

The First Directorate

&

OLEG KALUGIN

Former Chief of Counterintelligence and Major General, KGB

My 32 Years
in Intelligence and Espionage
Against the West

with Fen Montaigne

St. Martin's Press New York

Intelligence people must have been certain of two things: one, I was KGB; and, two, I was a womanizer. Soon my American counterparts were making heavy-handed attempts to compromise me by luring me into sexual encounters.

The first incident took place after I met a pretty woman at a reception hosted by the left-wing American publisher Carl Marzani. A fellow traveler and open admirer of the Communist system, Marzani published Socialist and leftist literature in the United States. He had close ties to the Soviet government and the KGB, which secretly gave him money to keep his publishing house afloat. KGB officers frequented his parties, and one night a colleague suggested I might find it useful to attend one of Marzani's receptions.

His apartment was filled with a motley assortment of Communists, liberals, and KGB spooks—all of them watched, undoubtedly, by FBI informers in attendance. Midway through the party, a comely blonde, who introduced herself as Ann, seemed to take an intense interest in me and my colleague, and as the evening drew to a close she invited us to her apartment for a drink. We accepted and went to her place, just a few blocks away.

We were suspicious from the start, but decided to play along. She seemed pushy and ill at ease, as if playing a role. Though she was undeniably attractive, she had the worn, cynical expression of a prostitute. And her apartment scarcely looked lived in. What also made me wary were pictures of her with some Washington politicians and top military officers. As we sat down and had a drink, she began rattling off the names of the influential people she knew in the nation's capital. We stayed at her place until 2:00 A.M., and at one point I found myself stifling a laugh. This was all too good to be true: a pretty American woman with top-flight Washington connections wanted to hop in bed with me. Did the FBI think I was really that stupid?

I decided not to call her again, feeling certain it was a set-up. Then, two weeks later, she telephoned me.

"I have something very important to discuss with you," she said. "Why don't you stop by tonight—say around nine o'clock?"

I agreed to come, but decided to show up at her place an hour and a half early, just to throw off any plans the FBI might have to frame me. At seven-thirty I knocked on her door and caught her by surprise. Flustered and obviously dismayed, she pulled herself together and offered me a drink. She left the living room and returned a minute later with a folder in her hand.

VOLUME III • THE CAMPAIGN AND THE VOTE

Gideon's army

CURTIS D. MacDOUGALL

Professor of Journalism, Northwestern University

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GIDEON'S ARMY is being published in three volumes, of which Volume I will be available August 5, 1965. Volume I, subtitled "The Components of the Decision," is completely self-contained, and includes the extensive, absorbing interpretative introduction by H. H. Wilson, Professor of Politics at Princeton University. All the photographs (24 pages) are concentrated in Volume I. It covers Wallace's decision to run and it presents hitherto unavailable material on the persons and forces which influenced Wallace, including the role of the Communist Party.

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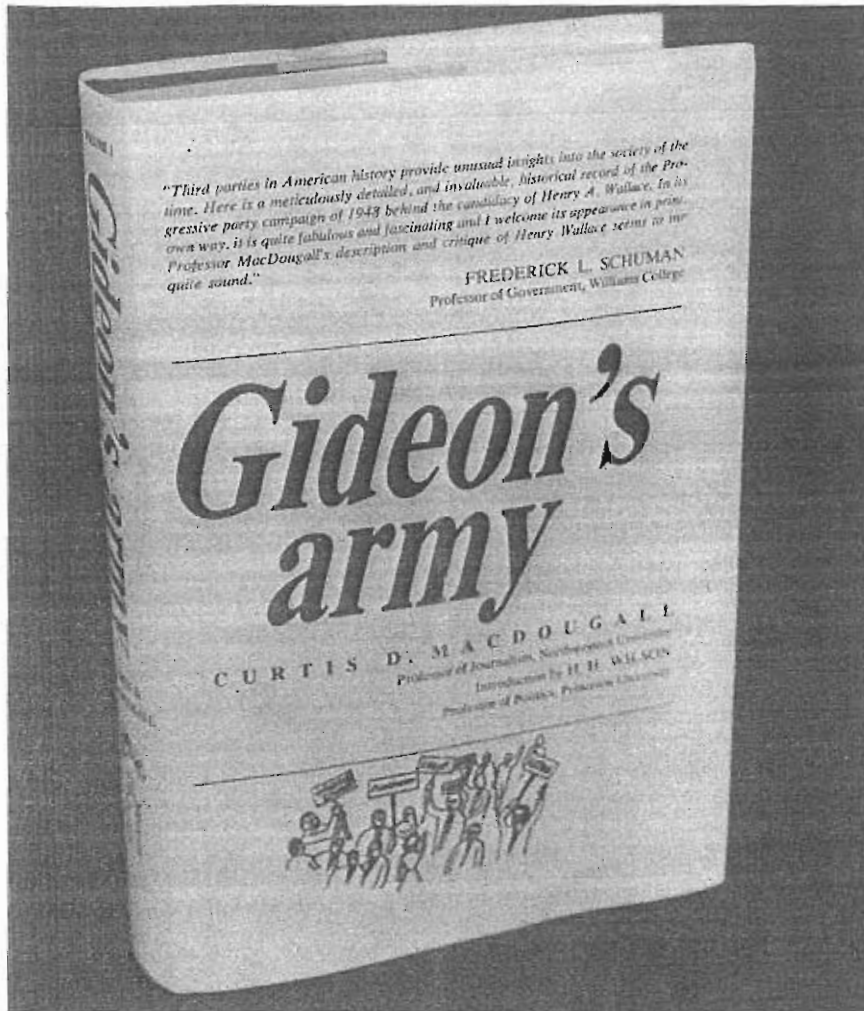
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Acknowledgements

My heartfelt thanks go in the first place to Carl Marzani, a shrewd and hard-hitting editor and publisher in the finest American tradition, who put his whole heart and soul in this book, as the best of them do.

I also wish to convey my sincere appreciation to Miss Charlotte Pomerantz, editor, and to the small staff of Marzani and Munsell, without whose devoted help this book would not have been published within five weeks of receiving the manuscript.

Contents

Preface	8
Part One: Impossible assassin	
Chapter 1: The Self-Betraying Detour	17
Chapter 2: Thunder Before Lightning	24
Chapter 3: "Ambush Building Chosen With Care"	32
Chapter 4: Evidence That Backfired	39
Chapter 5: Wade's Spectacular	44
Chapter 6: "I Didn't Kill Anybody!"	56
Chapter 7: The Unworried Killer	68
Chapter 8: The Irving Gunsmith And The Phantom Sight	75
Chapter 9: <i>Life</i> Merchandises Death	87
Chapter 10: "Wounds That Speak Like Mouths"	92
Chapter 11: Who Killed The "Good Cop"?	102
Chapter 12: The Shy Witnesses To A Movie Capture	113
Part Two: Perfect fall guy	
Chapter 13: <i>Cui Bono?</i>	119
Chapter 14: Oswald And The CIA	125
Chapter 15: The Director of Federal Bungled Investigations	133
Chapter 16: Blood Thicker Than Oil	145
Chapter 17: Court Of Last Resort	155
Documentary section	157

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According to the publisher's request, Mr. Joesten writes:

"I'm a cosmopolitan, a polyglot and even now in my advanced years, an indefatigable traveler. Born on June 29, 1907, at Cologne of a Rhenish father, a doctor, and a Bavarian mother, a painter, I studied first at German universities then, at 18, went to Nancy University in France. Later, I attended the University of Madrid.

"At the time of Hitler's advent to power I was in Berlin, still studying and just starting to write for the press (in particular Carl von Ossietky's *Weltbuehne*). On March 5, 1933, I emigrated, first to France, later to the Scandinavian countries. In 1938, I wrote my first book which was published early in 1939 by Gollancz, London. It was prophetically en-

titled Denmark's Day of Doom — an accurate forecast of the invasion of Denmark by the Nazis, which materialized a year later.

"This lightning invasion, on April 9, 1940, caught me by surprise in Copenhagen and almost doomed me. Luckily, I was able that night to flee from the occupied country in a fishing boat that took me to Sweden, where I was interned for some five months. In September 1940, I married a Swedish girl, May Nilsson, and we started out together, immediately, on what we remember as our "Siberian Honeymoon," for we spent it — nine days — on the Trans-Siberian Railroad after having flown to Moscow from Stockholm, en

route to America. By way of Vladivostok, Japan and Costa Rica, we finally reached New York in March 1941. In September of the same year our daughter Ingrid, only child, was born in New York.

"I first got a job with Newsweek magazine, where I worked for about two years as an assistant editor in the foreign department. Since 1944, I have been a fulltime freelance writer. To date, I have written 26 books, partly in English, partly in German, and hundreds of newspaper or magazine articles and features. I read and understand eleven languages and speak, more or less fluently, five (English, German, French, Spanish and Swedish). I have been an American citizen since 1948."



Marzani
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From Henry Wallace to William Ayers – the Communist and “Progressive” Movements

By Herbert Romerstein*

On March 24, 2008, *The Nation* magazine carried the announcement of “Progressives for Obama.” One of the leaders was Tom Hayden, a founder of the Students for a Democratic Society (SDS), the group that spawned the Weather Underground communist terrorist organization.¹ For many years, groups aligning themselves with the Communists adopted the title “Progressives.” The Communists called them “sympathizers”, “fellow travelers”, “left-wingers” and “useful idiots.” Willi Muenzenberg, the propaganda expert of the Communist International, referring to the communist front organizations that he set up to attract these people, called them “Innocents’ Clubs.”² The modern terms are “mindless” or “clueless.”

Earl Browder, who headed the Communist Party in the 1930s until 1945, boasted in 1960 about the success of the communists under his leadership. He said, “Entering the 1930’s as a small ultra-left sect of some 7,000 members, remnant of the fratricidal factional struggle of the 1920’s that had wiped out the old ‘left wing’ of American socialism, **the CP rose to become a national political influence far beyond its numbers (at its height it never exceeded 100,000 members), on a scale never before reached by a socialist movement claiming the Marxist tradition. It became a practical power in organized labour, its influence became strong in some state organizations of the Democratic Party (even dominant in a few for some years), and even some Republicans solicited its support.** It guided the anti-Hitler movement of the American League for Peace and Democracy that united a cross-section of some five million organized Americans (a list of its sponsors and speakers would include almost a majority of Roosevelt’s Cabinet, the most prominent intellectuals, judges of all grades up to State Supreme Courts, church leaders, labour leaders, etc.). Right-wing intellectuals complained that it exercised an effective veto in almost all publishing houses against their books, and it is at least certain that those right-wingers had extreme difficulty getting published.”³ (emphasis added).

After the collapse of the Soviet Union, documents from the Soviet archives became available showing that the Communist Party USA was receiving two to three million dollars a year until 1988.⁴

¹ See “Communism in Chicago and the Obama Connection”, America’s Survival, Inc., www.usasurvival.org.

² Quoted by Friedrich Adler, Secretary of the Labour and Socialist International, *The Anglo-Russian Report*, P.S. King & Son, Ltd, London, 1925, p47.

³ Earl Browder, “Socialism in America” in *International Communism, St. Antony’s Papers, Number 9*, Edited by David Footman, Southern Illinois University Press, Carbondale, Ill, 1960, p 101.

⁴ John E. Haynes and Harvey Klehr, “Moscow Gold: Confirmed at Last?” in *Labor History*, Spring 1992, published by the Tamiment Institute, New York, see Exhibit 1. The exhibit consists of a KGB memo dated April 14, 1988 to A.F. Dobrynin, head of the International Department of the Soviet Communist Party, reporting the delivery of three million dollars to Gus Hall. The International Department was the successor to the earlier secret department that replaced the Communist International. See also the two receipts signed by Gus Hall.

addressed his letters to "Dear Guru". The letters contained such insights as "May the Light of Northern Shamballa lead you and the Guru and the true expedition toward the eternal glory of the New Age. May strength, power and righteousness surround you. I have no definite cause for worry but certain extraordinary warnings are manifest." In another letter, Wallace referred to some disciple of Roerich and said, "I have as you know an enormous respect for F whose whole being has been centered to serve the Masters. That also is the center of my being..." Worry about these letters and Wallace's erratic behavior led to the decision to replace him as Vice President with Harry Truman.

Wallace was given the booby prize of Secretary of Commerce. He had been making speeches referring to a possible World War III by saying "That war will be probable in case we double-cross Russia ... or if fascist interests get control of our government." When he made a pro-Soviet speech at Madison Square Garden in September 1946, Truman removed him as a Cabinet member.¹⁶

The communists adopted him and decided to run him as a third party candidate. Wallace became the Progressive Party candidate for President in the 1948 elections. As John Gates wrote to Joseph Starobin, "The Communists did not merely endorse the decision of Wallace to form a third party. They were also most instrumental in influencing Wallace to make such a decision."¹⁷

A 1948 election manifesto of the Communist Party USA said:

"In this crucial 1948 election, the American people have a fateful decision to make: Shall America follow the path of peace or war, democracy or fascism . . .

"The Communist Party is not nominating a presidential ticket in the 1948 election campaign. In 1944 we Communists supported Roosevelt to help win the anti-Axis war. Similarly, in 1948 we Communists join with millions of other Americans to support the Progressive ticket to help win the peace. The Communist Party will enter its own candidates only in those districts where the people are offered no progressive alternatives to the twin parties of Wall Street."

In reality, many Communist Party operatives were in control of the Progressive Party. Before it was even formed the Communist Party merged two of its front organizations, the National Citizens Political Action Committee (NC-PAC) and the Independent Citizens Committee of the Arts and Sciences, to form the Progressive Citizens of America (PCA), which became the organizing tool for the Wallace campaign. See Exhibits 5 and 6.

C.B. Baldwin (called Beanie by his friends) was the Assistant Director of the CIO-PAC and the Executive Director of its spin off, the National Citizens Political Action Committee.¹⁸ He became Wallace's campaign manager and the controlling functionary of the Progressive Party. In Gates' letter to Starobin, he said, "The statement by [Curtis] MacDougall that Beanie

¹⁶ *The Story of Henry Wallace*, published by the National Wallace for President Committee, 1948, p 12.

¹⁷ *OpCit*, Philip Jaffe Papers

¹⁸ Curtis D. MacDougall, *Gideon's Army*, Marzani & Munsell, New York, Three Volumes, 1965, Volume 1, pp 20 and 22.

Baldwin worked tooth and nail to get Wallace to commit himself is accurate. What MacD did not know was that BB was a Communist and was the chief agent of [Eugene] Dennis and [Albert] Blumberg [the head of the Communist Party in Washington DC and Maryland] in influencing Wallace.¹⁹ Gates knew all about this as he was a member of the National Committee of the Communist Party and one of its inner circle.

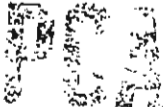
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(partial list)



Progressive Citizens of America

205 EAST 62ND STREET, NEW YORK 17, N.Y. MU 5-5580

February 3, 1947

Dear Mr. Cole:

Overnight America's political picture has been turned upside down. The conservative forces who once paid lip-service to social progress are now so arrogant in their power that they openly boast of wiping it out.

In Georgia, race-hating mobs seize the state government. In Washington, Ball and Taft vie with each other for the privilege of forcing us back into an economic jungle. Their cohorts approach the critical field of international relations with blinders over their eyes and isolationist dynamite in their hands. And from New York to California, liberal radio commentators are fired almost weekly.

In the light of this, the progressive can do either of two things: he can crawl into a cyclone collar and hope the storm will strike someone else; or he can rear up and join with the hundreds of thousands of others who see America's heritage endangered and fight back.

We at National Citizens PAC chose the latter course.

That's why on December 29 we merged with the Independent Citizens Committee of the Arts, Sciences and Professions and other voters' groups to form the new Progressive Citizens of America, for well we know that in unity there is strength. We're "rearing up" already and fighting back, and I am confident we will win - if we all do our part.

Each of us has a role to play in this decisive, intense struggle between progress and reaction. With new community groups springing up all over the country to reanforce the old and with a half-dozen specialized divisions, there's every opportunity for you to play your part.

I hope with all my heart that you will join with us in laying a strong foundation for the new Progressive Citizens of America. Your confidence in democratic political action, expressed now, at the decisive beginning of FCA, will be all-important to its success.

I am enclosing an application for PCA, which is a membership organization. By returning it to us immediately, you will be joining in the fight and will become a charter member of the organization which I know has the best chance yet to make progressive political history. And any additional contribution you can make will be put to use immediately in the field.

I am looking forward to hearing from you.

Sincerely yours,
Frank Kingdon
Frank Kingdon

(A)
uopwa #16-33

(Exhibit 5)

¹⁹ OpCit, Philip Jaffe Papers.

Curtis MacDougall, a professor of journalism at Northwestern University and author of the college textbook, *Interpretive Reporting*, had been active in the Progressive Party. His book *Gideon's Army* was published by Marzani & Munsell in 1965. Carl Marzani had been the official film maker for the Progressive Party. According to MacDougall, he had been hired by Beanie Baldwin. There was, however, a problem about Marzani, who had been convicted of lying to the government as a State Department employee and sentenced to three years in prison. Having lied about his membership in the Communist Party, Marzani was serving the Progressive Party while awaiting the start of his prison sentence.²⁰

Marzani had served in the OSS, the predecessor of CIA, during World War II. He was in reality a Soviet agent with the code name "Kollega". He shows up in the Venona messages from the KGB officers in the United States reporting to Moscow. As late as the 1960s Marzani was still receiving Soviet money to finance his publishing house. That was revealed by retired KGB General Oleg Kalugin in his autobiography.²¹

Quite a few Soviet spies had penetrated OSS. Another OSS officer, and Communist Party member, who may have been a Soviet spy was Lillian Traugott, who, according to MacDougall, was an employee of the National Citizens Political Action Committee then active in the Progressive Party. In early 1948 she married Beanie Baldwin. The Communist International Archives in Moscow contain requests from the Soviet Intelligence Service, NKVD (later called the KGB), to the Comintern to check out the names of people that they intended to recruit for espionage. Most of those people appear in other sources as Soviet agents. On September 30, 1944, the NKVD wanted Lillian Hoell "an employee of the Office of Strategic Services" checked out. On November 17th NKVD asked about "the American citizen (female) Traugott, supposedly a member of the Comparty (Communist Party) since 1937... Her brother is an active member of Comparty in New York."²² Hoell was the maiden name of Lillian Traugott. There is no indication in other sources that she was recruited by Soviet intelligence.

C.B. Baldwin remained involved in the Communist Party for many years. Morris and Jack Childs were high level officials of the American Communist Party. One of their jobs was organizing the transfer of Soviet funds through the KGB to the Communist Party USA. At the same time, they were undercover informants for the Federal Bureau of Investigation. Morris Childs' FBI code name was "CG-5824". His brother, Jack, was "NY-694". The FBI name for the entire operation was "Operation Solo".²³ The KGB code name was "Brooks". Boris Yeltsin in his book, *The Struggle for Russia*²⁴ refers to Morris Childs as "Brooks (a well-known American Communist figure and KGB agent)". Yeltsin did not tell the reader (and maybe he didn't even know) that "Brooks" was Morris Childs.

When the Communist Party USA spent the Soviet money, they would report to one of the Childs brothers on the expenditure for an item report to Moscow. After the November

²⁰ *OpCit*, MacDougall, Volume 2, p 486.

²¹ Oleg Kalugin, *The First Directorate*, St. Martin's Press, New York, 1994, p 45.

²² Moscow Archives, Fond 495, Opis 74, Delo 285. This was first reported by the researchers Harvey Klehr and John Earl Haynes in their book *The Secret World of American Communism*, Yale University Press, New Haven, 1995, pp 307-308.

²³ For an excellent account of the valuable work done by the Childs brothers on behalf of the United States see John Barron, *Operation Solo, the FBI's Man in the Kremlin*, Regnery Publishing Inc., Washington DC, 1996.

²⁴ Boris Yeltsin, *The Struggle for Russia*, Random House, New York, 1994, p 307