

# FOREIGN RELATIONS OF THE UNITED STATES, 1958–1960, VOLUME X, PART 1, EASTERN EUROPE REGION; SOVIET UNION; CYPRUS

## 97. Memorandum of Conversation<sup>o</sup>

Moscow, July 25, 1959.

### SUBJECT

- Vice President's Kremlin Conversation with Mikoyan

### PARTICIPANTS

- United States—Vice President Nixon, Ambassador Thompson, Mr. Boeschstein, President, Owens-Corning Fiberglass Corp. Mr. Akalovsky (interpreting)
- USSR—Mr. Anastas Mikoyan, First Deputy Chairman of the Council of Ministers of the USSR
- Mr. V.V. Kuznetsov, First Deputy Minister of Foreign Affairs of the USSR
- Mr. Striganov, Deputy Chief of the American Countries Division, Ministry of Foreign Affairs of the USSR
- Mr. Lapanov (interpreting)

The conversation took place in the Kremlin, Moscow, USSR.

The Vice President expressed his gratification at being able to talk again to the Deputy Chairman who had left in the United States many friends who admire him for his stamina and agility in expressing his views. The Vice President noted that during his conversation with Mr. Mikoyan in Washington he had discussed the possibility of his own trip to the Soviet Union only in general terms and at that time had not thought that his visit would materialize so soon. He also said that he had always felt that Mr. Mikoyan's visit to the US had broken the ice not only officially but also privately, regarding the respective points of view of the two countries.

The Vice President also expressed his appreciation for the warm welcome he and his party had received in Moscow.

Mr. Mikoyan recalled that he told the Vice President that the Soviet people would match American hospitality. He returned the Vice President's compliments in kind and added that the Vice President is a great debater who never leaves anyone in his debt.

The Vice President said that he had visited 52 foreign countries and that the hospitality here in the Soviet Union has been as warm as in any of those countries. He again expressed his thanks both to Mr. Mikoyan personally as well as to his colleagues.

Mr. Mikoyan inquired whether the Vice President had been surprised by his words at the dinner party given for him by the late Mr. Dulles, <sup>1</sup> when he had said that in the Soviet Union visitors were not greeted with rocks and eggs.

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The Vice President implied that he remembered how Mr. Mikoyan, in relating his unpleasant experience in Pakistan,<sup>2</sup> an experience which he had taken in good grace, had told him that people in Pakistan were too poor to buy eggs for this kind of use.

Mr. Mikoyan then referred to the Congressional resolution on captive nations<sup>3</sup> and expressed his regret that this declaration, directed against the Soviet state and the Soviet people, had preceded the Vice President's trip because this could spoil his stay in the USSR. He said that he did not believe that this action was the most brilliant product of US Government efforts and expressed his bewilderment as to why it was taken before the Vice President's visit and the opening of the American exhibition, rather than, say, one month later. Recalling a remark made by one of the correspondents at a recent press conference of the President, Mr. Mikoyan said that the declaration was a mine laid in order to worsen the Vice President's reception in the USSR.<sup>4</sup>

The Vice President said that he wanted to point out to Mr. Mikoyan that the timing of such a resolution cannot be controlled even by the President, as powerful as he is. Although Congress, as the Executive Branch sometimes believes, can occasionally move slowly, it can also take quick action at any time it wishes. Congress is a representative body, and Mr. Mikoyan knows from his trip, there are in our population elements, whether Mr. Mikoyan believes they are wrong or not, who feel that governments in their former homelands should be changed. Our Congress often passes resolutions representing the views of those elements, who include such nationalities as Polish, Hungarian, etc. The resolution, and particularly the proclamation of the President, had made a point that it was only an expression of the opinion of American people and the American Government and that they are not attempting to engage in so-called subversive activities. The Vice President pointed out that these documents represent a call for prayer and, making a jocular remark, said that in view of the opinion of the Soviet Government that prayer has no value behind it he could not understand why this action is viewed so seriously.

Mr. Mikoyan replied that he understood the Vice President's difficult position of defending an inconsiderate action. He said that he was [\[Page 348\]](#)not going to force the Vice President to adopt his own point of view and suggested that both sides retain their own opinion. He said that he was an Armenian, and that although he is not active in the Government of Armenia proper, he knows some 30 Supreme Soviet Deputies of that Republic and all of them have been wondering who gave the American Government the authority to act in their behalf and why the American Government is not doing something for the liberation of really oppressed peoples, such as the Armenian minority in Turkey.

The Vice President stated that there had been many statements by Mr. Khrushchev who has more unrestrained power than President Eisenhower, calling for liberation of people from so-called imperialists and colonialists. If prayers are not peaceful then Mr. Khrushchev's statements are even more belligerent.

Mr. Mikoyan replied that the Soviet Union is very proud of its being a champion of the liberation of oppressed peoples, whereas the US seems to be against such liberation because the peoples in question are oppressed by its friends and allies. However, Mr. Mikoyan said, he believed that this question of the resolution of the declaration had been discussed sufficiently and that he would prefer to drop the subject.

The Vice President expressed appreciation for the frankness with which Messrs. Khrushchev and Kozlov expressed their views, but emphasized that we do disagree with their estimate of the situation. One cannot say that calling for liberation in one part of the world is a

move for peace whereas calling for liberation of peoples in another part of the world is a move against peace.

Mr. Mikoyan pointed out that the Supreme Soviet had never passed declarations of this kind and he again suggested that the subject be dropped. He recalled then his pleasant and useful discussions with the President, the Vice President and the late Mr. Dulles during his visit in the US. It had been Mr. Dulles who had advised him to see Mr. Dillon and, as the Vice President probably knew, after these talks he had stated to the press that his conversations with the President, the Vice President and Mr. Dulles had been useful. On the contrary, as far as his talks with Mr. Dillon were concerned he could not say anything other than that the US Government still wants the “cold war” in foreign trade.<sup>5</sup> He said that at the time he had thought that he might have gone too far in that statement, but that now upon reflection, he can see that the State Department is systematically conducting cold war in trade. For instance, Senator Fulbright had asked the State Department to provide him with answers to 22 questions regarding the Khrushchev-Eisenhower exchange of letters on foreign trade, and it was only four-and-a-half months later that [\[Page 349\]](#)the State Department had given a reply to these questions.<sup>6</sup> It was suggested that the Vice President read those replies and see for himself how unreasonable and politically harmful they were. As an example he referred to the answer concerning the question of credit in which the State Department had stated that the US Government does not favor credits to a potential enemy. He emphasized that the main point was not trade and credits but rather the fact that the Soviet Union is called a potential enemy of the United States. If this is the basis of the United States policy then what is the purpose of exhibits, contacts and other exchanges? If that is the basis of US policy then the Soviet Union must prepare itself for war. He said he wondered whether the Soviet Union should believe the pronouncements by the President or the Vice President or whether it should regard this statement by the State Department as a direct expression of American policy.

He said he did not know whether Mr. Dillon had disclosed his conversation with him to the Vice President, but one of the points Mr. Dillon had made was that, provided the lend-lease problem is settled, the United States Government would offer the Soviet Union extensive credits. He noted that he had never made public his confidential talks although those talks contained a great deal of material that could be used for propaganda purposes. Mr. Mikoyan said that he could not agree to the proposition by Mr. Dillon because the latter had connected it with the settlement of such issues as Berlin, Taiwan, etc., and that he simply suggested that both sides should wait for better times. He also observed that he did not know whether the Soviet Union had been regarded by the State Department as a potential enemy at the time of his talks with Mr. Dillon or whether it had been labeled that only lately. He recalled that he had suggested to Mr. Dillon that the United States and the USSR should restore their 1937–1941 trade relations, to which Mr. Dillon had replied that the USSR wants trade on its own terms.

He also recalled the visits by Deputy Foreign Trade Minister Kuzmin and other Soviet trade representatives to New York and other American cities in connection with the Soviet exhibition and stated that the Soviet officials were very pleased with their talks with American businessmen.<sup>7</sup> However, whenever there was a chance for concluding a [\[Page 350\]](#)deal the American businessmen seemed to back away, saying that we should wait for better times. This leads the Soviet Union to believe that the United States could not do without the “cold war” because the “cold war” apparently keeps its allies in line, prevents a breakdown of military pacts and makes it possible to have high taxes for the production of armaments. Mr. Mikoyan stressed that this was his frank exposition of the situation as he saw it.

At this point Ambassador Thompson, with the Vice President's permission, corrected Mr. Mikoyan's statement regarding Mr. Dillon's offer of extensive credits. The Ambassador said that he had been present at that meeting and that Mr. Dillon had said that there were many obstacles blocking the road toward the development of trade with the Soviet Union, one of which was the problem of lend-lease settlements.

Mr. Mikoyan disputed this correction and offered to produce a transcript of the conversation. He also said that he had told Mr. Dillon that if the United States wanted all the dollars obtained by the USSR in the United States to go back to the United States, the Soviet Union could not accept such a proposition and in that case it would do without credit.

The Vice President expressed his appreciation for the frankness displayed by Mr. Mikoyan in his statement and, recalling his similar remarks in Washington, stated that the President is convinced that trade is one of the means towards consolidating peace throughout the world. However, just as a child must learn to crawl before he can learn how to walk, progress in this area must be made step by step.

Mr. Mikoyan replied that the President had instructed the Department of State to work out measures for the development of foreign trade.<sup>8</sup> In view of the actions taken by the State Department it appears that the President wants one thing and the Department of State another.

The Vice President rejected this interpretation by Mr. Mikoyan and said that the latter had not touched upon the main problem, namely that of what we should trade. After the Soviet Union in 1948 took actions which changed the manganese situation and after the United States has developed means for getting manganese from other sources, this question has become of particular relevance and points up the fact that credits are needed. However, as far as credits are concerned, Mr. Mikoyan should realize that the President, with all the power vested in his office, could not give even one penny of credit without appropriate actions by Congress. This in turn puts the question in the political arena because Congress will never approve credits unless it is completely convinced [\[Page 351\]](#)that they serve the best interests of the United States. So, in general terms, what is particularly needed for trade is a better political climate.

The Vice President referred to Mr. Mikoyan's statement that it was the United States that is waging "cold war" and pointed out that the United States Congress is firmly convinced that the USSR is the one that is waging that war. Nevertheless, if the Soviet Union and the United States continue to discuss foreign trade in an objective and reasonable way, and along with political issues, then foreign trade might become possible. The United States businessmen are very much impressed by Mr. Mikoyan and his ability and they obviously want to sell their products any place they can. At this point Mr. Mikoyan interjected that it is the State Department who interferes constantly, in spite of the words inscribed over the entrance to the Department of Commerce which say that foreign trade brings people together. This inscription had been shown to Mr. Mikoyan by former Secretary of Commerce Lewis Strauss.<sup>9</sup>

The Vice President expressed full agreement with these words but said the question was what should come first, the chicken or the egg. As far as the attitude of American businessmen was concerned, businessmen want to trade where favorable climate prevails. The Soviet Union could help improve that climate. Mr. Mikoyan said that the Soviet Union has been striving to do that, to which the Vice President inquired whether the Soviet Union was willing to improve the situation with regard to the protection of patent rights. Mr. Mikoyan replied in the affirmative, but again complained about United States Government restrictions with regard to the issuance for export licenses, specifically referring to the problem of sheet steel exports to the Soviet Union. The Vice President pointed out that just recently licenses for the export of sheet steel had been issued.<sup>10</sup> He agreed with

Mr. Mikoyan that trade is desirable but said that where credits were concerned the political climate must be improved. As far as other aspects of foreign trade are concerned, [\[Page 352\]](#) individual cases must be discussed as they come up, and some progress has already been made even since Mr. Mikoyan's visit. The Vice President stated that upon his return to the United States he would work on the problem of trade, but that one must realize that difficulties cannot be resolved by a stroke of pen.

Mr. Mikoyan referred to a speech, made in May by Acting Secretary of Commerce Mr. Mueller and reproduced in a chemical magazine, <sup>11</sup> in which Mr. Mueller had said that any exporter of chemical processes or products whose exports should get into the hands of the USSR would be imprisoned for one year or fined \$10,000.

Mr. Boeschstein stated at this point that credits and trade in the United States are generally carried by private business rather than government and that credit is predicated on trust. As far as licenses are concerned, they are issued quite freely except on a limited number of items. He expressed his belief that the USSR should develop its relations with the United States but that trust must precede and foreign trade will follow.

Mr. Mikoyan said he did not want to argue with Mr. Boeschstein because he understood that the latter wanted to support his Vice President and show full agreement with him. He then said that he wanted to ask one question—he said that while in New York he had met Governor Rockefeller <sup>12</sup> at Mr. Harriman's dinner and that he was favorably impressed by him. He said that Governor Harriman [Rockefeller] had asked him to convey to the Soviet Government that the Rockefeller family is not a war-mongering family and it is as peaceful as any other American family. However, Mr. Mikoyan continued, he could not understand why Governor Rockefeller, after having made such a statement, had not visited the Soviet exhibition in New York, whereas the President and the Vice President had done so. The Vice President replied that he was not aware of this situation, but that he knew that on the opening day of the exhibition Governor Rockefeller had had a speaking engagement and had been out of town. He said that he was sure that had Governor Rockefeller been in town on the day of the President's visit, he would have come with the President.

Mr. Mikoyan said he enjoyed the talk but that he realized that it was late and that he, therefore, did not want to detain his guests.

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The Vice President said that he could predict that the trade situation would get better, perhaps slowly at first but it could improve more rapidly if the political situation improves and develops faster. He said that he could not agree that trade agreements must precede political settlements.

The meeting ended at 10:15 a.m.

1. Source: Department of State, Central Files, 033.1100–NI/7–2559. Confidential. Drafted by Akalovsky and approved by Kohler on August 31. ↩
1. Reference may be to the January 16 dinner party attended by Mikoyan, Dulles, and Nixon; see [footnote 4, Document 64](#). ↩
2. Not further identified. ↩
3. See [footnote 3, Document 95](#). ↩

4. Reference is presumably to the query made by Marvin L. Arrowsmith, Associated Press, at the President's press conference on July 22: "In Warsaw yesterday Premier Khrushchev professed to be puzzled about why Vice President Nixon is going to Russia and he apparently linked this puzzlement with criticism of your proclamation on the captive nations. Do you see this attitude as a sort of strike against the Nixon visit even before it starts?" (Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1959, p. 536) ↵
5. See [Document 65](#). ↵
6. Neither the letter of Senator J. William Fulbright, Chairman of the Senate Foreign Relations Committee, containing the 22 questions nor the reply of the Department of State has been found, but Fulbright's letter sent in February and the Department's response released on July 4 were summarized in ***The New York Times***, July 5, 1959. ↵
7. Kuzmin, who headed a Soviet trade mission to the United States, had talks with Secretary of the Treasury Robert B. Anderson and Henry Kearns, Assistant Secretary of Commerce for International Affairs, on July 1 and 2 and attended a meeting with 250 American businessmen. Kuzmin's news conference on July 9 revealing these contacts was summarized ***ibid*** July 10, 1959. ↵
8. In his letter to Khrushchev, July 14, 1958, Eisenhower said that he was asking the Department of State to examine the specific proposals on trade contained in Khrushchev's letter to Eisenhower, June 2, 1958. (Department of State ***Bulletin***, August 4, 1958, p. 200) ↵
9. See [Document 66](#). ↵
10. On July 29, the Soviet commercial counselor in Washington called the Department of Commerce to say that the Nixon party had indicated in Moscow that the United States had approved the application of two U.S. companies to purchase several thousand metric tons of sheet steel. The Department of Commerce informed the Soviet Embassy that no action had been taken on either of the applications because of the present steel strike. The Department of State informed the Embassy in Moscow that it was unlikely the United States would approve either one since both involved barter in items that would hurt exports of friendly suppliers. (Telegram 347 to Moscow, July 29; Department of State, Central Files, 411.6141/7-2959) Thompson reported that Nixon, in his conversation with Mikoyan, had indicated some slight improvement in trade between the two nations and had mentioned sheet steel as an example but had not referred to any specific applications. He had been unaware of the barter nature of the transaction and merely informed Mikoyan he would look into the matter. (Telegram 392 from Moscow, July 31; ***ibid*** 411.6141/7-3159) ↵
11. Mueller's speech has not been further identified. ↵
12. Nelson A. Rockefeller, Governor of New York. ↵



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