

MUN 66 14 SEP 60  
TO HAZELHOFF  
FM PENN

141239.

I REFER YOU TO NUMBERED PARA 3 UNDER SECTION B (BEHIND CURTAIN AFFAIRS) OF GUIDANCE NOTES FOR 13 SEPTEMBER (2364) WHICH STATES THAT THE NEW YORK TIMES REPORT BY SCHWARTZ "ON OPINIONS OF ACADEMICIAN S.G. STRUMILIN ON MISLEADING NATURE OF SOME SOVIET INDUSTRIAL STATISTICS SUGGESTS ADVISABILITY OF STUDY OF STRUMILIN'S BOOK...WITH COMMENT TO THE EXTENT JUSTIFIED BY THE FINDINGS."

IN VIEW OF ABOVE BELIEVE YOU WILL FIND FOLLOWING OF INTEREST:

- 1) STRUMILIN'S BOOK WITH ITS IMPORTANT AND DAMAGING ADMISSIONS WAS DISCOVERED IN EARLY AGUST BY VANEK AND WAS IMMEDIATELY BROUGHT TO ATTENTION OF OUR SOVIET AFFAIRS SECTION.
  - 2) WE MANAGED TO BORROW COPY OF BOOK AND PHOTOSTATED LONG RELEVANT PASSAGES ON WHICH VANEK BASED A MOST CAREFUL ANALYSIS.
  - 3) VANEK'S PAPER WAS THOROUGHLY CHECKED BY THE SOVIET AFFAIRS SECTION AND WAS PUBLISHED AND DISTRIBUTED SEPTEMBER 1 UNDER THE TITLE "SOVIET ECONOMIC GROWTH RATES".
  - 4) GILL'S INTRODUCTION TO VANEK'S PAPER WAS TELETYPED TO NEW YORK THE SAME DAY ADDRESSED TO BROWN, DUNNING, CONROY, HANNON, NATHAN, ET AL. COPIES OF THE FULL TEXT (60 OR SO) WERE MAILED TO NEW YORK THE FOLLOWING DAY.
  - 5) COPIES ALSO WENT TO OUR USUAL LIST OF OUTSIDE SUBSCRIBERS, AMONG THEM, PROF. SETON OF NUFFIELD COLLEGE OXFORD AND HARRY SCHWARTZ OF THE NEW YORK TIMES.
- /MORE/

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- 6) IT IS NO SURPRISE TO US THEREFORE THAT ON SEPTEMBER 11 THE NEW YORK TIMES PUBLISHED THE SCHWARTZ ARTICLE, NOR THAT ON SEPTEMBER 12 THE LONDON TIMES PRINTED SETON'S EXCELLENT ANALYSIS IN ITS IMPORTANT LETTERS DEPARTMENT. BOTH ARE MANIFESTLY BASED ON VANEK'S PAPER, AND ALTHOUGH (AS USUAL) NO CREDIT IS GIVEN RFE, AM SURE BOTH AUTHORS WOULD BE HAPPY TO ACKNOWLEDGE THE SOURCE OF THEIR INSPIRATION.
- 7) AT LEAST ONE SCHOLAR HAS DIRECTLY COMMENTED ON OUR COUP. NAUM JASNY, WHO THE NEW YORK OFFICE WILL KNOW AS A CONSULTANT TO THE U.S. AGRICULTURE DEPARTMENT AND ONE OF THE U.S.'S MOST DISTINGUISHED PRIVATE COMMENTATORS ON SOVIET ECONOMIC MATTERS WROTE VANEK FROM WASHINGTON ON SEPTEMBER 8:

"I ONLY GOT YOUR PAPER AN HOUR AGO. I HASTEN TO ANSER. THE TABLE OF STRUMILIN YOU MAILED IS ALSO IN STRUMILIN'S 1959 TREATISE. BUT YOUR'S IS MORE VALUABLE BECAUSE IT CONTAINS A STATEMENT ABOUT THE 1926-27 PRICES. IN ANY CASE I NOTICED STRUMILIN'S TABLE ONLY AFTER I SAW IT IN YOUR PAPER FROM RADIO FREE EUROPE."

- 8) WE WERE ALL VERY HAPPY ABOUT THESE FLATTERING RESULTS OF VANEK'S FIND, AND I HAD MADE A POINT OF TELLING HIM SO PERSONALLY.

IN VIEW OF THIS YOU CAN GUESS AT THE REACTION WHEN THE GUIDANCE NOTES TELL US THAT THE SCHWARTZ REPORT FOR WHICH WE WERE AT LEAST INDIRECTLY RESPONSIBLE "SUGGESTS THE ADVISABILITY OF EARLY STUDY (BY MUNICH) OF STRUMILIN'S BOOK". AM SURE IT IS NOT GENERALLY TRUE BUT ONE DOES GET A FEELING IN CASES LIKE THIS THAT EVERYBODY READS AND ATTACHES SIGNIFICANCE TO MUNICH'S PAPERS EXCEPT NEW YORK.

END MSG