

EXHIBIT 12

Office Memorandum • UNITED STATES GOVERNMENT

TO - Mr. L. V. Boardman

DATE August 28, 1956

FROM : Mr. A. H. Belmont

SUBJECT: CP, USA - COUNTERINTELLIGENCE PROGRAM
INTERNAL SECURITY - C

During its investigation of the Communist Party, USA, the Bureau has sought to capitalize on incidents involving the Party and its leaders in order to foster factionalism, bring the Communist Party (CP) and its leaders into disrepute before the American public and cause confusion and dissatisfaction among rank-and-file members of the CP.

Generally, the above action has constituted harassment rather than disruption, since, for the most part, the Bureau has set up particular incidents, and the attack has been from the outside. At the present time, however, there is existing within the CP a situation resulting from the developments at the 20th Congress of the CP of the Soviet Union and the Government's attack on the Party principally through prosecutions under the Smith Act of 1940 and the Internal Security Act of 1950 which is made to order for an all-out disruptive attack against the CP from within. In other words, the Bureau is in a position to initiate, on a broader scale than heretofore attempted, a counterintelligence program against the CP, not by harassment from the outside, which might only serve to bring the various factions together, but by feeding and fostering from within the internal fight currently raging.

We have been considering possible courses to implement such a program and, at the present time, we are actively working on the following four:

- 1) The Socialist Workers Party (SWP) is making an all-out effort to win over CP members who have become disillusioned with Stalinist communism. SWP members are distributing copies of "The Militant" (SWP publication) at CP rallies and meetings and are contacting individual CP members in an attempt to sell

Enclosures

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them the SWP philosophy. This SWP program could very definitely benefit the Bureau provided we can achieve through our informant coverage in the SWP some degree of control and direction over it. The ultimate goal would be to continue and intensify pressure on the CP from the left. Since the Party is already under pressure from the right, the combined pressure would contribute materially to distracting the CP from its primary goals.

ACTION: A memorandum, together with a letter to the 15 offices having SWP activity in the U. S., is attached, sounding out these offices through their SWP informants as to the possibility of initiating several specific steps aimed at the Bureau's furthering, assisting and possibly adding to the current SWP disruptive program.

2) The CP national convention is scheduled to be held during February 1957. At the present time there appear to be 4 separate views within the CP leadership as to the degree of change to be made in the organization and program of the CP, USA. The Party has publicly announced that the theory of democratic centralism has been modified and that each CP member has the right to express his views as to the past mistakes and future path of communism in the U. S. Preliminary material for the draft resolution for the national convention has been prepared and is being discussed on a national level prior to being sent to the various districts for pre-convention discussions on a local level.

ACTION: A memorandum, together with a letter to 12 key offices is being prepared, requesting these offices to submit to the Bureau the identities of certain informants who will be briefed and instructed to embark on a disruptive program within their own clubs, sections, districts or even on a national level. These informants will raise objections and doubts as to the success of any proposed plan of action by the CP leadership. They will seize every opportunity to carry out the disruptive activity not only at meetings, conventions, et cetera, but also during social and other contacts with CP members and leaders. It is noted that

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a letter has been sent to 12 key offices (dated August 27, 1956) requesting information as to the view points of the national and district leaders relative to the faction within the CP that each appears to favor. This information can be used by the various offices in briefing the informants who will carry out the disruptive program. It is pointed out that the informants chosen and approved for this program should not be endangered, since, as pointed out above, the Party has publicly encouraged all members to participate in the current discussions.

3) Recently, _____ a national CP leader and convicted Smith Act subject, was assigned by the Party to contact _____ of the Fellowship of Reconciliation, a nondiscriminatory socialist-pacifist organization. _____ suggested that _____ prepare and distribute a document calling for an exchange of opinions by individuals interested in forming a new socialist organization. This is the first step taken by the CP in forming a new socialist coalition in which it hopes to participate. _____ has prepared a document which criticizes the absence of civil liberties, free trade unions and outlets for dissenting opinions in the Soviet Union. It further urges that European satellite nations be free from Soviet domination. The CP hopes to persuade _____ to mollify his criticism of the Soviet Union before the document is released. At the same time the CP feels that some mild criticism of the Soviet Union and the CP, USA, will be beneficial in gaining noncommunist support for _____ proposal.

ACTION: This plan of the CP may create a situation which would lend itself to a disruptive operation by the Bureau. It appears that it is too early to actually make a move, but we are alerting certain offices to this plan of the CP and are instructing that this operation be closely watched so that if a situation does present itself we will be in a position to make any move which appears logical and workable.

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4) When the CP underground was put in operation on a large scale in 1951, CP leaders decided after extensive study, that underground personnel should either disregard their tax obligations or file under false names.

ACTION: We have obtained from the field, the names and current addresses of former underground leaders with a view toward furnishing them to the Internal Revenue Service (IRS) for appropriate action. A memorandum has gone through (August 28, 1956) recommending that the names and current address of 102 such leaders, all of whom have Smith Act ramifications, be transmitted to the Department and the Department be requested to advise if there is any objection to the Bureau furnishing this material to IRS. If there is no objection, the Bureau proposes to transmit the names and addresses to IRS via Liaison for appropriate action. We will then follow IRS very closely since IRS action should: (1) uncover the aliases and whereabouts, from 1951 to 1954, of these subjects who actually filed returns under aliases and admit such action, or (2) result in possible prosecution of those subjects who did not file returns or who refuse to furnish details if they did file. It is believed that action by IRS at this time would deal a further devastating blow at the CP and would certainly reflect very unfavorably on the Party leadership for the instructions issued in 1951.

OBSERVATIONS:

We are going ahead with the 4 courses of action listed in this memorandum. A detailed memorandum is attached covering the SWP angle; a memorandum has gone through separately covering the first phase of the IRS angle, and a detailed memorandum covering the disruptive program by confidential informants is being prepared as is a memorandum covering the _____ phase.

For the present, our disruptive tactics will, of necessity, be general in nature, that is, along the line of "keeping the pot boiling." The time may come, however, when it will be desirable to direct our disruptive tactics toward a

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specific goal. A national committee has been set up to work exclusively on the resolution for the forthcoming CP national convention. This resolution may be that the CP be dissolved and reconstituted under a new name; a coalition be effected with certain liberal and right-wing elements or that the CP remain as constituted but that several drastic changes be made in its constitution. When this resolution has been drawn up and the Bureau receives a copy of it, serious consideration will be given as to whether it will be of benefit to the Bureau's operations and to the security of the country for us to set a specific goal in this disruptive program.

The Internal Security Section is giving this program continuous thought and attention and we are remaining alert for situations which might afford additional opportunities for further disruption of the CP, USA.

ACTION:

This memorandum has been prepared for your information and to advise you of the initiation of this program.

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