

ON THE EDGE OF

THE COLD WAR



AMERICAN DIPLOMATS AND SPIES
IN POSTWAR PRAGUE

IGOR LUKES

On the Edge of the Cold War

*American Diplomats and Spies
in Postwar Prague*



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On the Edge of the Cold War

For Alison, Annamaria, and Marianne

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Wellesley, Massachusetts
Choceň, the Czech Republic

ABBREVIATIONS

ABS	Archives of Special Services, Prague
ACC CPC	Archives of the Central Committee of the Communist Party of Czechoslovakia, Prague
AMFA	Archives of the Ministry of Foreign Affairs, Prague
AMI	Archives of the Ministry of Interior, Prague
AMND	Archives of the Ministry of National Defense, Prague
ANM-M	Archives of the National Museum, fond Vojtěch Mastný, Prague
APO	Archives of the Presidential Office, Prague
ATGM	Archives of the Thomas G. Masaryk Institute, Prague
AUZI	Archives of the Foreign Intelligence Service of the Czech Republic
CPC	Communist Party of Czechoslovakia
DHCP	Libuše Otahálová and Miladá Červinková, eds., <i>Dokumenty z historie československé politiky, 1939–1945</i>
FMHR	Fond Minister Hubert Ripka, Institute of Contemporary History, Prague
JSCU	Archives of Jaromír Smutný, Columbia University
LOC	Library of Congress
MZV	Ministry of Foreign Affairs, Prague
NA	National Archives, Prague
NARA	National Archives and Records Administration, Maryland
OBZ	Military Counterintelligence (Czech)
OSA	Open Society Archives, Budapest
OSS	Office of Strategic Services
SFA	Swiss Federal Archives, Bern

StB	State Security (Czech)
SOE	Special Operations Executive
TNA	The National Archives of the United Kingdom
UPV-T	Office of the Prime Minister, Secret Section, Prague
ZOB	Security organization working exclusively for the CPC leaders

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On the Edge of the Cold War

|| Introduction ||

Postwar Czechoslovakia

The Master Key to Europe?

One of the prerequisites of successful diplomacy, George Kennan observed, is recognizing one's limitations. There are occasions that call for action, and there are times to do nothing. Wilbur J. Carr, American minister in Prague from 1937 to 1939 and Kennan's boss, understood this principle. He knew that the United States was not in a position to influence the escalating European crisis, and he behaved accordingly. One evening in the fall of 1938, as the world outside the legation was frantically preparing for the coming war, Kennan found the minister asleep in an armchair:

The sight of the old gentleman, thus peacefully at rest in the solitary splendor of his heavily curtained salons while outside in the growing darkness a Europe seething with fear and hatred and excitement danced its death dance all around us, struck me as a symbolic enactment of the helplessness of all forces of order and decency, at that moment, in the face of the demonic powers that history had now unleashed.¹

The Allied victory over the Third Reich in 1945 thrust the United States into an entirely different position. No longer a mere observer, it now held great responsibility for the emerging political architecture of postwar Europe. This was especially true in Czechoslovakia, a country situated on the fault line between East and West. Therefore, from the spring of 1945 onward, the American embassy in Prague stood at the center of a political whirlwind as Czechoslovakia, recently liberated from Nazism, struggled to find its identity in a Europe divided into two hostile camps. Prior to the war, Kennan and other Americans in Czechoslovakia felt powerless before the coming clash with Adolf Hitler. In the postwar environment, the United States was mighty, but with strength came the burden of responsibility. Therefore, Washington instructed its embassy in Prague

to be assertive and steadfast as it advanced American interests, neutralized the schemes of the Soviet rival, and protected Czechoslovakia's democratic identity.

This mission ended in failure and the American embassy in February 1948 watched helplessly while Czechoslovakia, originally a multiparty democracy, degenerated before the eyes of its astonished American friends into a Stalinist dictatorship. The crisis and its culmination, the Communist coup d'état, weakened Washington's stature, intensified the rivalry between the United States and the Soviet Union, and contributed to the militarization of the Cold War by providing the impetus for the creation of NATO a year later.

The political evolution of postwar Czechoslovakia was *sui generis*. The country emerged from World War II aligned with neither of the emerging blocs. Its political orientation was not a byproduct of the Stalin-Hitler pact of August 1939, its position in Europe was not discussed at Teheran and Yalta, and it did not appear on the list involving the percentages agreement between Joseph Stalin and Winston Churchill of October 1944. Like Germany and Austria, Czechoslovakia was liberated from Nazism not only by the Red Army but also by the United States. That the Red Army held most of the territory and liberated the city of Prague was a major political handicap for the democrats and a mobilizing factor for their Communist opponents. Yet it did not determine the country's future, as evidenced, in part, by the Truman-Stalin agreement to withdraw their military forces from liberated Czechoslovakia by December 1945.

Nevertheless, some Americans saw the postwar crisis and the Prague coup in 1948 as determined by the country's geographic location. George C. Marshall, for one, argued that Czechoslovakia represented a Western territorial protrusion into the Soviet bloc, a situation that was intolerable to Moscow. George Kennan, having studied the Kremlin closely, concluded that Czechoslovakia's proximity to the Soviet Union sufficed to predict the country's political future. In his view, the Soviet leaders recognized "only vassals and enemies; and the neighbors of Russia, if they do not wish to be the one, must reconcile themselves to being the other." The Poles chose to resist, and Stalin was going to crush them, Kennan predicted. The Czechs had tried to appease Stalin; nevertheless, like the Poles, they were destined to find themselves under the Russian jackboot.²

Others, however, did not think that the outcome of the crisis in Prague was inevitable. Instead, they thought it had been enabled by the ineptitude and lack of resolve in Washington prior to the coup. Writing at the height of the Prague Spring twenty years after the event, Eugene V. Rostow expressed the view that America's "failure to deter the Communist takeover of Czechoslovakia in 1948 was one of the most serious mistakes of our foreign policy since the war." Another voice in this category belonged to Allen Dulles, who argued that the Communists had been able to impose their dictatorship because of incompetent American diplomatic and intelligence personnel in Prague. Rostow and Dulles

DEF 4 NATO
box 1558
Tell 6/1/68
no action
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SECRET/EXDIS

7189

May 10, 1968

MEMORANDUM FOR: The Secretary

THROUGH: S/S *YFW*

FROM: M - Eugene V. Rostow *SAR*

SUBJECT: Soviet threats to Czechoslovakia

I have thought further about our conversation yesterday.

I conclude that it would be a serious mistake not to give the Soviets a private signal of concern about troop movements near Czechoslovakia.

1. In retrospect, our failure to deter the Communist takeover in Czechoslovakia in 1948 was one of the most serious mistakes of our foreign policy since the war. Firm diplomatic action then -- a period of our nuclear monopoly -- could well have prevented the Cold War. Similarly, our public statement in 1956 that we would not intervene gave the Soviets a full license. Obviously, the situation has profoundly changed.

2. What is at stake now is the process of movement towards detente -- the policy of the President's speech of October 7, 1966; the NATO Resolution of last December accepting the Harmel Exercise Report; the German Eastern policy; and the possibility of real improvement in the political climate in Europe, leading to mutual and balanced force reductions. Progress in this direction would be set back if the Soviets intervened in Czechoslovakia. I simply do not agree that Soviet efforts in Eastern Europe would fail to stamp out liberal trends. They have long since proved their capacity to keep the animals tame by police methods, and their willingness to do so.

3. The Russians must be hesitating. The moment to give them a deterrent signal is therefore now. It will be too late once they cross the border.

DEF 4 NATO
box 1558
POL - Czech, USSR
DEF 4 NATO
RR POL 1 Unit

SECRET/EXDIS

M - Eugene V. Rostow

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Prepared by: /w

Date: 9/7/68

NARA. Under Secretary of State Eugene V. Rostow to Secretary of State Dean Rusk, 10 May 1968, folder 6/1/68, box 1558, POL - Czech, USSR DEF 4 NATO, Center Foreign Policy Files 1968-1969, RG 59; I am grateful to Professor Günter Bischof for a copy of this document.

shared the view that "firm diplomatic action" in postwar Czechoslovakia by the United States in defense of the democratic cause could have prevented the takeover. Rostow went even further and argued that an assertive American diplomacy in Prague could have prevented the Cold War itself.³

This book does not endorse either of these positions. Instead, it explores the Communist conquest of Czechoslovakia and the early years of the East-West conflict from the viewpoint of American diplomats and intelligence officers who served in Prague from 1945 to 1948.⁴ Placing the activities of those who worked at the Schönborn Palace, home of the U.S. embassy, at the center of the narrative makes it possible to reveal how the Americans came to misread the postwar political situation.⁵ The chapters that follow weave their personal testimonies into the fabric of the official record and provide a fresh look at the crucial early years of the Cold War.

The relations between the United States and Czechoslovakia date back to the final stages of the Great War, when President Woodrow Wilson and other allies granted *de facto* recognition to the Czechoslovak National Council headed by Thomas G. Masaryk. The first American minister in Prague and the doyen of the diplomatic corps, Richard T. Crane, had purchased the Schönborn Palace from the often impecunious Count Schönborn and sold it to the United States government in the early twenties.⁶ It has been the central American diplomatic post in Prague ever since. Although Washington's relations with Czechoslovakia were cordial during the interwar period, they were of marginal importance to both parties: Czechoslovakia was small and the United States was far away. Consequently, Washington valued Prague as an oasis of tranquility in an unstable Europe, a reliable business partner with a stable currency, and an important observation post. An American minister marveled that from the ancient towers of the city he could see "the roads which lead south to the Danube, north to the Reich, and easterly across Poland to the Russian steppes." The city, he noted, was "a meeting ground of East and West."⁷

The rise of Nazism and the Czechoslovak-German crisis in the late thirties turned the Schönborn Palace, according to President Franklin D. Roosevelt, into "one of the most important posts" Washington maintained in Europe.⁸ After Hitler occupied Prague and broke up Czechoslovakia in March 1939, Washington downgraded its legation to a consulate general, and closed it in October 1940. Before they left, the Americans handed the keys to the Swiss consul general and negotiated a deal whereby Switzerland would protect American interests and property in Prague. The Swiss executed their obligations to the letter.⁹ They periodically inspected the Schönborn Palace and supervised the custodians who took care of its one hundred rooms and opulent gardens. As the horror of the war and the Gestapo regime unfolded outside its walls, the empty American legation suffered only stains caused by dampness and a few broken window panes.¹⁰

By late January 1945, the Nazis were finally retreating on all fronts. The Red Army was marching west through Poland, East Prussia, and Czechoslovakia; its soldiers held Bucharest, Belgrade, Budapest, and the ruins of Warsaw. The sweep



The Schönborn Palace, America's observation post in Central Europe (center), and the Prague Castle (top center). Courtesy of Archiv Hlavního Města Prahy.

of the Soviet offensive was impressive, especially because the Americans at the time were regrouping after *Generalfeldmarschall* Gerd von Rundstedt's offensive in the Ardennes, which had taken them unawares and complicated their position. A British historian predicted that at the end of the war Russia would be the most powerful country in Europe and might determine the course of history for decades to come.¹¹ As the Allies pushed Hitler off the world scene, Stalin seemed ready to establish himself at its center, although no one could claim to have much insight into Russia's postwar plans.¹²

Initially the Kremlin had tried to make the Americans and the British open the second front as soon as possible. A Russian diplomat threatened in January 1942 that if the Allies returned to Europe only after the Red Army had seized Warsaw and Prague, conquered Berlin, and marched all the way to the Champs Élysées in Paris, the future organization of Europe would be determined by Moscow.¹³ Later, especially once the race for the Nazi capital was on, the advance of the Western Allies became a threat to Soviet interests. Foreign policy experts in the Soviet Union prepared and considered various theoretical scenarios for the lands between Germany and Russia after liberation.¹⁴ Which, if any, would be realized depended on Stalin and the limits imposed by the rapidly evolving situation.

Although the strategic objectives of the Soviet Union remained opaque in early 1945, it was impossible to miss its achievements and tactics on the ground. A new political system was emerging in the countries under Soviet occupation.

As the Red Army entered each territory, local Communist organizations took control in the space that had been secured by Soviet tanks and then combed over and cleansed by the commissars who followed the combat units. It is unlikely that this policy was part of a master plan that was formulated at the highest levels in the Kremlin. It was simply the natural outcome of Soviet conquests combined with the *modus operandi* and ideological objectives of the Stalinist regime. The sources of Soviet behavior in Eastern Europe were unclear, as were Stalin's objectives, but there was no doubt that local Communists lost no time in taking advantage of the favorable situation created by the Red Army. By contrast, the Western Allies appeared to have no strategic plan for the postwar era; they seemed unprepared, reactive, and indecisive.¹⁵

Nevertheless, many influential Americans were optimistic regarding Moscow's intentions in liberated Eastern Europe, and especially in Czechoslovakia. President Franklin D. Roosevelt, for one, thought that there was ground for hope. "I believe that Russia wants to and will cooperate," he assured Czechoslovak foreign minister Jan Masaryk. "It is victorious, it has made great progress, and has every right to seek its rewards. That the Russians act tough, one must accept."¹⁶ After his wartime visit to the White House, the exiled Czechoslovak president Edvard Beneš reported that "Roosevelt fully trusts the Soviet Union."¹⁷ Many others, including ideological opponents of Stalinism, felt that the master of the Kremlin was sincere, and they believed his solemn promises not to interfere in the domestic affairs of sovereign states in Central Europe.¹⁸

Some in the Department of State were influenced by Stalin's generous declarations and by Roosevelt's optimism. In early April 1945, Paul E. Zinner, an analyst in the Office of Strategic Services (OSS), America's wartime intelligence agency, learned firsthand that various U.S. foreign service officials saw no reason for concern regarding postwar Czechoslovakia.¹⁹ Among the cautious optimists in the State Department was Ambassador Averell Harriman. Like Roosevelt, he praised Beneš, whom he knew well, for his dealings with Stalin and said that Czech relations with the Soviet Union were "the best we can expect in Eastern Europe."²⁰

Great Britain had its share of optimists. Winston Churchill's ambassador to Moscow, Sir Stafford Cripps, for one, had anticipated that the Soviet Union was likely to end the war "sitting in Berlin," which would make it possible for the Kremlin to "determine the future of Europe." This gave Sir Stafford no pause because, in his view, the Russians had no desire to impose their system abroad. They only sought borders that were "strategically sound."²¹ The historian E. H. Carr shared this perspective. He argued that Stalin was not seeking to use his military successes "to promote Communism or anything like it." Carr thought that Moscow had "no aggressive or expansive designs in Europe" and only sought security. He saw no reason for Western and Soviet interests to collide, because they were "precisely the same."²²