international security organization. However, the improvement of R.'s positions in these matters does not at all guarantee the successful fulfillment of his dom. and foreign polit. program. At present his chances for success seem very limited. The re-election of the Roosevelt administration has put off for a few years a serious threat that fascism will come to power, but hasn't eliminated it. It would be a mistake to underestimate the actual strength of Amer. reactionaries. Despite the fact that the Republican apparatus nominated the unpopular candidate Dewey, whose isolationist connections are common knowledge, the Republican Party through its organization, discipline and skillful campaigning has managed to drag along behind it an enormous mass of voters and to slash R.'s majority quite substantially by comparison with the previous election. It should also be taken into account that in contrast to previous years, when the big indus. and financial capitalists gave their support to R., this year the econom. groups almost exclusively supported Dewey..."
- p. 35 The polit. situation that has developed in the US suggests that the US won't return anymore to the policy of nonparticipation in international affairs. Foreign-pol. isolationism has ceased to exist. Over the past 25 years, in essence, isolationism was merely a screen for reactionary politicians in the US, enabling them to have other people conduct its foreign policy for them, by supporting one nation or another but simultaneously shunning any responsibility in international events by citing its own nominal "nonparticipation" ...
- p. 36 The old isolationists will turn into expansionists and will initiate a policy of adventures and aggression. In lieu of a policy of international cooperation they will seek to establish Amer. domination in the world, and their policy will be directed above all against the USSR. The mil. and polit. results of the war have made it impossible to preserve even the semblance of foreign-pol. isolationism in the US for two reasons:  
 1. As a result of the war and Germany's defeat there has been a fundamental change in the worldwide balance of forces and, in particular, the balance of forces in Europe. In the past there were three great powers on the Europ. continent—the USSR, Germ. and Fr. English policy in Europe was based on maintaining an equilibrium of forces while taking into account its imperial interests.  
 Despite their internal conflicts, on the issue of relations with the USSR all of the Europ. and other powers pursued a "united front" policy, aimed at isolating the USSR and barring it from a role in international affairs

that it could justly claim on the basis of its relative significance.

As a result of G.'s defeat, there is only one great power left on the Europ. continent—the USSR.

England can no longer resume its traditional policy of an equilibrium of forces for the simple reason that the forces with whose help that policy was pursued have disappeared in Europe. England can only attempt to put together from the wreckage of the Western Europ. nations a bloc that it would use to resist the growth of the USSR's influence. What such a policy could lead to is another question...

The US has to reckon with the fact that there are only two other great powers left in the world besides the US that are capable of influencing the course of world events:

a) on the Europ. continent—the USSR, a powerful socialist state, without whose participation it is impossible from now on to resolve any international issues whatsoever;

b) a severely shaken but still quite powerful Brit. Empire. The Brit. Em-p. is the only natural ally of the US in the world, but because of its own worldwide and imperial econom. interests it is simultaneously the principal rival of the US and a potential impediment to the latter's econom. expansion.

Such radical changes in the worldwide balance of forces have forced the US ruling class, regardless of its party affiliation, to conclude that US interests require continuous and direct participation in the resolution of international issues. Otherwise the course of world events would be decided solely by the USSR and England, something that for understandable reasons the US cannot allow. Both isolationist Republicans and anti-Roosevelt Democrats understand this.

2. The second factor that has played an important role in the departure of the US from a policy of nonparticipation in international affairs is the enormous shifts that have taken place in recent years in Amer. public opinion. Under the pressure of the events of recent years an increasing number of Americans are gradually recognizing that the policy of isolationism is unrealistic and are beginning to become aware that the US cannot exist within closed borders and continue the notorious policy of "nonparticipation" in international affairs. A new type of intelligentsia that displays enormous interest in international politics and is, accordingly, influencing the broad masses of the public has developed and continues to grow in the US. This intelligentsia, consisting of professors, instructors, journalists and other public figures, has begun, with purely Amer. energy and efficiency, a detailed study of issues of international polit. and econom. relations and has already achieved significant success in the effort to create qualified cadres in this field...

The USSR's role in the war against German fascism was also of considerable importance in the development of an understanding of international issues by the broad masses. Although their relative significance is still comparatively small, there are nevertheless a fair number of Americans who understand that if it hadn't been for the USSR and the Red Army, Germ. would have been fully capable of defeating England and then undertaking the conquest of the Western Hemisphere, which,

because of its lack of preparedness, the US would not have been able to effectively defend.”

Memorandum “The anti-Roosevelt forces in the US”

- p.8 [The isolationists’ nucleus is the Cliveden set, which is comprised of: former US president Herbert Hoover; the pilot Colonel Charles Lindbergh; William Castle, a former Under Secretary of State under Hoover; former US Ambassador to England Joseph Kennedy; Roy Howard, head of the Scripps Howard newspaper trust; Robert Wood, head of the Sears, Roebuck trading corporation; Alice Longworth Roosevelt, niece of the current president, and others.]
- p.43 On 28.04.1943 excerpts from cipher cable No. 1592, sent by Halifax to the English FO and containing<sup>53</sup> the latest weekly polit. survey dated 3.04.43, were reported to Dekanozov at the NKID of the USSR (unclear where they were obtained—in the US or London)<sup>54</sup>:
- “1. The only aspect of Eden’s visit to the US that drew criticism was the suspicion voiced by some American figures that the Engl. govt. intends to act as intermediary between the USSR and the US. This fact is interpreted in certain circles as an attempt by England to return to the policy of balance that it pursued in the past with respect to France and Germany. According to one of the top officials at the State Dept., the US does not desire a repetition of such a game and that, while the govt. of the USSR may lay claim to a decisive role in the world to come, the US is still a strong enough country to stand up for itself without help from other powers. This position is held, in particular, by the Europ. sections of the State Dept. and the Bureau of Strategic Information, which take the least favorable view of the Russians’ demands.
- Lippmann, who is closely tied to official circles, condemns the implication in one of Bullitt’s statements that Russia is encroaching on the independence of the small Europ. states after the war. Bullitt, who is perhaps the fiercest enemy of the USSR among all of the top U.S. officials, has been coming out against Welles lately. It is characteristic that he is still close to R.”
- p.45 On 25.12.43 the contents of a weekly survey by Halifax (cipher cable No. 5617 dated 11.12.43) were reported to Dekanozov at the NKID:
- [the reaction in the US to the results of the Tehran conference]:
- “Stalin’s participation in the conference and the wide publicity about the nature of the meeting and the exchange of pleasantries between him, the president and the prime minister helped to solidify the enthusiastic feelings created by the Moscow conference. The consulates report that a benevolent attitude toward Russia is growing and spreading. At the same time the composition of the anti-Russian front has also taken shape. It consists of representatives of the Catholic spiritual hierarchy, the press of the ethnic minorities (especially German and Polish) and a significant segment of the Republican Party, which is close to the isolationist-minded segment of military

circles, business strata and polit. representatives of the Midwestern states.”

- p. 47      On 12.1.44 “Igor” transmitted from London an excerpt from Halifax’s survey No. 44 of 1.1.44, obtained<sup>55</sup> through “Rom”: “Dewey is supposedly grouping Polish polit. leaders in the US around him so as to ensure the Polish vote for himself during the US presidential election.” “Rom”
- p. 48      “Igor” has transmitted from London on 15.1.44 Halifax’s report, cipher cable No. 5729, dated 20.12.43, obtained from “Rom.” Excerpts.  
The reaction of public opinion to the conferences in Cairo and Tehran.  
“1. There is a very obvious contrast in the attitude of public opinion toward Hull and Roosevelt. Regarding the latter, on the one hand, people are delighted with his negotiating skills, on the other hand they voice apprehensions about his “cleverness” and suspicions that he isn’t principled enough and doesn’t have enough “Americanism.” These attitudes are currently the main elements shaping US public opinion. According to one journalist, a top State Dept. official in a conversation with him expressed apprehension about the fact that the president had given up a lot of what Hull had managed to get from the Russians. However dubious these rumors are, they undoubtedly reflect conversations among a certain category of State Dept. officials.  
2. As for the talk about the Americans’ policy toward Europe, according to reliable information, during a recent discussion with the Greek ambassador Pres. R., while answering a q. about Poland, stated in a disenchanted tone that he was tired of the Polish problem and that he had directly warned the Polish ambassador about the possible consequences if the Poles continue to conduct their propaganda in the future.”
- pp. 55-66      On 2.12.44 the contents of Halifax’s survey dated 11.11.44, No. 6094, on the results of the 1944 presidential election, were reported to Stalin, Molotov and Beria. The survey was obtained from “H” in Wash. “Homer”  
[Compared with other sources—concise, informative; just what’s needed; fast]<sup>56</sup>
- p. 89      On 19.09.45 information on future activities of the War Production Board was reported to Vyshinsky at the NKID. Obtained from “Raid.” “Raid”
- p. 94      Summary report on the domestic polit. situation in the US, prepared by “Robert” on 30.10.45: fragmentary information, nonspecific and so forth. “Robert”
- pp. 108-111      Messages from “Grigory” in May-June 1946. Based on open information: on 25.5.46 Truman delivered a special message to the US Congress in which he demanded that he be granted temporary emergency powers to break up strikes. Grigory
- p. 110      The contents of the article in the newspaper PM of 19.5.46 by Alexander Ule “Witch Hunters in Action” (on the purge of liberals from the govt. bureaucracy).

- pp. 129-197 In June 1945 an analysis of the domestic polit. situation in the US was received from “Mole,” written in March 1945. From a class-based perspective, as if it were for the US CP. Apparently it didn’t go anywhere. Capitalism, monopolistic groups, workers, etc. “Mole”
- pp. 340-348 Memorandum from “Mole” “The Senate’s liberals are speaking loudly.” [On 31.07.45 a group of 15 Democratic senators discussed a program of guaranteeing full employment through govt. action. The behind-the-scenes aspect and the proceedings of the meeting.] Reported to Stalin (see below). “Mole”
- pp. 349-379 Memorandum from “Mole” “Workers on the domestic political scene” (received at the beginning of November 1945). “Mole”
- File 40961 Vol. 2
- pp. 1-5 Source “Cyrano” in Paris (May 1947). Apparently sent to Stalin and Molotov. [Re Pierre Cot’s conversation with Henry Wallace during the latter’s visit to Paris. The 1948 election, the possibility of creating a 3<sup>rd</sup> party. Wallace thinks a Republican will be elected, which is more acceptable than Truman: “A Republican president will not go as far in antiworker legislation and anti-Sov. policy as a representative of the Dem. Party is forced to go in order to obtain majority support in the Congress.”
- p. 2 [According to W., a 3<sup>rd</sup> party has no chance of succeeding in 1948. They will exert influence on the Democrats and prepare for the 1952 election.]
- pp. 10-16 The daily summary of cables from 3 through 10 May 1947 from the Amer. division of the French For. Min.
- pp. 20-25 [Reports by the French ambassador to the US Henri Bonnet (from Paris) September-October 1947.]
- 34-40 November
- pp. 47-49 [January 1948]
- pp. 82-87 [March 1948]
- p. 151 [November 1950—Bonnet on the elections to the US Congress.] Nothing new compared with the press.
- pp. 153-165 [Summary of French intelligence on the November 1950 elections dated 12.10.50 (wasn’t used—general comments based on press materials).]



File 49701 Vol. 1 Special messages re US

- p. 1 2.06.45 To Stalin, Molotov, Beria. Summary report by Halifax No. 3493 dated 19.5.45 re the reaction of the press and govt. circles in the US to the crisis in relations between the allies and the USSR. In Wash. from "H."
- p. 2 [Notes nervousness in the US over this matter.]
- p. 5 "US public opinion is showing signs of great anxiety over the deterioration in Anglo-Amer. relations with the Sov. Union and, on a parallel track with this, public distress is growing over the question of whether the current Amer. govt. is allowing itself to be dragged by Britain in the direction of a rupture with the Soviets."
- p. 3 [Reference to an article by Walter Lippmann of 15.5.45], who "stated that Roosevelt's death has deprived the US of a man who knew how to preserve an independent position between Russia and Britain, which allowed him to act as an intermediary and a "unifying force." It is important for the US not to take sharply defined positions in the Europ. disputes.
- p. 4 Article by Bert Andrews from San Fr. on 17.05.45 in the newspaper Herald Tribune "caused a sensation." Re the failure of Roosevelt
- p. 5 and Churchill to reach agreement with each other on the Polish q. The differences between them over the interpretation of the Yalta formula on Poland.  
"Andrews seeks to create the impression that if the correspondence among C., R. and St. were published, it would show England to be the diplomatic aggressor on this question."
- p. 7 [Military circles: citation of a US State Dept. official:  
"In his view, even Navy officers, including Admiral King, are beginning to talk about the unpleasant possibility of a collision with Sov. Russia if it persists in its current policy, and all the talk by the USSR about its need for Pacific bases indicate precisely that.  
The jingoists say that harsh language must be used now that US forces are at their zenith, and not decades later, when Russia will be able to strengthen their capability in the Pacific.  
The War Department is somewhat less prone to such attitudes, and Mr. Stimson, I was informed, told the president that the Yalta formula regarding a Polish govt. is so ambiguous that even if it doesn't justify the interpretation that the Russians are putting on it, in any case it doesn't provide the necessary grounds for a claim that the Russians are breaking their commitments."
- p. 22 8.06.45—To Stalin, Mol., Ber. Cipher cable dated 30.5.45, in which the Engl. For. Off. instructed the emb. in Wash. to inform Truman and the State Dept. about the agenda for the forthcoming meeting of the 3 heads of govt. Based on information from "H."
- p. 24 "On 1.6.45 Churchill sent Truman a cable in which he categorically rejects, in an extremely offended tone, T.'s proposal, transmitted through Davis,<sup>1</sup> that he, C., join St. and T. already after they first meet

"Homer"

- p. 25 without him. C. insists that all three heads of govt. meet simultaneously.”  
[Elmer Davis<sup>2</sup> was the director of the US Office of War Information.]
- p. 26 8.06.45—To S., M., B. Cipher cable No. 565 dated 26.5.45 from the Engl. rep. in Bucharest to the For. Off. of GB. Obtained in London from “B.”  
“General Schuyler (Schuyler is the head of the US military mission in Bucharest—NKGB note) has returned from Wash. The president was very upset by the description of how ruthlessly the Russians imposed a minority government on Romania. According to Sch., the US attitude toward Russia can be expected to grow worse. He saw many high-ranking Americans in Wash. and discussed the Romanian crisis with them. These people harshly condemned the Russians’ coercion and unfairness and voiced the hope that the president wouldn’t knuckle under to the Russians’ intimidation, but would propose to Russia that it either cooperate fully with Britain and the US in establishing world peace (in the Anglo-Saxon conception of it) or drop its participation now already
- p. 27 in international activities and declare its strategy and polit. objectives. Then the US will know what it has to do, and it will be able to take the necessary measures to defend its positions. When Schuyler was asked what forms of pressure were to be used against the USSR, he said: public opinion, Lend Lease and postwar loans. The last item will be the most effective tool.”
- p. 41 15.06.45—To S, M, B—summary report by H. No. 3883 dated 2.6.45. In Wash. from “H.”
- p. 42 “The Hopkins mission and the reports of the cordial reception he got from Stalin had a calming effect, and
- p. 43 the Amer. govt. clearly sensed that the anti-Russian campaign had become so acrimonious that the need has arisen for restraining measures. As a result there have been a number of engineered statements aimed at calming the atmosphere. The most important of these statements was an address by Stettinius—a model of caution and tact.”  
[The speech by St. on 28 May on the radio about the successes achieved at the conference in S. Francisco.]  
[Other speeches: Henry Wallace, the US secretary of commerce.  
Archibald MacLeish, the US assistant secretary of state for radio. James Dunn, asst. secretary of state for radio.<sup>57</sup> Warned against jumping to conclusions regarding the case of the 16 Poles, about whom not everything is known yet, in order to condemn Sov. actions.]
- p. 46 “As was to be expected, some of the press and radio, both left and right, which are usually critical of British policy, is now the shrillest in its accusations against Britain, which is supposedly attempting to drive a wedge between the USSR and the US in the interests of its traditional policy of preserving an equilibrium of strategic forces—the only policy that can provide it with the position of arbiter. Although this view is not evident either in the White House or at the upper levels of the State Dept., they still

have to take account of the prevailing public opinion and take pains to emphasize that US foreign policy is free from an excessive British influence...

- p. 48      The myth of Roosevelt as a great and wise intermediary between the mighty figures of C. and Marshal Stalin, whose policies otherwise could have resulted in open conflict, has apparently taken root deep in the social consciousness of the Amer. people. Indeed, this popular myth, whose propagation was apparently encouraged by representatives of the previous admn. not only after the Tehran conf. but even before it, has now become so entrenched that Amer. officials, who know the real
- p. 49      facts, are making use of it to automatically take credit for past and current Amer. policy by depicting it as a policy aimed at achieving this virtuous objective."
- pp. 54-58      17.06.45—To S, M, B—memorandum dated 31.5.45 by Secretary of the Treasury Morgenthau on the issue of "Lend Lease policy after the victory in Europe," submitted to Truman. Obtained in Wash. from "Ruble."      "Ruble"
- pp. 59-67      29.6.45—To S, M, B contents of an internal memorandum from the US Dept. of the Treasury dated 18.6.45 titled "Re the directive by the Interagency Informal Policy Committee on Germany concerning persons suspected of war crimes." Obtained from "Ruble."
- p. 68      5.07.45—To S. M, B      Based on data from "Dicky" and "Reed."
- "The USSR NKGB reports the following agent information, obtained by the NKGB station chief in NY from a source close to US Secretary of the Treasury Morgenthau. M. stated in a conversation with the source that Truman is pinning very high hopes on the forthcoming meeting with St., wishing to establish good relations between the US and the USSR and also to secure Stalin's personal friendship. M. made clear that T. doesn't particularly like Ch. and noted that this fact will apparently help T. and St. to find a common language. According to M., it is unlikely that Ch. will be able to act in a "united front" with T. if the USSR manages to utilize T.'s polit. ambitions—to be re-elected president of the US in 1948. T. wants to show, after he returns to the US from the conference in Berlin, that he has succeeded in creating an atmosphere of trust between the US and the USSR and to achieve an agreement with the USSR on all major issues. The source points out that these polit. ambitions are highly characteristic of T. Bearing this in mind, the source expresses the view that "it would be advisable to give special attention
- p. 69      to Tr., in the form of one or two meetings between St. and T." The foregoing information is corroborated by other agent data, also obtained by the NKGB station chief in NY.
- On 16.6.45 T. received a group of Amer. radio commentators and discussed American-Sov. relations with them. T. spoke out in very harsh terms against the people who

conducted an anti-Sov. campaign during the period of the conference in S.Fr. and stated that such a policy runs counter to the real interests of the US. When T.'s interlocutors, as is customary in such cases in the US, asked him what they could do to help him, he replied: "The anti-Sov. campaign being conducted in the US must be vigorously resisted. This campaign is senseless and harmful. There are no serious conflicts between the US and the USSR. Both countries are great continental powers and there are no points anywhere in the world where their interests collide. The future world depends on our friendly relations."

T. went on to state the following:

"With England we can always reach agreement and have a normal relationship. The main thing is our relationship with the USSR. It makes absolutely no difference to me what polit. regime the USSR has. Apparently the regime there is good enough if 20 million people agreed to give their lives for it."

T. made very derogatory comments about the Amer. Communists, stating that they are only impeding friendship between the US and the USSR.

- p. 70 Regarding the war in the Pacific, T. expressed the hope that the USSR would take part in it and underscored his desire that that war end as soon as possible.  
T.'s statements gave an impression of total sincerity."

- p. 71 8.07.45 To S, M, B.

"The NKGB of the USSR reports the following agent information re T., obtained by the NKGB station chief in NY.

Robert

T. has deep knowledge about the US economy, both civilian and military, which he acquired when he worked as the head of the special Senate committee investigating the war industry (the committee's objective was to uncover abuses committed during implementation of the US defense program). T. is one of the top experts on the activities of cartels and monopolies. While he worked for that committee, the politically shrewd T. secured support for himself in the Senate from representatives of both parties—the Republican and the Democratic. He recruited the youngest and ablest senators for the committee.

T. strongly resisted the expansion of the mil. authorities' influence and control over war production and demanded that it be placed under civilian authority.

T. has almost no personal enemies in the Senate. Thanks to his ability to maneuver, he has friendly relations with all of the groups in the Senate. His ability to move adeptly is borne out, for example, by his invitation

- p. 72 to Hoover, leader of the Republican Party, to come to the White House, by his sending Hopkins to Moscow and by his appointments of the devious reactionary Thomas Clark as attorney general and the steadfast, practical-minded liberal lawyer Anderson as secretary of agriculture.  
T. is very energetic and likes straightforward, blunt-talking people with initiative. He is not a snob and not an aristocrat. He doesn't

repudiate R.'s polit. legacy, but intends to pursue his policies. He doesn't like to be reminded too much about R.

[Based on data from "Robert."]

p. 73 10.07.45—To S, M, B. Summary report by Hal. No. 4371 dated 24.6.45 to Churchill on polit. trends in the US. From Wash.

p. 76 3. The Polish q.

The hopes for the results of the Moscow negotiations over a Polish govt. were somewhat clouded at the beginning of the week by the trial of the 16 Poles, which took place simultaneously with the negotiations. The Russophobes and even moderate elements branded the proceedings as a typical show trial and cited it as proof of the extremely profound gulf between the Soviet and allied concepts of justice and polit. freedom. There have been unkind commentaries about Sov. justice; unkind comments were made about Litvinov's remark that he allegedly once made, to the effect that the Russians "only try guilty people." Even Lippmann (Lippmann is a prominent Amer. journalist. NKGB note) stated that "there are no people either in the Sov. Union itself or in the Western countries who are completely convinced that the world isn't big enough for two fundamentally different social systems to be able to exist simultaneously and allow each other to exist." Therefore the report that there will be no

p. 77 death sentences brought a predictable sense of relief. The leniency of the final sentence was welcomed as an indicator of the sober-mindedness and restraint of Sov. policy and somewhat eased the previously expressed doubts about the validity of the charges themselves. All this naturally helped to sustain the hopes for the results of the Moscow talks and encouraged cautious speculation that Moscow would make enough concessions to allow the establishment of a Polish govt. acceptable to London and Wash.

#### 4. USSR.

The attitude toward the USSR is again in a stage of improvement. The Sov. compromises in San Fr., the relaxation of tensions over the Polish q. and the report of the recall of Russian troops from Czechoslovakia have created the impression that the USSR may sometimes make concessions and in certain cases insist on its demands when settling unresolved international problems. This has again bolstered the Americans' persistent desire to create some kind of lasting order of relations with the Russians. Despite the fact that latent fears naturally continue to exist, the favorable signs are stimulating a growth of optimism.

5. These optimistic attitudes got a big impetus from the statement, a simple one yet one met with

p. 78 praise, by General Eisenhower that the individual Russian soldier is just as friendly as the Amer. soldier, and it is just as easy to reach agreement with him. The fact that Russians could gain E.'s trust and the high-level decoration conferred on him by Zhukov is nice evidence for the Americans that, as E. said, "The deal can get done."

- p. 111      28.07.45—To S, M, B Summary report by H. No. 4754 dated 8.7.45. In Wash. from “H”  
 “The mood on the whole is marked by extraordinary optimism. Indeed, no matter where the average American looks—he sees favorable prospects laid out everywhere before him. T. is enormously popular. The last public opinion poll showed that 87 percent of the public approve of him, and Republicans do with almost the same enthusiasm as Democrats...
- p. 115      Cabinet changes  
 According to a report received from a highly reliable source, Morgenthau’s resignation was caused mainly by his poor relationship with Byrnes. He is said to have directly confronted the president with the question of himself and his authority and the president decided that it would be better to let him go. Nowhere was his departure hailed more enthusiastically than at the State Dept., which had long resisted M.’s economic policy and his interference in what the State Dept. considered to be solely its own business. Indeed, this news is said to have been greeted with dancing in the corridors of the State Dept. division that is headed by Riddleberger (Central European affairs. NKGB note). The press devoted a series of polite but not rapturous obituaries to M. M.’s shift may signal the resignation or decrease in influence of Dr. Harry White, the most important Amer. participant in the creation of the program for the Bretton Woods conference. (White is M.’s assistant. NKGB note.) The program itself is already fairly well developed, and whatever happens to this not overly sociable official will not affect it.”
- p. 116      “International affairs.  
 ...The prevailing trend may be summed up roughly as follows: Amer. influence will be used in the relationships between members of the Big Three to prevent a clash between Britain and the Sov. Union. The US will act as intermediary in Anglo-Sov. relations. Above all an independent, practical and 100 percent Amer. policy will be followed. Firmness will be displayed in all talks with the other great powers, and the US will keep its eyes peeled for attempts by the crafty foreigner to outsmart it. Byrnes’s speech on the occasion of his appointment, with its emphasis on the need to live
- p. 117      in a world with nations that have different views (written, I’ve been told, by Ben Cohen), sets a general tone for a policy designed to cultivate tolerance and to avoid major crises. (Benjamin Cohen is a special State Dept. rep. at the conference in Berlin. NKGB note.)”
- p. 133      16.08.45—To S, M, B—memo from “Mole” on the activities of a group      “Mole”  
 pp. 134-142      of liberal Democratic senators.
- p. 134      “A few months ago some prominent Amer. trade-union leaders proposed to Democratic Senator Pepper, who is well known for his liberal views and is a member of several Senate committees, that he organize liberal senators and create something like a liberal bloc in the Senate. At the time P. could not make up his mind to take such an action. After a while, however, after he became convinced

- that a group of conservative senators encouraged by Tr. is starting more and more definitely to play a leading role in the senate, Pepper began to lean toward the idea proposed by the trade-union leaders.”
- p. 135 Senators Pepper and Kilgore organized a conference of liberal senators, where a program of liberal legislative measures drawn up by people close to P. and K. was discussed. “Mole” briefly summarized who said what. Internal problems were discussed.]
- p. 141 “Regarding a description of P., it should be said that he is simultaneously the weakest and the strongest person in this group of senators. Weak because he is too concerned about his personal prestige and Pepper
- p. 142 repels others, and strong because he is one of those who can wage a struggle against the conservatives in the Senate and knows how to address the masses.  
P. would like the group of senators who support him to be smaller in number but more hard-working...  
In the view of some conference participants, which may be too optimistic, this conference could lay the foundation for a bloc of liberal senators and even exert some influence on Tr.”
- p. 143 19.08.45 To S, M, B. Contents of cable No. 407 dated 4.8.45 from the Engl. ambassador in Wash. Obtained from “H.” Re the domestic situation in the US.
- p. 149 “The War Department has announced the discharge from the army of Brigadier General Elliott Roosevelt, son of the late president. Elliott R. has come under attack for receiving a shady loan. Regardless of the validity of the reports about the loan, the insulting campaign in the press was so obviously politically inspired by R.’s enemies that the general was compelled to publish a statement in which he resolutely defends his late father against charges that he was supposedly implicated in his son’s commercial dealings.” Elliott Roosevelt
- p. 150 19.08.45 SMB cable No. 397 dated 27.7.45 from the Engl. Emb. in Wash. to the For. Off. Obtained from “H.”  
“The changes in the composition of the govt. were the subject of many commentaries and assessments regarding the new administration that is now being formed. Democrats and Republicans alike agree that the new president has begun his work extraordinarily well in the most difficult conditions.  
The consensus is that his appointments prove that cooperation with the Congress will play a highly important role in his work, to the same degree that a strong executive branch was characteristic of his predecessor...”
- p. 151 It is also stressed that the new admn., at least for now, has a huge advantage, stemming<sup>58</sup> from its fresh forces and the close, harmonious relations between its members.”

- p. 178     29.08.45 To S, M, B from NY re loans (data from "Richard")     "Richard"
- "In the view of one responsible official at the US Dept. of the Treasury, the USSR shouldn't count on receiving a lump-sum loan of 6 billion dollars. At best the USSR will be able to get a loan of 1 billion dollars from the Export-Import Bank. The US govt. would like the USSR to agree to the offer formulated at the press conf. on 21.8.45 by Crowley, the head of the Foreign Economic Administration, to grant the S.U. a loan to buy the supplies it has already ordered under Lend Lease, which will not be delivered to the USSR as a result of the latest decision by the Amer. govt. A substantial portion of these orders consist of food. The Amer. govt., of course, will attempt to make the USSR buy this
- p. 179     food if the S.U. agrees to Crowley's offer. If the USSR refuses the food and demands capital equipment instead, the Amer. govt. apparently will give in.  
After the International Bank is established, the USSR may get another 1 billion-dollar loan in roughly a year or two.  
The dominant opinion in the US govt. at present is Harriman's view that the USSR should not be given a large lump-sum loan, but shipments of goods to the USSR should be stretched out over many years and loans used as a means of pressure in order to obtain polit. concessions from the USSR.  
Even if the USSR managed to obtain a large lump-sum loan, there is no possibility of using it in the US in a short time because it doesn't have the amount of goods that the USSR needs."
- p. 183     29.8.45—S, M, B—summary report ? cable No. 428 dated 18.8.45. In Wash. from "H."
- p. 186     "The practice of surprise appointments has not yet faded into the past with the late president. A persuasive example of this is that two days after his announcement that he was leaving the State Dept. Dean Acheson was appointed Under Secretary of State. Grew's (the former Under Secretary of State. NKGB note.) desire to leave was known for a long time; his departure was undoubtedly hastened by the fact that he was circumvented several times both by the president and by Byrnes during the negotiations for Japan's surrender.  
There is talk that Grew may get the post of polit. adviser to MacArthur. Grew and Acheson headed two opposing factions at the State Dept., with the first favoring a lenient peace with Jap. and the second a tough peace. A.'s appointment apparently does not indicate the possibility of a direction in the State Dept.'s policy that Grew would approve of.  
A.'s appointment is a victory for the new triumvirate of Truman-Byrnes-Cohen (Cohen is a special assistant to the secretary of state. NKGB note.) over the triumvirate of Stettinius-Grew-Dunn and generally over the old school at the State Dept.  
Although A. has been at the State Dept. since 1941, he has never been especially close to the State Dept.'s leadership clique. A. owes his appointment to the fine opinion of him that he managed to earn while he was
- Acheson



- p. 187 the liaison official between the State Dept. and the Congress. He made a good impression on many old friends of Tr. in the Congress.  
In his views A. is a liberal conservative. He has consistently opposed reactionary and narrowly national trends, especially in economic affairs. He has exceptionally warm feelings toward Britain. However, his talent, like Byrnes's talent, is primarily based on shrewdness and negotiating skill.  
A. is not an administrator and doesn't know how to draw up grand plans and, since he and Byrnes in this respect are alike, the q. remains unclear as to when the need will finally arise for the crystallization of Amer. policy objectives that is talked about so much."
- p. 193 2.9.45—To S, M, B Summary report from the *GB Emb.*, cipher cable No. 5702 dated 18.8.45 on polit. attitudes in the US.  
[Japan's surrender.]
- p. 195 "The running theme of all the comments on the victory was: "the US at present is the most powerful nation in the world." Every newspaper has repeated this notion, and Admiral Leahy has officially sanctioned it by declaring in his radio speech: "We now have the largest and strongest navy in the world, more powerful than any other two navies combined now in existence. We have the best-equipped and most fully mechanized military forces in the world. The army and the navy have the world's largest and most effective air force. Along with our British ally we possess the secret of the most terrible weapon in the world.
- p. 196 True, Leahy also took note of the allies "who by themselves held on to their positions during many months of tribulation and sacrifice." The president himself, in his response to a greeting from the diplomatic corps, stressed in generous terms that "we owe the victory to our allies as much as to ourselves. However, despite these laudable efforts not to lose perspective, the main feature of current attitudes is pride in the unprecedented power of the US, and Churchill's comments in his speech to the House of Representatives in this regard were widely noted. For the nationalists, consciousness of the overwhelming power of the US is a pretext to encourage the aggressive tendencies of the US, such as those that are supported by the organization America First, and propaganda in favor of the Unit. States' seizing all the bases that they might need, in order to threaten others with a big club. For the internationalists and the president, as well as for his advisers, this consciousness of US power signifies responsibility for securing a leading position for the US in various organizations of intl. cooperation.  
The first category of people ignores us completely or views us as an impediment to Amer. interests. The second category recognizes us as a valuable junior partner in the Anglo-American concern. This was reflected very clearly in the negotiations for Japan's surrender. The US govt. seemed to be sincerely disposed to keep us informed about how events were unfolding, yet we were given few opportunities to participate in working out a policy toward Japan. This is unquestionably less than we would like, but we can find

- p.201 solace in the fact that we were given more attention than the Russians or the Chinese.”  
 “The atomic bomb.  
 The public is still trying to get accustomed to the notion of “the Atomic Era.” The expression “we must grow or explode,” which I haven’t heard myself, reflects the prevailing attitudes most accurately. Without question, a mortal blow has been dealt to the strategy of US isolation.  
 The decision to keep the secret of how to produce the atomic bomb secret is widely supported by everyone in the country, with the exception of radio commentator Raymond Swing, who proposed sharing the secret with the Sov. Union and thereby expressing trust in that country. On the other hand, Patterson’s newspapers declare that US policy should be this: two atomic bombs for each bomb that any other country has and two Amer. spies for each spy that another country has.”
- p.228 13.09.45—To S, M, B Memo re the domestic polit. situation in the US, prepared by “Mole.” “Mole”  
 [T. has prepared a program of legislative measures to solve domestic polit. problems: bills on emergency unemployment compensation, on providing full employment and others.]
- p.238 “Truman is using R.’s traditional technique—appealing to the “common man”—and presents himself as a supporter of a lasting peace and a friend of the oppressed, which is the pet hobbyhorse of Democratic Party policy. Tr. has indeed managed to win over certain groups of conservatives to his side by convincing them that he is for reducing govt. spending, for economizing with govt. funds and for improving the work of govt. agencies by reorganizing them. The middle bourgeoisie also sympathizes with him, since he has created the impression that he is working in close contact with the Congress and is pursuing a resolute policy toward the Congress, the industrial labor unions and the Political Action Committee. By playing on the prejudices of the middle classes, T. disarms the Republicans. The recent statement by the chairman of the Republican Party’s National Committee, Brownell, shows that the Republicans don’t know how they should fight the current govt.”
- p.248 21.09.45—To S, M, B. “The domestic political situation in the US” from “Mole.”  
 (one of the most important problems of domestic policy is the q. of govt. intervention in relations between labor and capital.)  
 Conclusion:
- p.254 “... Representatives of big monopolies now feel like part of Tr.’s administration. According to a well-known saying, “If you can’t beat them, join them.” This saying is very apt right now in describing the domestic polit. situation in the US, since the appointments of representatives of big industry to highly important posts show that big businessmen, after suffering a setback in their attempt to defeat

- p. 255 the Roosevelt administration, have begun successfully to join the Tr.'s administration  
The same thing is occurring in foreign policy. Amer. capital has found in the person of Tr. along with the shrewd and unscrupulous Secretary of State Byrnes a worthy tool for its imperialist policy. No appointment by Tr. has won such wide approval from big industrialists as the appointment of Byrnes as secretary of state. There are ample grounds for such approval. When he was still senator and later as head of the Office of War Mobilization and Reconversion B. demonstrated his desire to work with the big monopolists. Even the well-known financial, social and polit. leader and former R. adviser Bernard Baruch recently declared that B. should be removed from matters of foreign econom. policy because of his aggressive imperialist tendencies. The conf. in S. Fr. convinced the big monopolists once and for all that Tr. would pursue their line. So it's no accident that T. is supported by the reactionary Hearst press.  
T.'s policy toward the countries of Eastern Europe underscores once again the imperialist tendencies of the US in foreign
- p. 256 policy. Some problems related to the atomic bomb also point to the desire of the big monopolists to strengthen their relations with the T. govt. The T. govt. is becoming, to an ever greater degree, a tool of imperialist capital, which will undoubtedly lead to far-reaching changes both in the country's foreign policy and in its domestic policies."
- p. 257 27.9.45—To S, M, B US loans to Europ. countries and the Sov. Union (from "Richard" (NY) and "Ruble" (Wash). "Richard" "Ruble"  
p. 259—on 18.09 there was a meeting regarding the q. of the loan to the USSR—Secy. of the Treasury Vinson et al.
- p. 261 [It is unlikely that the USSR will be able to get a loan of 6 bil. dollars.]  
"Even if the US govt. agrees to grant the USSR such a loan, it will grant it over time in installments, with the idea that the US govt. would be able to get some polit. concessions in exchange for granting each individual installment. At the same time no guarantees will be given that, after receiving one part of the loan, the USSR will be able to get the remaining parts. The granting of such periodic installments each time will be the subject of complex negotiations.  
There are currently two groups in US govt. circles with regard to the q. of granting a loan to the USSR.  
One group, which consists of representatives of the State Dept., Secretary of the Treasury Vinson and many other influential polit. figures, believes that, while counting on good business conditions in the US and the ability of private industry
- p. 262 to prevent a deep econom. crisis, it is essential to delay the granting of a large loan to the USSR for as long as possible and to use it as a tool of polit. pressure.  
Another, less influential group, consisting of a number of specialists on econom. and financial issues, believes that there will be 8 million unemployed in the US in the very near future, and the granting of a large loan to the USSR will afford an opportunity to increase production and expand US exports.  
At the aforementioned conference on 18 September, the q. of obtaining from the USSR, as a guarantee, information on its financial position was discussed. The US govt. intends to request information from the USSR regarding the following questions:

1. The USSR's gold reserves.
  2. Data on gold production in the USSR.
  3. The USSR's financial position.
  4. The USSR's plans with regard to obtaining loans from other countries.
  5. The USSR's plans with regard to exports and imports.
  6. What resources the USSR plans to use to amortize foreign loans."
- p. 263 It is claimed that the govt. of Great Britain has supposedly already provided such information to the US, but in doing so inquired twice whether the US govt. intends to obtain the same information from the USSR."
- p. 440 11.11.45—To S, M, B Summary report by Hal. Nos. 6993 and 518 dated 20.10.45 to English For. Secy. Bevin. In Wash. from "H."
- p. 442 "Sov.-Amer. relations are being discussed with extraordinary candor. The optimistic predictions expressed by Lippmann a few months ago, to the effect that a "natural" peace would come about between the elephant and the whale, now have little foundation. Realizing how crucial the moment is, no one seems disposed to unnecessarily provoke the Sov. Union. Lippmann himself, as well as Swing (an Amer. radio commentator. NKGB note.) and other liberals, are beating their breasts and declaring that America is pursuing a self-centered policy in the Far East, which is radically different from its propaganda of high principles for Europe. They also condemn the president's statement that the US intends to keep the atomic bomb secret and predict that this policy will produce a competition with the Sov. Union in weapons production. At this moment, however, the dominant feature in attitudes is anxiety over
- p. 443 Sov. Russia's intentions. The Sov. policy of oppression in the Balkans and in Hungary, the Sov. Union's claims in the Mediterranean and in the Far East, its boycott of the Far Eastern advisory council, as well as its indifference to the forthcoming international conferences, all this raises a q. for many people—is the Sov. Union's desire for expansion stronger than its desire for cooperation? In addition to this, the respect during the war for the Russian armies as heroic and unwavering opponents of Nazism has now largely disappeared as a result of the extensive publication by the press of reports from members of the Congress back from their trips on the Sov. armies' behavior in Europe and in Manchuria, on the Russians hauling away all plants and equipment, on their participation, to a man, in black-market profiteering, and so forth. These reports, as well as the reports on the election results in Budapest, and the statement made by General Eisenhower that the Communists in authority in Berlin would not keep their jobs if there were free elections, reinforce the certainty that, contrary to earlier conjecture, the Sov. troop presence in Europe does not generate sincere enthusiasm
- p. 444 among the population there...
- p. 446 Despite some apprehensions set forth in cable No. 67 from Moscow addressed to the For. Off., it doesn't appear for now

that the Sov. Union or its Amer. friends will be able to push us into a conflict with the US. One can see<sup>59</sup>, as usual, some irritants, such as the removal of the giant British ships from transporting Amer. troops, as well as the Palest. problem. However, there are almost no statements to the effect that Britain is responsible for the difficulties that have arisen in the relations between the US and the S.U.

- p. 447 [ In this regard most Americans view the present situation essentially as  
underscored [ the result of American-Sov. differences stemming from the Russian bear's unwillingness to behave in accordance with Amer. views of the world and rules of international propriety. The conclusion from this is such that the entire problem is viewed here primarily from the standpoint of relations between the Big Two, with Britain cast in the role of useful junior partner to the US who helps in the delicate process of prodding and cajoling the Russian teddy bear to behave in a way that befits the principles of the United Nations. The Washington Post of 20.10.45 writes in an editorial:  
"We think that Generalissimo Stalin has now already become convinced once and for all that the US isn't interested in a world organization that rests on the principle of joint possession. If that is not the case, it should be restated to him." ]
- p. 448 [ [Regarding the Anglo-American econ. negotiations]: [Our friends] "remind us that the Congress of late has shown an unwillingness to follow the White House's advice and that the president, who as it is lacks the well-known magic trait of his predecessor, has lost the support of thoughtful people thanks to his off-the-cuff statements about strikes and about the atomic bomb." ]
- p. 449 [Disagreements about the q. of the atomic bomb's secrecy in academic circles and even in the Cabinet itself.]
- p. 450 "The atomic bomb, as has already been pointed out, holds a big place in Sov.-Amer. relations and is an important factor in the determination of future US mil. policy. The situation, however, is so confused that it is hard to say what the outcome of this whole babel of languages will be."
- p. 467 14.11.45—To S, M, B Summary report No. 6862 dated 14.10.45. In Wash. from "H."
- p. 469 "The events that have occurred at sessions of the Council of Foreign Ministers have generated new debates about the relations between members of the Big Three, with the old situation prevailing again: our stock in the US is rising, while<sup>60</sup> the Sov. Union's stock
- p. 470 is falling. Many acknowledge that under the current state of affairs the Sov. Union faces a dilemma, either systematic cooperation with the Western powers in building a postwar peace on a foundation of intl. cooperation, or a policy of aggressive isolation on all practical issues. Everyone is anxiously awaiting the Sov. Union's resolution of this issue."

- p. 535      27.11.45—To S, M, B Summary report in cable No. 7534 dated 10.11.45 (in Wash. from “H) to the for. secy.
- p. 539      “The press is expressing the view, obviously inspired by the White House, that a turnaround has occurred in Sov.-Amer. relations in the direction of improvement and that there are prospects for resolving the impasse that took shape at the conf. of the Council of For. Mins.
- p. 540      The basis for the revival of these hopes may be found: in the confident statements made by Dunn (an assistant secy. of state. NKGB note) to reporters before he departed from Britain; in the tone of the speech by Byrnes that was reported last week; in the Red Army allowing free elections in Hungary; in the speech by Molotov on Red Army Day.”
- p. 542      “If American-Sov. relations, as people are saying, are improving, then there is a constant danger that we could find ourselves squeezed somewhere in the middle, in keeping with the firmly established principle that when our stock in the US rises, Sov. Russia’s stock falls, and vice versa. In the context of these factors some left radio commentators have denounced your speech and Churchill’s speech as hostile to the Sov. Union and as inconsistent with the efforts by Wash. to restore unity. The Anglophobes on the right feel that these speeches, in effect, represent an appeal to the US to join with Britain against the S. U. Lippmann undoubtedly reflects the liberals’ attitudes when he says in his article of 10.11.45 that the time has come to learn “a basic fact, namely that Brit. is overstretched in proportion to its power, and that this shortcoming cannot be rectified by an infusion of Amer. power into it.””
- p. 553      4.12.45—To S, M, B Cable from the ambassador of *GB* in Wash. No. 7582 dated 13.11.45 to the *GB* For. Min. re Anglo-Amer. relations. In W. from “H.”
- S. is an asst.  
dep. for. secy.  
of *GB*      “1. Although we haven’t received the letter from Roberts (counselor at the Brit. Emb. in Moscow. NKGB note.) addressed to Sargent, I think the latest examples of “jumping ahead” by the State Dept. that you have in mind include:  
a) the decision to send Ethridge on a mission to the Balkans and later to Moscow without first informing us about it (see our cables Nos. 6794 and 7464);  
b) the refusal to create a commission to investigate the situation on the Greek-Yugoslav border without consulting us;
- p. 554      c) the unilateral decision to hold a consultation between the govts. of the US and the USSR about a message to Tito (see our cable No. 6935);  
d) the decision to make a representation to the Sov. govt. regarding the Hungarian-Sov. econom. agreement (see our cable No. 6856).  
2. While allowing for the possibility that such incidents could recur in connection with the aforementioned events, it still seems that the position of the State Dept. for the most part remains the same as it was described in our cable No. 6407. The State Dept. continues to adhere to the general principle of Anglo-Amer. cooperation with regard to problems pertaining to Eastern and Cent. Europe, nevertheless it sometimes tends to act on its own, based on the premise that

it won't harm our common goals. The reasons for this are as follows:

- a) a desire, already familiar to us, to avoid giving the Russians the impression that we are uniting against them;
- b) a desire to convince public opinion inside the country that the State Dept.'s policy is a purely Amer. policy that conforms to the popular notion that the balance of forces in the world requires vigorous leadership from the US;
- c) a particular desire to achieve implementation of the Yalta Declaration with respect to the liberated and former enemy countries, especially since the US govt. was the author of that document.

p. 555 3. To these factors, which are at odds with the principle of advance consultation, one should undoubtedly add that there is a certain amount of caution, which has intensified as a result of the latest leak of information in London.

4. With the exception of some cases, for which responsibility lies with the bureaucratic apparatus, I have no doubt that the unilateral steps are a result of decisions made at the highest levels.

In addition to the incidents about which we are entitled to complain, I am reporting the following obvious examples of a desire by the State Dept. to work together with us:

- a) its acceptance of our viewpoint when preparing the final text of the recent Anglo-Amer. notes to Tito;
- b) the advance warning to us regarding the planned US message to the Hungarian govt;
- c) the acceptance here of a temporary representative of Hungary (see our cable No. 6090);
- d) the readiness, at our suggestion, to expand the content of US representation in Budapest in connection with the Soviet-Hungarian econom. agreement;
- e) Byrnes's readiness to show us in advance the text of a draft message to President Stalin (see our cable No. 6815);
- f) informing us in advance about the possible publication this week of a statement regarding the election in Bulgaria (see our cable No. 7573).

5. As a result of this the situation as a whole requires no more than that we maintain our vigilance and remind

p. 556 the State Dept. when necessary that we attach enormous importance to the principle of consultation on all issues...

In conclusion I can't help noting that even when the State Dept. shows signs that it is "not in lockstep," its excessive zeal to distinguish itself at least contains the advantage that it spares us the necessity of accepting blame for its failure to reach an understanding with Russians. This is, of course, a very important factor to the degree that it concerns the mood of Amer. public opinion toward Eng. Another benefit for us is that so far the State Dept. has had the country's public opinion behind it in its determination to achieve fulfillment of the Yalta agreement."

NKGB note:

According to the information obtained by the NKGB station chief in Wash., the latest proposal by Byrnes to Comrade Molotov about convening a new conference of the Council of Foreign Ministers, judging by the correspondence between the Engl. For. Off. and the Engl. Embassy in the US, was not cleared with the English. Kerr informed Bevin that Harriman had told him confidentially that he had transmitted

Byrnes's proposal to Comrade Molotov, Kerr recommends that Bevin not refuse to participate in the conference of the Council of For. Mins. just because the Americans didn't clear this q. with the Engl. govt."

- p. 559      Apparently the last doc. transmitted by "Homer" was a summary report in cable No. 7886 dated 24.11.45 re polit. attitudes in the US and the addendum to it No. 594 dated 24.11.45 (p. 575a). Passed along by "Vadim" on 6 and 7.12.45, respectively. Reported to S, M, B on 14 and 15.12.45, respectively.      Homer
- p. 591      9.02.46—To S, M, B  
Truman's directive to establish a unified US intelligence service abroad, sent to the secretary of state and the secretaries of the war and Navy departments and published<sup>61</sup> in a secret State Dept. bulletin, No. 19 dated 23.1.46, received by the polit. department of the Amer. mil. admn. in Germ.  
The doc. was obtained by means of an agent in Berlin from "Ivanov."



p. 1 File 49701 Vol. 2 Special messages re US.

In March 1946 S, M, B were sent a report by Colonel John Livell dated 4.6.45. His official position is attaché for oil at the US Emb. in Cairo. “Robert”  
 “Col. John Livell, an oil expert, was sent by the US State Dept. in October 1943 to the Middle East on a confidential mission to study the possibility of deeper penetration by the Americans into the Middle Eastern countries in order to exploit the oil and other natural resources of those countries.””

p. 2 [Sent from NY by mail on 17.10.45. Obtained from “Robert.”]

p. 7 Livell’s conclusions on the significance of M. E. oil:

“2. This oil is situated at the most vitally important crossroads in the world and not far from the part of it where enormous masses of population are concentrated. Acquisition of control over this oil by the Sov. Union could mean their takeover of the military and naval capability of Asia and the Middle East and opportunities for influencing the economies, ideology and forms of government of countries whose population makes up more than half of the entire world’s population...”

p. 8 4. The potential oil reserves in the M. E. belong, in roughly equal measure, to the Brit. govt. and the private citizens of Great Brit. and to Amer. oil companies. The English, however, receive 85 percent of current oil production, and they control 85 percent of all oil refineries and means of transport. Attention should be paid to the fact that during the war the English, by using Amer. steel, significantly expanded the production of oil products and can increase daily oil production to 200,000 barrels per day, while the Americans can only increase production to 75,000 barrels per day, even when the refineries whose construction hasn’t been completed yet are started up. This fact will give the English huge advantages in the postwar oil markets. It will also serve as a pretext for them, by citing the Anglo-Amer. oil agreement, to lay claim to an expansion of their marketing rights, even though this is completely at odds with their share in the total oil reserves in those areas...

p. 9 6. The financial and everyday living conditions of the population of Africa and the Middle East are extremely primitive; the peoples of these countries, for quite understandable reasons, will probably be susceptible to the influence of communism unless measures are taken very soon to improve their situation and create at least roughly the same conditions that could be provided by communism...

8. The income that capital investments in these areas could produce are a sufficient guarantee for obtaining loans that could be used to build reservoirs, irrigation systems and power stations, to construct highways and railroads and generally everything that is required to improve the population’s living standard. During the period of construction everyone would be guaranteed a job, and this would help these areas to prosper.

After the war Americans will be the only ones to have large amounts of disposable capital,

and they are the only ones who will be able to undertake broad financing of such a construction program, on the condition, however, that our govt. will provide the appropriate support to Amer. businessmen in eliminating all attempts to discriminate against Americans. Such financing on these terms can be done in complete safety and will be profitable. This is the world's only backward area with a real potential for quickly justifying loans used to develop its economy...

- p. 10 10. The Unit. States surpass all other countries in the production of cars, airplanes, construction and railroad equipment, refrigerators and radio and electrical equipment. All this is just what is needed to raise the general level of the economies of these areas. And an additional oil consumption of 2.5 million barrels per day by the Western Hemisphere will require the production of so much equipment in the US operating on oil that it will guarantee jobs for our surplus work force for 20 years and will load up the factories built during the war.
11. Contrary to the letter and spirit of the Atlantic Charter, signed by Great Britain when it was in big trouble, Britain has used
- p. 11 an austere system of economic restrictions and control established during the war, as well as capabilities for indirect control in the appointment of officials by local governments, and the sterling bloc system to obstruct the importation of Amer. goods to these areas. Britain has forced out and is forcing out Amer. companies; it is creating conditions that are not favorable to the investment of Amer. capital in these areas for the construction of airfields and airlines, and is putting every conceivable obstacle in the way of Amer. oil companies that are attempting to acquire concessions and rights to the construction of the means of transportation and oil refineries needed to operate the concessions that they have now. Britain currently forbids our military authorities to sell their own surplus equipment to Amer. oil companies, whereas it sells equipment it receives under Lend Lease to its own oil companies.
12. The Brit. imperialists, who use the sterling bloc system in this area, have incurred and are incurring great hostility. If the current conditions don't change, Britain will try to prevent the development of these areas' natural resources, and 20-30 years from now communism will rule here. There are no borders that ideas cannot penetrate.
13. Despite the impressive successes of our armed forces and our industry and our efforts with regard to Lend Lease, US prestige in the M. E. keeps dropping. The fact that econ. discrimination can be imposed against our citizens and our national interests suggests to the population
- p. 12 of these areas that we don't intend either to protect our own citizens or to try to get Britain to fulfill its obligations to the population of these areas under the Atlantic Charter; that we will support Britain and will follow its policy no matter what it is, and that therefore the safest thing is to forget America and give preference to Britain.

14. If Britain doesn't change its econom. policy in these areas, a few years from now communist revolts or revolutions will erupt here, the USSR will intervene in them, and the inevitable conflict between Russia and Britain will come sooner. But if we have good relations with the Soviets and our oil interests are geographically and financially completely separated from British interests, there is reason to hope that we will avoid conflicts, and our oil investments will not be jeopardized, no matter what action Brit. takes.

15. By exercising its control over newspaper agencies, its secret agents and its superb diplomatic service, B. will depict things in such a way that it will come across to the world as innocent, while the USSR will come across as completely villainous; America, meanwhile, will probably follow Brit. in an unnecessary third world war.

16. As an ally, Brit. is a second-class power, and with the passing years it will become weaker. By 1975 its white manpower reserves fit for the army will amount to less than one-fourth of the reserves of the Unit. States and less than one-tenth of the reserves of the USSR. If we take part in such a war, we will lose it,

p. 13 and with major casualties at that...

17. We can and must establish mutual trust with the Soviets; we must cooperate with them and convince them through our deeds that they do not face Anglo-Amer. unity on all issues; or fight Japan on our own, receiving only insignificant help from our Western Europ. allies, and ultimately lose our oil holdings in the M. E."

p. 46 6.04.46—To S, M, B. Memorandum from the MGB, prepared on the basis of documents obtained through agents in Wash. with regard to the work done jointly by the Americans and the English in Germany in the area of tech. intelligence.

p. 47 "In July 1944 the Anglo-American Combined Chiefs of Staff Committee established a combined subcommittee on tech. intelligence—the Combined Intelligence Objectives Subcommittee (CIOS), which was comprised of representatives from a number of Amer. and Engl. agencies, both military and civilian. Later CIOS also included representatives from the Amer. and Engl. group in the Control Council for Germany.

CIOS was given the task of preparing and carrying out the necessary actions to identify and export documents, equipment and personnel from Germany in order to study and utilize German scientific and technical advances.

During 1944 the CIOS staff in London did a great deal of preparatory work in compiling lists and summarizing available data regarding the most important German scientific and technical facilities—research institutes,

p. 48 laboratories, industrial enterprises, certain types of weaponry, scientific and technical personnel—and planning CIOS activities in Germ. Groups of experts were created in the US and England from among scientists and engineers so that they could be later sent to G. for CIOS work.

A report dated 4.6.45 by the head of CIOS, Amer. Brigadier General Betts, on the work of CIOS states:

“One of the purposes of forming CIOS was to secure a certain kind of tech. information. All of the activities of CIOS were aimed at fulfilling the task of securing such information, starting with the compilation of the first dossier a year ago and concluding with the dispatch of inspectors to the locations.”

As Engl. and Amer. troops occupied Germany, CIOS began to implement its work program. In the initial phase of this work CIOS sent operational groups to military units on a mission that included identifying facilities of interest to CIOS and collecting preliminary information. These operational groups moved together with the forward military units. Right after these groups CIOS dispatched groups of English and Amer. experts, who conducted a more thorough inspection of the facilities, collected appropriate documents and tracked down German specialists.

The above-mentioned report by General Betts states that “the work by CIOS was a big success. The results proved better than those who planned these operations dared to hope.”

A report dated 17.6.45, headed “A Brief Summary of Important Information Secured in Germ.,” written by one of the CIOS staffers and addressed to the chairman

p. 49 of the Amer. delegation to the Commission on Reparations, Pauley, summarizes some results of the work of CIOS in Germ. as follows:

“1. Albert Speer, the former German minister for armaments and war production, was captured. Speer was one of CIOS’s most important targets. Speer had on him valuable information about many aspects of the Germ. war econ. This information is not only valuable itself, but also helped to discover many other targets. The interrogations of Speer were conducted by a CIOS group.

2. Dr. Osenberg, head of the planning office of the state research council (Planungsamt des Reichsforschungsrates), was captured. Osenberg underwent a lengthy interrogation. Along with Os., his coworkers and many documents were also captured. A list of 15,000 leading Germ. engineers was discovered among the documents, as was information about the types of armaments they worked on. This list and information are of great value to a further investigation of the development of the Germ. war industry. Other documents discovered in connection with the capture of Os. pertain to research work on flying missiles that was done in G. Additional information on the new torpedo missiles are of operational value...

p. 51 5. A warehouse was discovered with top secret documents, weighing approximately about 5 tons, pertaining to the development of Germ. armaments and the mobilization of industry for war.

This warehouse was discovered in the salt mines near the city of Gotha just as SS men were attempting to destroy it. Found among these documents were top secret files of the supreme command of the Germ. armed forces and the supreme command of the army pertaining to the management of industrial and research work in Germ. for the war. These documents contain data on the amount of destruction

inflicted on German strategic targets by allied air raids.

6. All of the files of the German Patent Bureau, consisting of 250,000 volumes, were captured. These documents were found in an abandoned coal mine. This collection is believed to contain valuable intelligence that will be of great help in uncovering the Germ. plan for concealing Germ. holdings and patents abroad.

7. An inspection of the Krupp plant in Essen, the proving ground in Hillersleben and the Rhein-Borsig works in Düsseldorf uncovered a large quantity of documents pertaining to the design, testing and improvements of German

p. 52 guns and shells. The documents on rocket-propelled shells, shells for Germ. "squeeze-bore" guns and on explosive shells are of particular value. These documents cover all types of guns, from the automatic rifle to 60-cm caliber guns. Some papers on improvements pertain to types of weapons that were heretofore unknown.

The capture of almost all the Germ. documents on the sighting range of guns is expected to yield highly important information and will be of great help in the research work on guns and shells that is being done in the United Kingdom and the US.

8. Large underground factories for the production of flying missiles were discovered in the vicinity of Nordhausen. Junkers aircraft engines, both the internal-combustion type and the jet-propulsion type, were also machine-tooled at these factories. About 10,000 people were employed in the production of V-2 missiles, of which 900 were produced in the last few months.

The large quantity of V missiles that have been sent to the US and England will be of great help to research laboratories in studying this type of weapon.

The interrogation of Dr. Wagner and Dr. Max Krause, who were taken prisoner and had mostly done experimental work with long-range ballistic missiles, has provided valuable information on the VX-1-400 and X-7 ballistic missiles, which had already undergone the testing stages and had been handed over for production. Information was obtained on the detailed testing of the X-4 flying torpedo missile with a landing apparatus.

p. 53 9. The information obtained regarding the Schornsteinfeger radar camouflage project and the testing of materials that absorb electromagnetic and supersonic waves reveals that the Germans had made progress in the field of full protection of submarines and other armaments against radar. Research was being conducted in this area by the IG Farben concern at various plants in the vicinity of Frankfurt and Hechst. Discovered Navy Ministry documents about all the operational radio and radar equipment of the German navy are of enormous importance. The value of the equipment found is approximately 1 billion dollars.

An inspection of the Communications Research Institute in Köthen led to the discovery of a large quantity of the latest electronic signaling gear and radar equipment. Preliminary data indicate that there are many new documents in this area. This inspection also resulted

in the discovery of hidden documents of extraordinary importance pertaining to the testing of jet engines.

The arrests and interrogations of Telefunken top managers Engels, Schuster, Urtel and Klein made it possible to fully reproduce the Germ. communications system and obtain valuable information about the personnel and locations where research was done on communications, electronic gear and radar.

p. 54

10. An inspection of the Hermann Göring Institute in Braunschweig yielded a large quantity of research documents on the most advanced German aerodynamic jet engines and long-range flying missiles. Eminent scientists came from the US and the United Kingdom to conduct a full inspection of this facility. An improved apparatus for the testing of jet engines and test models aroused particular interest”...

pp. 54-56

[Material on synthetic fuel and synthet. rubber.

pp. 56-57

[New toxic substances—“more lethal than all those previously known to the staff members of the Chemical Warfare Service.” Tabun and sarin (*Sarin*).

p. 57

“A memorandum dated 19.6.45 addressed to Pauley states that two samples of each type of weapon that was used in the Germ. army were seized. These samples were sent to the US and England. France also received one sample of each. It states that “the Russians didn’t get anything, other than what they seized themselves.”

The memorandum states:

“At present there are about 300 Englishmen and Americans in Anglo-Amer. territory in G.—scientists who are selecting equipment that in their opinion should be shipped to the US and England because it is of interest or requires further study. Between 1,000 and 2,000 tons of equipment is currently being shipped out daily from G. What is being seized first is equipment in the

p. 58

areas that will be evacuated by Amer. and Brit. troops and turned over to the Russians.

Recently all the equipment at a small hydrogen peroxide factory in Ludwigshafen was removed and sent to the US. The equipment from a gunpowder factory was sent to the United Kingdom. There is assumed to be a full exchange of information between the US and the United Kingdom in this area.”

Regarding the exportation of Germ. scientific and tech. personnel, the same memorandum reports:

“There is a secret list of 700 important scientists and engineers who are currently located in the areas that will soon be evacuated by Amer. and Brit. troops. This list was sent today to the military authorities together with a directive by the Supreme Headquarters Allied Expeditionary Force, which orders the evacuation of all these personnel as soon as possible from the Russian zone to the Amer. and Brit. zones.

The directive also provides for the possibility of evacuating the families of the workers on the list. In cases in which only the names of institutes are given, without the names of scientists, the directive orders the evacuation of the top scientists of the institutes. The list of scientists was compiled on the basis of: captured records of the planning office of the Germ.

p. 59 research council; about 2000 file cards in the possession of Dr. Osenberg with the names of principal scientists, not counting those who worked at the factories of IG Farben and Siemens; CIOS reports on scientists who worked at 30 facilities; agent data gathered by military intelligence, and others. A camp-hotel called Dustbinn<sup>62</sup> near Nauheim currently houses about 40 prominent Germ. scientists. Among them are Albert Speer along with 6 of his direct subordinates. Fourteen other of his subordinates are expected to arrive in the camp soon. The camp also houses Osenberg, the dir. of Telefunken and other workers. Over the last few months some scientists and engineers have been sent to the US and England, including Doctor Wagner, the designer of the V-1 missile. Wagner was sent to the US.” Regarding the question of contact between the Americans and the English in the area of tech. intelligence in G., one of the CIOS workers reports in his memorandum dated 28.6.45 addressed to Pauley:

“Lieutenant Colonel Deane, head of the Amer. Secretariat on the Control Council, states that in his view a full exchange of information will be established between the US and the Unit. King. after the troops are regrouped. He says the relevant guidelines have already been worked out.”

(Fitin).

p. 70 11.11.46—S, B.

E. Roosevelt

“I am reporting on a message from the station chief of the MGB of the USSR in NY about a conversation that Cde. Lomakin, the USSR consul general in NY, had with Elliott Roosevelt regarding the latter’s trip to the USSR.

E. R. stated that he was making the trip to the USSR in order to find confirmation that the S.U. alone is currently taking the correct path toward the ideals that his father dreamed of.

E. R. believes that the Republican victory in the elections to the Congress will inevitably lead to the election of a Repub. president in 1948, because for the time being he doesn’t see forces in the US that could prevent the Republicans from capturing the White House. In that event, E. R. stated, he would have no choice but to emigrate from the US.

E. R. regards Amer. democracy as imperfect and above all because behind the facade of the raucous and flashy democracy everything is controlled by the bosses from Wall Street. The Republicans’ accession to power, in his view, will lead to the installation of a total fascist dictatorship in the country.

E. R. is alarmed by all this and is trying, according to him, to find a way to prevent a victory by fascism in the US. He wonders whether a rapprochement is possible between the S. U. and England to a degree and in a form that would put pressure on the reactionaries in the US.

Evidently he will raise this q. in Moscow.

E. R. would like to have a Russian interpreter in Moscow so as to avoid being monitored by the Amer. Emb.

Abakumov.”

- 117-125 (from Wash. or London?) The obtaining of cipher cables from the *GB* Emb. in Wash. resumed in October-November 1947. Re the negotiations in Wash. with the Americans on the Middle East: No. 5690 dated 16.10.47, No. 5691 dated 16.10.47, No. 6126 dated 1.11.47, No. 6127 dated 1.11.47.”  
The general mood: close cooperation, mutual respect, abandonment of attempts to expand one country’s influence at the expense of the other. Homer?
- p. 126 14.11.47—To V. M. Molotov  
[Information from the Berlin station on measures by the Americans to organize anticomm. propaganda. The campaign was proclaimed by Clay after his return from Wash. A directive to the editors of 4 Germ. newspapers.]  
“The gist of this directive, in brief, is that the editors of the above newspapers are henceforth tacitly permitted not to adhere very strictly to the relevant law of the Allied Control Council that prohibits German newspapers from printing anti-Allied propaganda. Considering that these newspapers, with the knowledge of the Amer. and Engl. admn, never obeyed this law even before now, this directive is tantamount not only to a complete
- p. 127 lifting of the ban on anti-Soviet propaganda from these newspapers, but also to a direct call to develop it.”  
One of the measures: to release for sale Kravchenko’s anti-Soviet book “I Chose Freedom.” Published in the US in German.
- p. 128 Another one: the distribution of the German-language pamphlet “Behind the Iron Curtain,” published by the newspaper NY Herald Tribune.
- p. 130 16.11.47—To Molotov—addendum from Berlin.  
A 5-member special committee has been set up to wage anticomm. propaganda.
- p. 131 “It has been ascertained that the Americans have mapped out further concrete measures to conduct the anticomm. campaign:  
1. Byrnes’s book “Speaking Frankly” will be published in German for the Germans in the very near future.  
2. The circulation of the Amer. newspaper for the Germans *Neue Zeitung*, which is published in Munich, will be increased from 1,300,000 copies to 2,400,000 copies. Since the necessary amount of paper for this is not available in the joint zone, the appropriate quantity of paper will be brought in from the US.  
3. The output power of RIAS, the Amer. radio station in Berlin, will be increased from 20 kilowatts to 100. The appropriate equipment has already been delivered.”
- p. 163 23.03.48—To Stalin, V. M. Molotov, A. A. Zhdanov, N. A. Bulganin, M. A. Suslov, A. Ya. Vyshinsky, Ya. A. Malik, V. A. Zorin.  
Memorandum from the French ambassador in the US Bonnet to the Fr. minister of for. affairs dated 5.03.48. Obtained in Paris. “The Amer. govt., the Italian q. and peace.”
- p. 164 “The overall trend in Amer. policy, as outlined in Bonnet’s memorandum, was confirmed in Truman’s speech to the Congress that followed on 17.3.48 and in Forrestal’s talks with the US chiefs of staff.” (Note by K. I.)
- p. 165 “In order to make a judgment about the position that the Amer. govt. will take in the coming weeks, we should clarify for ourselves the evolution that has taken place in public opinion and in official circles since the Czechoslovak



events. The Prague events have made a deep impression on public opinion.

To Amer. public opinion, Romania, Bulgaria and Hungary are faraway countries, which in addition joined the Hitlerite camp during the war and toward which the Sov. Union can rightly be distrustful. Czechosl., conversely, is well known in America from the names of Masaryk and Beneš; the latter spent his years of exile in Chicago as a professor. The US played an important role in the creation of the Czechoslovak state. Finally, what the word "Czechoslovakia" conjures up in the memory of public opinion, whose political concepts are simple and often ill-defined,

p. 166 is Hitler's takeover of 1938-1939. The Sov. Union, by acting in a way that it was possible to compare its actions to Hitler's actions, has come across in the eyes of Amer. public opinion as just as much of a violator of international peace and a warmonger as the Nazis were.

The destruction in Bohemia of basic freedoms, in particular freedom of the press, the purge of the administrations of universities, the persecution of scientists and the total control of radio and newspapers have outraged public opinion.

The strong impression made by these events has also been reflected in the Congress. One can judge this from the debates that have unfolded in the Senate over the plans for Europ.

reconstruction, during which such isolationists as Senator Ball from the state of Minnesota insisted, in view of the serious international situation, on demanding that the govt. use all of its resources to create the military forces that the circumstances demand.

One of the subcommittees of the Committee on Foreign

p. 167 Relations has just published a report that draws the conclusion that the Sov. Union will not stop its expansion until it is stopped by force.

The State Dept., which has already agreed that Czech. has long been part of the Sov. orbit, has in turn fallen under the influence of public opinion. The speed with which the Prague events were followed by the events related to Finland especially outraged State Dept. circles and has given them the impression that the USSR is on the offensive. This is precisely what Marshall supposedly told members of a temporary Senate commission at a reception on 2 March.

He supposedly told them confidentially that he himself and his staff members had been compelled to revise their opinion about the Sov. Union's intentions.

Until now they had thought that a risk of war could arise only as a result of a mistake in assessing the situation or an inappropriate initiative that could lead to a serious incident, and that a serious threat of conflict was not to be expected for another few years. Now they already believe that this threat is drawn significantly closer.

The State Department, where special

p. 168 attention is now being paid to Italy, expects a new initiative from the Sov. Union.

No one doubts that a communist takeover of power in Italy, even if it occurs legally in the form of the establishment of a government of Socialists and Communists, will cause infinitely greater outrage in America than was caused by the Czechoslovak events.

The Amer. propertied classes are very devoted to the rich past of the peninsula's civilization. They will be deeply shocked in the event

that the Communists come to the leadership in Rome.

The consequences of such events for the Catholic Church could have broad repercussions in a country where Catholicism is still very active.

The Italian colony in America is one of the most populous. Italians are concentrated in such centers as NY, where they exert a strong influence on politics. This colony can act as a defender of democratic freedoms, which it has valued in the US.

Govt. circles believe that a victory by the Communists in Italy, by moving the territory of nations that are in Moscow's orbit

p. 169 up to the French borders, will have serious consequences for our internal situation. Fears are even being expressed that the events in Italy might find a similar response throughout West. Europe, with the sole exception of England.

There is one aspect of the Prague events that especially attracts the attention of Wash.—and that is the increase in the Sov. Union's power through the complete and unimpeded use of the industrial capacity and skilled workers of Czech.

It is thought that if the countries that are subordinate to Moscow captured the enormous industrial and human capacity of West. Europe, the equilibrium between the S. U. and the US could be upset by this and, at the same time, America's chances of winning an armed conflict would decrease.

In strategic terms, the intentions of the Amer. general staff include keeping the S. U. under the direct threat of atomic bombing.

The shortest route to reach the main centers of the USSR is, of course, the path across the pole.

p. 170 Climatic difficulties, which are still not quite surmountable, and the still insufficient operating range of long-range bombers make it necessary to postpone the use of this route for another few years.

Two air routes in the direction of the S. U. remain: the northern route through Greenland and Iceland with bases in Norway, and the more important southern route, through the Azore Islands, Spain, Italy, Tripolitania and Greece, ending on aircraft carriers anchored in the Middle East, on the outer boundary of the Russians' world, a capacity in which the US sees Turkey.

Everything is proceeding as if the Amer. general staff, by continuing a policy similar to the policy of the past, wants to keep the S. U. away from the open seas, behind the straits of the Baltic and the Bosphorus.

The US is continuing more and more to regard the eastern frontier of the 16 nations participating in the Marshall plan as its borders. For all these reasons the govt. in Washington seems indisposed to allow a new Sov. initiative in the West, and in Italy in particular.

Hostility toward the S. U.

p. 171 is reaching a level of unanimity that America has never experienced toward any other country, while Germ., against which the US twice fought wars over a quarter of a century, comes under far less criticism.

The only ones who don't want to resist the new commun. offensive and, if necessary, even use force, are the supporters of Wallace's pacifism.

However, while Wallace's peace program may be much more widely disseminated in the country than was expected,

supporters of the idea of direct talks between Truman and Stalin, who felt that such talks could resolve the conflicts between the two great world powers, don't sense any fondness for the leader of the 3<sup>rd</sup> party.

If the desire to put an end to the advance of Sov. comm. seems almost unanimous, there are, on the other hand, wide differences over the question of how to achieve this.

The awareness that the nations of West. Europ. must be given a guarantee that would reinforce their determination to resist is

p. 172 becoming more and more widespread with each passing day in political circles and especially in the Congress.

Amer. govt. circles have 3 choices. Considering the approval that greeted Byrnes's proposal in the country, these circles would like to take advantage of its main principles and turn the 4-power guarantee to Germany for 40 years into a guarantee of the three Western powers against any action that would threaten the West. It immediately turned out, however, that Byrnes's plan covered only the specific case of Germ. and cannot be applied to another country. One could also take as a starting point the Europ. org. that is being formed and politically tie the US to a permanent body that holds an economic interest for it.

As Joseph Alsop commented in a official article, cooperation with most of the nations situated on the Atlantic coast offers the advantage of making it easier to resolve the q. of bases in Greenland and Iceland, removes any objections from Portugal to the strategic use of the Azore Islands

p. 173 and makes it possible to enter into an agreement with France and Belgium for the defense of North Africa and the Congo.

However, the support promised to the 16 nations, which include such officially neutral states as Switzerland and de facto neutral ones such as Sweden and Ireland, is expressed too generally to be really effective. What is left is the agreement among England, France and Benelux.

Lovett—  
under secy. of  
state It was precisely to this doc. that Lovett was candidly alluding previously in his press statement on 3 March, on the eve of the opening of the Brussels conf.

Besides such a relatively broad guarantee, Washington's attention has been focused on Italy and the complexity of this problem is absolutely clear to Amer. policy makers. For them it is not only a matter of preventing a takeover of power inspired or supported by Moscow, which wants to bring the Communists to power by illegal means.

The more delicate q. arises of what the US should do if a socialist or comm. majority forms on 18 April or if a minority takes shape after these elections that is still capable of forming a cabinet.

p. 174 The Amer. govt. would like to make clear to the Italian public how much its existence depends on Amer. aid and the disaster that a cutoff of this aid would precipitate for it. At the same time it would like to use a statement similar to the one that was made by President Truman back

in December 1947 (Note by the K. I.: Bonnet is referring to Tr.'s message to the Congress of 17.12.47, in which he proposed a program of "aid" to Europe.] to warn the govt. of Yugoslavia and the S. U. regarding their support of heavy-handed commun. actions. The State Dept. along with the Dept. of Defense has been busy since the beginning of this week working out positions for the future. They believe that the Amer. govt.'s position will be determined at the Cabinet meeting that will convene on 5 March and over which Tr. will preside.

If the information that we have is accurate, decisions have already been made now to replace the Mediterranean fleet and to recall from the Far East the aircraft carrier Valley<sup>63</sup> Forge and its escort ships. As a result, there will be 27 Amer. warships in the Mediterranean Sea in the coming weeks, incl.: 3 aircraft carriers, 3 heavy cruisers, 3 anti-aircraft cruisers and 14 destroyers.

p. 175 On the other hand, it is also clear that the decisions regarding the Mediterranean Sea were made with the consent of the Engl. authorities, and in particular with the consent of the Engl. Joint Staff of the Armed Forces. Such a shift of naval forces could have an impact on Italian public opinion. It could also force the Belgrade govt. to abandon any initiative on its part. There is no question, however, that with the military resources the Amer. govt. currently has, it cannot conduct mil. operations.

By the end of the maneuvers in the Caribbean Sea, the 80 warships taking part in them will be capable of immediately joining hostilities. However, the bulk of the Amer. navy consists of ships that have been mothballed and that are located at the mouths of Amer. rivers. It will take several months for these vessels to go to sea with well-trained crews.

As for aircraft, the number of active airplanes will not allow serious operations to be conducted against the USSR, and their mass production will take even longer. The condition of the ground army, meanwhile, which in a hypothetical conflict would play a much less important role, is much worse than the condition

p. 176 of the other two branches. At present America is capable of conducting in the Europ. theater operations of a demonstrative nature and some mil. operations on a very limited scale. [Note by K. I.: The assessment of the condition and capabilities of the US armed forces is basically correct.

The strength of the US naval forces in the Mediterranean Sea is somewhat overstated, which is apparently the result of the arrival of new ships from the US in early March for their routine tour of duty. The ships rotated out, according to our information, have already sailed for the US.]

Sov. initiatives in Italy or in any other important spot in West. Europe would make it necessary to consider a conflict inevitable. Nevertheless, such an initiative would not trigger one immediately, and the US will get into one only when it is capable of waging a victorious war with all of the necessary resources.

Moscow's new step westward is a signal

for an accelerated arms buildup in the US. And that, without a doubt, is what makes the new situation dramatic.

The S. U. does not seem to have changed his desire to avoid a conflict. At least that is what the State Dept. thinks. The S. U. is only acting more boldly. The Russians obviously

p. 177 believe (and this is what is causing the apprehension) that a new initiative within the framework of legality and international obligations will not trigger an immediate conflict, because it is hard for such a democratic country as America to initiate a war, especially in an election year.

The S. U., therefore, can count on achieving its objectives in Italy without causing a military conflict, and once it achieves a certain amount of success, it can also expect the internal evolution of other nations in West. Europe to favor it.

The State Dept. is taking account of these difficulties very well, and this undoubtedly explains the vacillation of late over the q. of Italy joining the Brussels agreement, whereas a while ago there was a fervent desire to have this happen.

At the same time the State Dept. understands perfectly well that if America doesn't interfere with such developments in West. E., this passive position will carry the risk of the same consequences for the US as the Munich agreement once caused for Fr. and England."

pp. 179-184 Information about the talks on establishing NATO.  
On 2.4.48 a cipher cable from the *GB* ambassador in Wash. to the *GB* For. Off., No. 1428 dated 24.3.48, was reported to Stalin et al. The ambassador's recommendations for implementing Truman's declaration of 17.03.48 on supporting the free nations of Europe.

pp. 185-189 3.4.48 - to Molotov, Vyshinsky, Malik  
Douglas is Contents of cipher cable from *GB* ambassador in Wash. to the *GB* For. Off., No. 1871  
apparently the dated 22.3.48. Re the first meeting of the Anglo-Amer. group (apparently for the  
US preparation of the NATO treaty). Chaired by Douglas. On the Amer. side: Hickerson,  
ambassador in General Gruenther (representing Forrestal) and George Butler (representing Kennan). On  
London the Engl. side: the ambassador, Lord Inverchapel; Hollis, Jebb, Maclean; the Canadians  
(?): Pearson, General Foulkes and the Canadian ambassador, Stone.

pp. 196-198 Cipher cable from the *GB* ambassador, No. 1574 dated 1.04.48

pp. 199-202 No. 3466 dated 29.03.48 To Molotov, Vyshinsky;

pp. 203-207 No. 1002 dated 29.03.48 information from London

pp. 208-212 No. 3948 dated 9.04.48—from the For. Off. to the ambassador

pp. 213-215 No. 1726 dated 10.4.48—from the ambassador to the For. Off.

p. 193 16.04.48—To V. M. Molotov, A. Ya. Vyshinsky, Ya. A. Malik E. Roosevelt  
"We are reporting the contents of a conversation that Elliott Roosevelt had with our station chief on 6 April at the USSR Consulate General in NY.  
During the conversation R. explained the reasons for his recent statement in support of an Eisenhower candidacy for president. On behalf of the group of Democrats he heads he declared:

“It is our goal to keep a Democratic administration in the W. H. and to prevent the Republicans from coming to power. At the same time we seek to prevent the re-election of Tr. to a second term. We can achieve this goal only by nominating Eis. from the Democratic Party.

Despite T.’s intention to seek re-election, our group already has concrete results in ensuring E.’s nomination: the delegations from the states of Alabama, Georgia, Calif. and Pennsylvania have given their consent to nominate him.”

p. 194 R. went on to report that he had personally held talks with E., and the latter, despite his public statement declining to put forth his candidacy for president, agreed to run on condition that the Dem. Party convention nominates him. Until he is nominated, E. does not intend to make any statements.

As a result of their joint discussion E. and R. came to the conclusion that the most acceptable candidate for vice president is Ellis Arnall, former governor of the state of Georgia, whose candidacy would ensure E. support from the southern states.

According to R., after his official nomination E. will make a statement announcing his intention to offer Wallace the post of secretary of state in his future cabinet. Such a statement, in R.’s view, will definitely increase the number of votes for E.

As confirmation of the possibility of cooperation between E. and Wallace, R. cited the good relationship between them and the friendship between their wives.

At the conclusion of the conversation R. expressed confidence

p. 195 that when E. is elected president he will be able to establish normal relations with the S.U. Since there are fundamental differences between E. and W. on basic issues of US domestic and foreign policy, R.’s statement about the possibility of cooperation between them may have been made with an ulterior motive.

We have issued instructions to the station chief to report in the future on such conversations through the official line.

P. Fedotov  
K. Rodionov”

p. 216 18.04.48—To Molotov, Vyshinsky, Malik, Zorin.  
Letter from French ambassador in the US Bonnet to the For. Min. dated 26.03.48. Obtained in Paris.

p. 217 “The Amer. govt. has great hopes for West. E., based on an assessment of the situation not only in those countries but also in the USSR. The ideas of Marshall, Forrestal and Harriman—the masterminds of the govt.’s foreign policy—reflect the opinion of State Dept. experts on Russian matters. The latter have believed for several months already that the principal factor determining Moscow’s foreign policy is the Russians’ internal difficulties.  
In order to explain the continuation of the dictatorial regime, the Kremlin, no longer able to cite the existence

of a capitalist danger inside the country, was compelled to declare that there was a threat from foreign capitalism and to proclaim a crusade against it. This situation may prod the Sov. Union into certain actions and doesn't require it to be cautious. All of the information received lately from Russia through the State Dept. indicates that the country is very weak in every area except the military one.

p. 218 The S.U., Amer. experts believe, will not be able to fulfill the new five-year plan mapped out by Stalin. It is wearing itself out with industrialization and getting mired in grave economic difficulties. The Russian people are exhausted from the "new life" and the imposed Spartan morality. They are very fearful of war, the recent ravages of which still stand before their eyes. Despite government propaganda, the Russian people hold a high opinion of Amer. aid and the role that Amer. armament played in the S. Union's victory. They will hardly display any enthusiasm over implementation of the plans for Sov. expansion in the West. There is latent resistance to Moscow in the Ukraine.

On the other hand, Amer. experts believe that the establishment of communication lines through the countries of Cent. and East. Europe, whose population is becoming increasingly hostile toward the S. U., confronts the Sov. armies with an extremely difficult problem. The position of these armies and their morale could quickly become critical if strong blows were delivered against the S. U. in its own territory while these armies are protecting strategic positions in the West. The S. U. has neither the equipment nor

p. 219 the supplies that enabled the Germans to preserve their communication lines throughout Europe. It is no secret that in the event of a conflict Amer. forces will try to invade the S. U. itself. In this regard the feeling is that the lessons of the last war and the assault tactics cannot serve as an example in an atomic war.

It was repeatedly pointed out to me what a decisive role the destruction of Russian oil sources by bombing will play and what kind of difficulties such operations will put the S. U. in. In a statement that, incidentally, was disputed, Air Force Secretary Symington on 25 March told the Senate Armed Forces Committee that there is no point in Sov. terr. that could not be reached by Amer. bombers based in Alaska and Labrador.

On the other hand, it is stressed that bombing with atomic bombs does not require as large a number of squadrons as were employed to bomb industrial targets in G.

Finally, it is a noteworthy fact that in order to activate the air force during the last war, it took more time

p. 220 to train pilots and even retrain instructors than it took to organize the aircraft themselves. America today has 130,000 pilots, a large portion of whom can take part in mil. operations immediately.

In the opinion of the Amer. govt., the primary task is to convince the S. U. that the US is prepared to use force to resist pressure from the S. U. On the other hand, the task is to neutralize the subversive work that the Kremlin is conducting through Commun. parties in West. countries. The president's statements in the Congress and at the St. Patrick's Day luncheon and the statements of the secretary of state to the Senate

Armed Forces Committee, in Berkeley, in Los Angeles and at press conferences leave no room for doubt about the firmness of the Amer. decision.

As for Italy, the joint declaration by the US, England and Fr. regarding Trieste and the statement by the State Dept. press spokesman and by Marshall himself that a commun. govt. would not be given any aid should have the expected effect on public opinion if Bidault's trip to Turin has a favorable outcome.

p. 221 As for the struggle against Sov. expansion, Marshall stated in his speech in Los Angeles that he views this struggle as a worldwide struggle that requires at every moment the choice of a theater of operations in which the main efforts must be focused. Kennan's department is in fact engaged in composing maps of this war and preparing to repel possible attacks by the S. U. Amer. govt. circles believe that this struggle will be brutal and lengthy and it will require, as the secretary of state noted, great patience and fortitude. There is a hope, however, that the Amer. govt.'s firm position and the effective measures that have been taken to bolster America's ability to resist will compel the S. U. not to take matters to the point of war. US govt. circles don't rule out the possibility that one fine day Moscow will suddenly make up its mind to change its policy. Considering the possibility of a change in the policy of the S. U. for the better, Truman and Marshall in their statements have prudently emphasized that the door remains open for the S. U. if it wishes to reach agreement with the other powers, and with America in particular. However, this

p. 222 relative optimism is not shared by all Amer. policy makers. In particular, there are people at the Defense Dept. who, while they do not consider war possible in the next few months, do not reject its likelihood in the future. At any rate, the results of the events of the last few weeks will force the Amer. govt to make up its mind to create a military force as soon as possible that will enable the US to resist in a potential conflict."

p. 239 Mid-May 1948—To Stalin, Molotov, Vyshinsky  
 "Re the North Atlantic security pact" (memorandum on the basis of a cipher cable from Wash. dated 15.5.48)  
 [The talks between the British and the Americans on NATO.

p. 240 The State Dept. intends to begin talks in Wash. shortly between representatives of the US, Britain, Fr. and Benelux.]  
 "During these talks the following issues may be discussed:  
 1. The possible conclusion of a North Atlantic security pact.  
 2. Expansion of the number of participants in the Brussels pact by including Italy, Norway and Denmark.  
 3. Coordination of mil. policy, especially a policy of supplying and equipping the armed forces—of England, Fr., and the Benelux countries.  
 The standing mil. committee that was recently established in London by the five countries participating in the Brussels pact has just worked out a document on the current plans for mil. cooperation among these countries.  
 The doc. sets forth:  
 The problems of a unified command and a coordinated program



for supplying and equipping the armed forces, general strategic intentions in the event of an immediate war with the S. U. and of manpower reserves.

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This document is written in very general terms for the following two reasons:

1. The English are facing the fact that the French, Belgians, Dutch and Luxembourgers have inadequate joint precautions against communist infiltration. Therefore the English cannot yet take the risk and pass along any secret mil. information to their colleagues.
2. Since the chief purpose of the doc. was to convince Amer. political leaders and especially the Congress of the efforts that are being made by the countries that signed the Brussels pact, it was impossible to present highly classified information in this doc.

It should be noted that the second serious issue for the English when the five-nation mil. committee began its work was to persuade the French, Dutch and Belgians to take coordinated actions equivalent to the actions of the English MI-5 to verify the political reliability of the personnel in all of the relevant mil. circles and to prevent communist infiltration of these circles. The English also insisted on the need for standardizing measures for classifying and preserving secret documents.

An especially important problem in the security area is the fact that the codes of the French, Dutch and Belgians are not secret enough, since the English have been reading the coded correspondence of these countries for many years.

As a result, the English faced the following facts:

1. Leave these countries the codes they have now and have the capability of reading them, with the assumption that these countries' codes are also being read by the Russians, or

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2. Recommend to these countries that they introduce secure, new English methods of encryption, but this will result in their losing the capability of reading the coded correspondence of those countries, and in addition the Russians will also lose the capability of reading this correspondence.

The English made a decision to recommend that these countries change their encryption method. But the Americans, with whom the English consulted on this matter two weeks ago, disagreed with the English decision, saying that the Communists in those countries have infiltrated so deeply that the introduction of new coding systems will not save the situation, since the codes could be passed to the Russians, and England and the US will lose the secrecy of their correspondence with France, Belgium and Holland without getting any advantage out of changing the encryption methods."

## Notes

- <sup>1</sup>Vassiliev comment: Russian typo: should be *opisyvayushchikh* instead of *opisyvayushchimi*.
- <sup>2</sup>Vassiliev comment: Russian typo: should be *kampanii* instead of *kompanii*.
- <sup>3</sup>Translator's note: apparently a mistranslation of the English word "sensible" rendered with the Russian word for "sensitive."
- <sup>4</sup>Vassiliev note to himself.
- <sup>5</sup>Misspelled as "campaigning" in the original notebook.
- <sup>6</sup>"McAdoo" here and below misspelled as "MacAdoo" in the original notebook.
- <sup>7</sup>Misspelled as "comparitively" in the original notebook.
- <sup>8</sup>Run-on in the original as "Hanseis."
- <sup>9</sup>Misspelled as "Philipines" in the original notebook.
- <sup>10</sup>Vassiliev: Russian typo: should be *kompaniyei* instead of *kampaniyei*.
- <sup>11</sup>"Kelley" misspelled as "Kelly" in the original notebook.
- <sup>12</sup>Reference to: Whitman Bassow, *The Moscow Correspondents: Reporting on Russia from the Revolution to Glasnost* (New York: W. Morrow, 1988).
- <sup>13</sup>Misspelled as "stirrs" in the original notebook.
- <sup>14</sup>Vassiliev comment: note by made by a KGB staffer in the text of translated document.
- <sup>15</sup>Vassiliev comment: note by made by a KGB staffer in the text of translated document.
- <sup>16</sup>Vassiliev comment: this passage marked in the original file.
- <sup>17</sup>Vassiliev comment: the handwritten notebook has "Mezh.," an error for Menzh.—Menzhinsky.
- <sup>18</sup>Translator's note: double negative in the original.
- <sup>19</sup>Translator's note: syntax error in the Russian: "even though" should have been omitted.
- <sup>20</sup>Vassiliev comment: likely a missing word, probably *vydvinut*—"is nominated."
- <sup>21</sup>Vassiliev comment: abbreviation "T." used in original document, ("Trotsky") a note to myself.
- <sup>22</sup>Typo in the Russian.
- <sup>23</sup>Vassiliev comment: Russian typo: *protivorechat* should be *protivorechit*.
- <sup>24</sup>Vassiliev comment: Russian typo: *polagayut* should be *polagayet*.
- <sup>25</sup>Reference to U.S. Department of State.
- <sup>26</sup>The original has "Mezh.," a typo.
- <sup>27</sup>Vassiliev note to himself.
- <sup>28</sup>Typo in the original notebook has the year as 1924.
- <sup>29</sup>Misspelled as "submitted" in the notebook.
- <sup>30</sup>"Makhnikovsky" in Polish-style transliteration from Russian.
- <sup>31</sup>Vassiliev note to himself.
- <sup>32</sup>Vassiliev note to himself.
- <sup>33</sup>Vassiliev note to himself.
- <sup>34</sup>Vassiliev note to himself.
- <sup>35</sup>Original text unclear.
- <sup>36</sup>Vassiliev comment: Russian typo: *rabotal* should be *rabotala*.
- <sup>37</sup>Vassiliev note to himself.
- <sup>38</sup>Vassiliev note to himself.
- <sup>39</sup>Misspelled in the original notebook as "enlightment."
- <sup>40</sup>Misspelled in the original notebook as "ploting."
- <sup>41</sup>Misspelled in the original notebook as "abatters."

<sup>42</sup>Vassiliev note to himself.

<sup>43</sup> Translator's note: William H. Moran's middle initial given as "H" in Cyrillic, which, while looking like the Latin "H" actually transliterates as "N" in the Latin alphabet.

<sup>44</sup> "Ralph M. Easley" badly garbled in the original notebook as "Ralph Melay."

<sup>45</sup>Vassiliev note to himself.

<sup>46</sup> Misspelled as "Stromberg Corlson Carburator Corp" in the original notebook.

<sup>47</sup> The initials "V.C." for "Virginia Cogswell," given in the original notebook with the Cyrillic letter "C", which, while looking like the Latin "C" transliterates as "S."

<sup>48</sup>Vassiliev note to himself.

<sup>49</sup> Error for Piotr Bogdanov, Amtorg chairman.

<sup>50</sup>Vassiliev note to himself.

<sup>51</sup>Vassiliev note to himself.

<sup>52</sup> "In developed form," that is, on developed film.

<sup>53</sup> Typo in the Russian: *soderzhashchaya* should be *soderzhashchey*.

<sup>54</sup>Vassiliev note to himself.

<sup>55</sup>Russian typo: *poluchennoye* should be *poluchenny*.

<sup>56</sup>Vassiliev note to himself.

<sup>57</sup>Vassiliev comment: This may be a repeated reference to MacLeish's, not Dunn's, responsibilities.

<sup>58</sup> Russian typo: *zaklyuchayushchikhsya* should be *zaklyuchayushchimsya*.—A.V.

<sup>59</sup> Vassiliev comment: Russian typo: *nablyudayetsya* should be *nablyudayutsya*.

<sup>60</sup>Vassiliev: Russian typo: *v* should be *a*.

<sup>61</sup>Vassiliev: Russian typo: *pomeshchennuyu* should be *pomeshchennaya*.

<sup>62</sup>Translators's note: notebook has "Dust Pin," a typo in Russian.

<sup>63</sup>Translator's note: Russian typo: Bally Forge.

## Notes Series 2

1. Although the Russian in the notebook is clearly “Davis,” the context suggests that person in question was not Elmer Davis, as Alexander Vassiliev thought (see next page), but Joseph Davies.

2. Ibid.

