



The State Department

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Four decades of pro-Communist policies must be reversed

Last January, the Heritage Foundation issued a report accusing the State Department of ignoring the anti-Communist rhetoric of the Reagan Administration while it pursued policies aimed at “preservation of the status quo, even when this means accommodating, and at times defending, existing Soviet-installed governments.” After describing in detail the wide gap between the Reagan rhetoric and State Department policy, Heritage author Benjamin Hart concluded that the President’s policies and goals for such countries as Afghanistan, Angola, Mozambique and Nicaragua “often are being betrayed by the foreign policy establishment.”

Angered by the Heritage paper, Deputy Secretary of State John C. Whitehead wrote to some of the foundation’s trustees in February, asserting that the report was “filled with misstatements, inaccuracies and false innuendos ... uninformed polemics, and mischievous gossip.” He urged the trustees to try to change Heritage’s attitude or resign from its board. Foundation officials, however, responded that they would stand by their criticisms of the State Department, and they chided Whitehead for trying “to torpedo a private, non-profit organization over a policy disagreement.”

The Heritage study is valuable in that it clearly demonstrates the “distressing — and embarrassing — gap between the rhetoric and the reality.” It leaves a gap of its own, however, in failing to get at the reason why the State Department always seems to favor the Communist side in any conflict, and to show such hostility to the anti-Communist side. The closest the report comes to addressing this crucial issue is this one sentence: “Most of the Foreign Service is still in the old mind-set, apparently remembering the days when Ho Chi Minh, Fidel Castro, and Che Guevara led revolutions.”

The mind-set in favor of Communism, which led to the betrayal of hundreds of millions of people in China, Cuba, Nicaragua and more than two score other countries, was no coincidence. Policies are made by people and the policies emanating from the State Department over the past four decades have been the creation of persons who either were sympathetic to Communism or were indifferent to the spread of this barbaric and evil system. “Consistency has never been a mark of stupidity,” said Secretary of the Navy James Forrestal in 1946. “If they [the policymakers] were merely stupid, they would occasionally make a mistake in our favor.”

But there have been precious few mistakes in our favor. The same pattern — and some of the same individuals — can be found in the sellout of China in the 1940s, the no-win policy in Korea and the betrayal of Cuba in the 1950s, the no-win policy in Vietnam in the 1960s, the phony detente and the sellout of Nicaragua in the 1970s, and the pursuit of accommodation with the



Soviet Union, to the detriment of freedom everywhere, in the 1980s. A survey of some of the policies and personalities involved will indicate the scope of the problem. **Communists in Government**

The congressional investigations of the late 1940s and early 1950s established beyond doubt that Americans loyal to the Soviet Union began substantially infiltrating the U.S. government in the 1930s and soon spread their subversive tentacles from the economic agencies to the wartime agencies to the departments and bureaus involved in postwar planning. On July 30, 1953, the Senate Internal Security Subcommittee, chaired by Senator William Jenner, released its report on "Interlocking Subversion in Government Departments." Among its conclusions were these:

1. The Soviet international organization has carried on a successful and important penetration of the United States Government and this penetration has not been fully exposed.
2. This penetration has extended from the lower ranks to top-level policy and operating positions in our government.
3. The agents of this penetration have operated in accordance with a distinct design fashioned by their Soviet superiors.
4. Members of this conspiracy helped to get each other into government, helped each other to rise in government, and protected each other from exposure.

Summarizing the 1952 testimony of former Soviet courier Elizabeth Bentley, who had identified 37 Soviet agents within the U.S. government, the Subcommittee also said that "to her knowledge there were four Soviet espionage rings operating within our government and that only two of these have been exposed." In October 1953, a Soviet defector named Colonel Ismail Ege estimated that a minimum of twenty spy networks were operating within the United States in 1941-1942, when he was chief of the Fourth Section of Soviet General Staff intelligence. Thirty-three years after Ege's testimony, these espionage rings and networks have not been exposed.

And in the State Department

On September 2, 1939, former Communist Whittaker Chambers provided Assistant Secretary of State Adolph Berle with the names and Communist connections of two dozen spies in the government, including Alger Hiss. Berle took the information to President Franklin Roosevelt, but FDR laughed it off. Hiss moved rapidly up the State Department ladder during the next seven years and served as an advisor to Roosevelt at the disastrous Yalta Conference, which paved the way for the Soviet conquest of Central and Eastern Europe. Hiss also functioned as the secretary general of the founding meeting of the United Nations in San Francisco, helped to draft the UN Charter, and later filled dozens of positions at the UN with American Communists before he was publicly exposed as a Soviet spy by Whittaker Chambers in 1948.

Communist sympathizers in the State Department also played a key role in the loss of mainland China to the Reds. "It is my judgment, and I was in the State Department at the time," said former Ambassador William D. Pawley, "that this whole fiasco, the loss of China and the subsequent difficulties with which the United States has been faced, was the result of mistaken policy of Dean



Acheson, Phil Jessup, [Owen] Lattimore, John Carter Vincent, John Service, John Davies, [O.E.] Clubb, and others." Asked if he thought the mistaken policy was the result of "sincere mistakes of judgment," Pawley replied: "No, I don't."

Consider the record of Dean Acheson, who entered the State Department in 1941 and was President Truman's Secretary of State from 1949 to 1953. Acheson, whose service to the cause of Communism began when he became one of the Stalin regime's paid American lawyers before U.S. diplomatic recognition of the Soviet Union in 1933, pushed Alger Hiss up through the ranks and, even after Hiss had been convicted of perjury in 1950, refused to "turn my back" on him. It was Acheson who presided over the clique that turned China over to the Communists; who reinstated John Stewart Service to the State Department in 1945 after Service had been arrested by the FBI for having given classified documents to the Communist magazine **Amerasia**; and who told a pro-Communist rally in New York City in 1945 that "we understand and agree with the Soviet leaders that to have friendly governments along her borders is essential both for the security of the Soviet Union and for the peace of the world."

It was Dean Acheson who in 1946 approved a \$90 million loan to the Communist puppet government in Poland over the strong objections of Ambassador Arthur Bliss Lane, author of **I Saw Poland Betrayed**; who helped force out of the State Department those persons who did not share his optimism about Soviet intentions; who misled people about the amount of effective military aid sent by the United States to Nationalist China's Chiang Kai-shek between 1945 and 1948, using the figure of over \$2 billion when it was less than one-twentieth of that amount; and who six months before the North Korean invasion of South Korea on June 25, 1950, declared that America's defense perimeter did not include South Korea.

Although Acheson assured the country in July 1946 that there were no Communists in the State Department, the facts were just the opposite. In June 1947, a Senate Appropriations subcommittee addressed a secret memorandum to Secretary of State George Marshall, calling to his attention ... a condition that developed and still flourishes in the State Department under the administration of Dean Acheson. It is evident that there is a deliberate, calculated program being carried out not only to protect Communist personnel in high places but to reduce security and intelligence protection to a nullity. On file in the department is a copy of a preliminary report of the FBI on Soviet espionage activities in the United States which involves a large number of State Department employees, some in high official positions.

The memorandum listed the names of nine of these State Department officials and said that they were "only a few of the hundreds now employed in varying capacities who are protected and allowed to remain despite the fact that their presence is an obvious hazard to national security. There is also the extensive employment in highly classified positions of admitted homosexuals, who are historically known to be security risks." Marshall ignored the warning.

Enter Senator Joseph McCarthy

In 1946, Secretary of State James Byrnes informed Congressman Adolph Sabath that his own security investigators in the department had declared 284 persons unfit to hold jobs there because



of Communist connections and other reasons, but that only 79 had been discharged, leaving 205 still on the State Department payroll. Four years later, Senator Joseph McCarthy launched five years of controversy by telling an audience in Wheeling, West Virginia, that while he did not have the names of the 205 referred to in the Byrnes letter, he “did have the names of 57 who were either members of or loyal to the Communist Party.”

McCarthy subsequently discussed in public the names of nine of these people, including Owen Lattimore, John Stewart Service, and Philip C. Jessup, all of whom had performed yeoman service for the Communists over the years. A Senate committee created to investigate McCarthy’s charges set out instead to destroy McCarthy and, after 31 days of hearings, labeled his accusations a “fraud” and a “hoax” and gave a blanket clearance to the State Department. The department, however, later reprocessed 57 of McCarthy’s cases and 54 of the accused were fired or forced to resign.

That the problem was far from solved is indicated by what happened to Service. After being cleared by the State Department’s Loyalty and Security Board a total of six times, John Stewart Service was finally ousted from the department in December 1951 after the Civil Service Loyalty Review Board found that there was “reasonable doubt” as to his loyalty. However, he was reinstated by a Supreme Court decision in 1956 and served as the American Consul in Liverpool, England, until his retirement in 1962. Service then joined the faculty of the University of California at Berkeley and visited Red China in the fall of 1971 at the invitation of Communist tyrant Chou En-lai. Following his return from Peking, he wrote four articles for the ***New York Times*** and was the subject of a cover interview in ***Parade*** magazine.

The Otto Otepka Era

A major reason for the widespread Communist penetration of the State Department was a merger in 1945 that brought into State thousands of employees from such war agencies as the Office of Strategic Services, Office of War Information, Foreign Economic Administration, and Coordinator of Inter-American Affairs — all of which were riddled with members of the Communist underground. J. Anthony Panuch, the State Department official charged in 1945 with supervising the transfer, told a Senate committee in 1953 that “the biggest single thing that contributed to the infiltration of the State Department was the merger of 1945. The effects of that are still being felt.”

Ten days before Panuch’s testimony, the State Department hired a security specialist named Otto Otepka away from the Civil Service Commission. A diligent and dedicated government employee, Otepka found the security setup at State in chaos, with all the derogatory information about some high-ranking State Department officials missing from the files. He worked with Scott McLeod, head of the Bureau of Security and Consular Affairs, to improve the security system, immediately weeding out in the process about 300 security risks. (The State Department and other sensitive federal agencies dismissed nearly 4,000 employees in 1953 and 1954, although many of them shifted to non-sensitive departments. Some of these security risks returned to their old agencies when security was virtually scrapped during the Kennedy Administration.)

During the mid-1950s, Otepka reviewed the files of all State Department personnel and found



some kind of derogatory information on 1,943 persons, almost twenty percent of the total payroll. He told the Senate Internal Security Subcommittee years later that of the 1,943, “722 of the persons left the department for various reasons, but mostly by transfer to other agencies, before a final security determination was made.” Otepka trimmed the remaining number on the list to 858 and in December 1955 sent their names to Scott McLeod as persons to be watched because of Communist associations, homosexuality, habitual drunkenness, or mental illness.

McLeod’s staff reviewed the Otepka list and narrowed it down to 258 persons who were judged to be “serious” security risks. “Approximately 150 were in high-level posts where they could in one way or another influence the formulation of United States foreign policy,” said William J. Gill, author of ***The Ordeal of Otto Otepka***. “And fully half of these 258 serious cases were officials in either crucial Intelligence assignments or serving on top-secret committees reaching all the way up and into the National Security Council.” (As many as 175 of the 258 were still in important policy posts as of the mid-1960s, but there have been no Otto Otepkas to keep track of them since that time.)

The Vendetta Against Otepka

It can be seen from hindsight that the downfall of Otto Otepka began in December 1960 when he was summoned one evening to a session with Secretary of State-designate Dean Rusk and Attorney General-designate Robert Kennedy. Rusk and Kennedy wanted assurances of a security clearance for Walt Whitman Rostow, whom Otepka had twice rejected, in 1955 and 1957, because of Rostow’s close ties with active Soviet agents. Otepka refused to give such assurances and the meeting was terminated. Rostow was quickly put on President Kennedy’s White House staff, where clearance was not needed, and then named head of the State Department’s Policy Planning Council in November 1961. He remained there until 1966, when he began a three-year stint as President Johnson’s national security advisor.

This was the same Walt Rostow who returned from Moscow in 1960 and declared that the ultimate goal of U.S. policy was “the creation of a world order which really can’t stop very short of world law and some form of world government.” Earlier that year, in a book entitled ***The United States in the World Arena***, Rostow said that it was “an American interest to see an end to nationhood as it has been historically defined.” He traveled to Fort Bragg, North Carolina, in June 1961 and told graduates of the Army’s Special Warfare Center that the United States would not seek victory over Communism “in the usual sense” and went on to spell out the no-win policy that would be adopted by the Kennedy and Johnson Administrations.

That Dean Rusk was another promoter of that no-win policy should have surprised no one. Consider Rusk’s background: he was part of the pro-Red Chinese clique on the staff of General “Vinegar Joe” Stilwell during World War II; he succeeded Alger Hiss as director of the State Department’s Office of Special Political Affairs in 1947 and, when that office became the Office of United Nations Affairs, Rusk continued Hiss’ policy of letting American Communists be hired for UN positions; and as Assistant Secretary for Far Eastern Affairs in 1950, he helped impose on General Douglas MacArthur the catastrophic policy of giving the Chinese Reds a privileged sanctuary



across the Yalu River from which they could launch massive attacks against American soldiers in Korea without fear of retaliation.

During the 1950s, Rusk, as president of the Rockefeller Foundation, waged war on congressional committees investigating Communist subversion. This was understandable since Rusk had been a member of the American Council of the Institute of Pacific Relations, of which the Senate Internal Security Subcommittee said in 1952: "The IPR has been considered by the American Communist Party and by Soviet officials as an instrument of Communist policy, propaganda and military intelligence."

The second strike against Otto Otepka came when he objected to Secretary of State Dean Rusk's waiver of security checks and background investigations of 152 appointees to the State Department. More than 600 persons came into the department under a "blanket waiver" from January 1961 to May 1962, and many of them were there a year before any probe of their background was conducted. One of those appointees who came in under Rusk's waiver was Assistant Secretary of State Harlan Cleveland, whose leanings were confirmed in July 1962, when he asked Otepka: "What are the chances of getting Alger Hiss back into the government?"

Strike three was thrown to Otto Otepka in January 1962 when a reporter asked President Kennedy about a State Department "security risk" named William Wieland. Kennedy said he was "familiar with Mr. Wieland" and expressed confidence that Wieland could carry out his duties "without detriment to the interests of the United States." Efforts were then taken to obtain a security clearance for Wieland over the objections of Otepka, who had concluded in 1961 that Wieland had played a key role in bringing Fidel Castro to power in Cuba, knowing all the while that Castro was a Communist. He had sent Wieland hundreds of intelligence reports documenting Castro's Communist connections, Otepka told the Internal Security Subcommittee. "Either Wieland did not read them, or if he read them he deliberately misinterpreted them."

The Senate hearings on Wieland, as well as such books as Nathaniel Weyl's ***Red Star Over Cuba*** and Earl E.T. Smith's ***The Fourth Floor***, clearly demonstrate the power of a few individuals in key positions in the lower echelons of the State Department to shape policy in favor of the Communists. Smith, who was Ambassador to Cuba from 1957 to 1959, lists twenty day-to-day actions of those on the Fourth Floor of the State Department which brought Castro to power. The actions are virtually the same as those which turned China over to the Communists in 1949 and Nicaragua to the Reds in 1979. In fact, Smith wrote a letter to the ***New York Times*** in September 1979, saying that "Nicaragua is Cuba all over again."

The Final Chapter

In the spring of 1963, with Otto Otepka holding up 150 applications and promotions because of Communist connections, his enemies launched an all-out campaign to get rid of him. They tapped his phone, bugged his office, searched his wastebasket and "burn bags," and in general put him under a more thorough surveillance than any suspected Communist had ever experienced. Otepka was transferred out of security in June and put in an isolated cubbyhole, minus his valuable files containing information about every person in the State Department who had ever been accused of



Communist sympathies, including hundreds who were then holding high policymaking positions in the department.

Otepka was later charged with conduct “unbecoming an officer of the Department of State” for allegedly giving official documents to the Senate Internal Security Subcommittee and allegedly mutilating classified papers (his foes had clipped classified labels from documents to frame him). He was dismissed from the department in November 1963 and remained in limbo in his cubbyhole until 1967, when Dean Rusk found him guilty, formally removed him from the security office, and demoted him.

Meanwhile, the 1968 presidential campaign was underway and candidate Richard Nixon was promising to “clean house” in the State Department and to see that “justice is accorded” to Otto Otepka, “who served his country so long and so well.” Neither promise was kept by President Nixon, however, as his Secretary of State, William Rogers, refused to give Otepka a State Department job and refused to clear him of the phony charges upheld by Rusk.

Nixon did appoint Otepka to the moribund Subversive Activities Control Board in 1969, and he was confirmed by the Senate for a one-year term. After four subsequent nominations to the board were ignored by the Senate because of a secret “hold” by Senator Edward Kennedy that prevented a Senate vote, Otto Otepka retired from the SACB and the government in July 1972. The significance of his treatment had been well summed up in 1968 by Congressman John Ashbrook:

His case gives a penetrating insight into questionable State Department policies which have found lax security, favoritism, subversion, immorality, and dishonesty tolerated if not fostered, while at the same time honest public servants are given the kangaroo court or official cold-shoulder treatment. When you study the Otto Otepka matter, you are inclined to exclaim, “No wonder we are losing.”

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The mind-set in favor of appeasing or promoting Communism has continued through the Nixon, Ford, Carter and Reagan Administrations. The rhetoric has improved in the past few years, but the policies have not. (See “George P. Shultz, Another Appeaser in the State Department,” on page 27). Is it coincidence or is it conspiracy? How many heirs of Alger Hiss hold key positions in the State Department today? We don’t know since the department’s security apparatus was emasculated in the 1960s and the Senate Internal Security Subcommittee was abolished in the 1970s. What we do know is that the time has come to remove from the State Department all those persons who for whatever reason always seem to put the interests of America’s enemies first. Our survival as a free nation demands their removal immediately.