

Alger Hiss and Russia-gate

Jeremy Kuzmarov argues the Cold War case has enduring relevance to American political culture and provides clues to the motives and machinations underlying the new Russophobia.

By **Jeremy Kuzmarov**



In January 1950, Alger Hiss, a former State Department employee and director of the Carnegie Endowment for International Peace, was convicted of perjury and sentenced to five years in a federal penitentiary. The sentence, of which Hiss served 44 months, culminated a frenzied political trial that catapulted Richard Nixon to fame, undergirded the advent of McCarthyism and heated up the Cold War.

Today, it is worth looking back at the Hiss case because it offers important clues to the motives and machinations underlying the similarly politicized Russia-gate investigations. In both cases, powerful political players appear to have attempted to deflect acts of malfeasance by falsely accusing political adversaries of treasonous behavior while igniting anti-Russia hysteria and paranoid fears of subversion that threatened war between the major nuclear powers.

Hiss was the embodiment of the liberal, New Deal establishment, which had promoted a major expansion of domestic social welfare programs. Educated at Harvard Law School, Hiss clerked for Supreme Court Justices Felix Frankfurter and Oliver Wendell Holmes, and worked for the

State Department before moving on to head the Carnegie Endowment for International Peace. Supportive of President Franklin Roosevelt's policy of accommodation towards the Soviets, Hiss had been present at the 1945 Yalta conference, which resulted in a spheres of influence agreement.

Hiss had also worked as a legal assistant for the Nye Committee in the 1930s, a congressional investigation into war profiteering led by Gerald Nye, a Republican senator from North Dakota. The investigation exposed high-level corruption and connections between American companies and the growth of the Nazi war machine.

For instance, it revealed how United Aircraft sold commercial airplane engines to Germany for use in Luftwaffe fighter planes. It showed how Nazi troops were armed with American guns, and how Union Banking Corporation had engaged in a cartel agreement with the German chemical conglomerate, I.G. Farben, soon to be gas maker for Holocaust gas chambers.

Because of his work on the committee, Hiss made many powerful enemies. The Republican Party at the time was looking to revive its fortunes through red-baiting tactics that would deflect attention from their anti-labor program. The Justice Department also had begun to investigate alleged treasonous activities by GOP power brokers.

Among them was Thomas McKittrick, a former agent of the Office of Strategic Services (predecessor of the CIA) who was the wartime president of the Bank for International Settlements in Basel, Switzerland. He was also an executive

with Chase Manhattan Bank and a **Marshall Plan administrator** who allegedly conspired with his friend, the future CIA Director Allen Dulles, to move looted Nazi gold to Argentina.

Another official under DOJ investigation was Sen. Prescott Bush, a managing director of the Union Banking Corporation, which helped provide financing to Nazi industrialists in violation of the Trading with the Enemy Act during World War II. Bush was the father of President George H.W. Bush and grandfather of President George W. Bush.

The Dulles' Diversion'

The origins of McCarthyism predate McCarthy. In order to bury the war profiteering investigation and undermine a wartime plan adopted by FDR's Treasury Secretary Henry Morgenthau to deindustrialize Germany and break the power of its banking cartel, Dulles and his associates began accusing New Deal Democrats of being spies.

The first was Harry Dexter White, liberal postwar director of the International Monetary Fund, who had pushed the German deindustrialization plan, and then came Hiss.

The GOP's accusations of treason were part of a political counter-offensive designed to protect the real traitors while bolstering the party's political fortune. Hiss' alleged treason provided the "proof" that the Roosevelt and Truman administrations were "dyed pink in Moscow." Hiss' trial was in turn politicized as much as the Soviet show trials.

John Foster Dulles, President Dwight Eisenhower's secretary of state, and his brother Allen had worked as attorneys for Sullivan & Cromwell, which according to journalist Stephen Kinzer, "thrived on its cartels and ties to the Nazi regime," and kept its business with its clients all the way through the war.

After supporting Nixon's campaign in California's 12th Congressional district against Democrat Jerry Voorhis in 1946, the Dulles brothers began to accuse their enemies of communist subversion in order to bury investigation into their nefarious war-time activities and to undermine Morgenthau's plan to deindustrialize Germany and break the power of its banking cartel.

The first target of their accusations was Harry Dexter White, liberal postwar executive director of the IMF and an assistant to Morgenthau who championed the German deindustrialization plan. President Roosevelt and British Prime Minister Winston Churchill adopted the plan at the second Quebec Conference in September 1944. Truman replaced it in 1947 with the Marshall Plan, a robust program of economic aid that benefited U.S. business.

Hiss was the second major target to fall victim to Dulles' plot. Like Russia-gate, which has deflected attention from the Democratic Party failings, Hiss' case became a media sensation that derailed critical scrutiny into treasonous wartime activity by plutocratic interests and provided "proof" for GOP voters that the Roosevelt and Truman administrations were "dyed pink in Moscow"—much as Donald Trump is portrayed as a Moscow puppet.

Like the allegations against Trump, Hiss' actual connection to Soviet espionage remains unproven. He never left any traces of even being a socialist. The documents Hiss is alleged to have smuggled were mundane and would have done nothing to harm national security. They included blank and illegible microfilms along with synopses about economic conditions in Manchuria, German trade policy in Brazil, unclassified manuals for operating naval rafts, parachutes and fire extinguishers; information that could have been found in the New York public library.

The Hiss case was marred by prosecutorial misconduct and illegalities. Hiss was entrapped by prosecutors who benefited from FBI surveillance of his witnesses and the sharing of that information with the prosecution's leading witness, Whittaker Chambers, a *Time* magazine editor who said he had known Hiss in the mid-1930s. Allegations of biased FBI misconduct against Trump are similarly rife.

Like proponents of Russia-gate, Chambers had questionable credibility. His credibility was undermined by contradictory statements, dubious claims about the spy-craft trade and false testimony. William A. Reuben, who spent four decades researching the Hiss case, found that "the first thing to note about Whittaker Chambers' confessions of communist underground work is that it has never been corroborated, either by documentary evidence or by the word of any other human being."

KGB: Hiss Never an Asset

Years after the case, Oleg Kalugin, a former KGB general and longtime chief of Russia's foreign intelligence operations,

stated that "Russian intelligence service has no documents proving that Alger Hiss cooperated with our service somewhere or anywhere," while retired KGB Maj. Gen. Julius Kobyakov said Hiss "never had any relationship with Soviet intelligence."

Hede Massing, an Austrian actress and confessed former Soviet spy inside the U.S., was another key witness for the prosecution who was threatened with deportation if she did not testify against Hiss. The government claimed that Hiss was part of an underground spy cell called the "Ware Group."

However, Lee Pressman, a labor attorney who was a law school classmate of Hiss and a member of the group, testified that this was a Marxist study group in the 1930s and that Hiss was not a member. Pressman was later accused of being a Russian spy.

It was claimed that Chambers and Hiss had been introduced by Josef Peters, alleged brain of the entire communist underground. But there is no record of this, and Peters was mysteriously deported to Hungary on the eve of the trial, so he could not testify and said he never met Chambers, except possibly once in the 1930s.

Hiss' wife, Priscilla, allegedly typed some of the smuggled State Department documents on a typewriter that was traced back to the Hiss family. However, later it was found that the FBI had suppressed a lab report showing she could not have typed the documents. The Woodcock typewriter, serving as key government evidence, was also possibly reproduced by the CIA or U.S. military intelligence, echoing the way the CIA has been alleged to be behind Guccifer 2 in the alleged

Russian hack of the DNC computers.

Nixon alluded to this when he told aide Charles Colson, as recorded in White House tapes: "The typewriters are always key. We built one in the Hiss case."

Hiss' opponents believed they had their smoking gun years after the trial when encrypted Soviet cables, released following the opening of the Soviet archives in 1991 (known as the Venona files), exposed a State Department spy code-named Ales, whom they believed to mean Alger.

However, a 2007 American Scholar article by Kai Bird and Svetlana Chervonnaya argued that a more likely candidate was Hiss' colleague, Wilder Foote, because a KGB operative placed Ales in Mexico City when Hiss was known to be in the U.S and the information came from someone inside the Office of the Lend- Lease Administration, where Hiss never worked.

The Soviets showed little interest in the political information Hiss could provide, since the Cambridge Five (famed British spies) leaked the major secret documents related to Yalta. Ales hence does not appear to have violated the Espionage Act, which requires specific injury to U.S. national interest.

More Parallels With 2016

The Hiss case exemplifies the abuse of the judicial system and manipulation of public opinion by opportunists such as Richard Nixon and elements of the Deep State during the Cold War. One can see parallels with Russia-gate here too, with opportunists such as Rep. Adam Schiff (D-CA) and his uncorroborated leaks coming from intelligence sources.

These resemblances to current events are unfortunately salient. The Deep State always has wanted Russia as an enemy so huge military-defense budgets can be maintained, and so Russia does not control **Central Asia's oil and gas wealth**. The main target of its political machinations today, farcically, is a Republican president who is an arch-imperialist and embodiment of the American dream in its valorization of wealth accumulation.

During the 2016 election, the party of Roosevelt ran a divisive candidate in Hillary Clinton who **undermined the progressive insurgent**, Bernie Sanders, through **undemocratic methods**. Instead of **looking in the mirror**, party power-brokers sought to **blame Russia** for its embarrassing defeat and divert the public's attention. They spread rumors of Russian electoral manipulation, which, as in the Hiss case, **have never been corroborated** and probably never could be.

The Russia-gate investigation so far has many of the footprints of a politicized disinformation campaign, an amateur one at that, given that the **January 2017 "assessment"** by only three intelligence agencies—released to try to prove the charge of election hacking—was **bereft of any evidence** and focused mainly on attacking English-language Russian television as an alleged propaganda outlet.

Gross inconsistencies also have been apparent; in the refusal by Democratic National Committee to allow the FBI to examine its computer server where the alleged hack took place and in Special Counsel Robert Mueller's refusal to interview WikiLeaks publisher Julian Assange or witnesses such as British diplomat **Craig Murray** who **met with the alleged leaker**. Mueller also refuses to engage with a study

carried out by the Veteran Intelligence Professionals for Sanity, or VIPS, that determined the DNC data was leaked, not hacked, and that the data copying was performed on the East Coast of the United States and exceeded internet capability for a remote hack.

Liberals as Rightists

The timing of the indictment of 12 Russian spies by Mueller on the eve of a summit between Vladimir Putin and Donald Trump was also suspicious, along with the indictment being presented as proof when it is unlikely the case would ever be prosecuted.

Businessmen with ties to the Democratic Party, such as William F. Browder, meanwhile have replaced the old Wall Street Republicans in pushing the anti-Russia hysteria. They too aim to deflect attention from their commission of white-collar crime. In Browder's case it was tax evasion, for which Putin prosecuted him. The methods of the New Cold Warriors are generally reminiscent of the old GOP in the levying of baseless accusations and adoption of methods of clandestine surveillance and attempted entrapment to discredit or prosecute Americans suspected of collusion with Russia, as had been the case with Hiss.

The Democrats and liberal media pundits on CNN and MSNBC and in journals like *The New Yorker* appear to be oddly in sync with the extremist John Birch society, which accused Eisenhower in the 1950s of leading a communist sleeper cell.

As Establishment Democrats and their fellow travelers drive much of the Russophobic hysteria in an effort to undermine Trump, it has been important for them to promote a useable

past and distort the original history of the Cold War. As a case in point, [Seth Ackerman wrote a piece](#) in the supposedly left *Jacobin* magazine denouncing Roosevelt's vice president, Henry Wallace, who had advocated for détente with the Russians, as a communist dupe.

Ackerman then asserted in a [July essay](#), which was at least somewhat critical of the Democrats' current Russophobia, that "Hiss was a Soviet spy" who was "reportedly awarded secret Soviet decorations in honor of his service to Moscow." However, even serious scholarship of an anti-Hiss bent has acknowledged that Hiss' guilt remains speculative, and the opening of the Soviet archives has not revealed any smoking-gun evidence apart from the Venona files whose meaning is contested.

Joan Brady, in an [important recent study](#) of Hiss, "America's Dreyfuss," notes that the "red scare whipped up around the case became for America what antisemitism had been to Germany [in the 1930s], a force to unify the people and deflect attention from an economic re-arrangement that could not function freely without chipping away at their rights."

Decades after the case against Hiss, he remains a "bogeyman" who continues to serve as the embodiment what happens when we let our guard down.

These words resonate in our political climate where the Russian threat is again being invoked as a force to unify the people against false enemies and to steer attention from pernicious economic arrangements and criminal malfeasance by political donors.

Spooked by insurgencies on both the right and the left in

the 2016, the Establishment is worried about growing social unrest, both of which have been smeared as being influenced by Russia. New bogeymen are again being created to sustain a dangerous confrontationist policy toward Russia whose consequences may be even worse than the first Cold War.

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