

Alleged Soviet spy Felix Bloch was close to Kissinger's circles

by Herbert Quinde

The biggest spy scandal since 1947, when U.S. State Department employee Alger Hiss was accused of being a Soviet spy, is what many observers are calling the current investigation of a senior State Department official, Felix S. Bloch, who was allegedly caught red-handed providing sensitive information to the Soviet Union. An official release from the State Department has confirmed press reports that Bloch has been under investigation for some time. According to co-workers, Bloch stopped appearing in his State Department office at the end of June, and his superiors were questioned by the FBI shortly thereafter.

The media coverage of the case has been characterized by wild speculation about Bloch's alleged spy activities and an almost comical "Keystone Cops" quality to the intelligence community's and law enforcement attempts to prove their case. Some media outlets reported that Soviet authorities had been warned by U.S. officials not to interfere by attempting to contact Bloch. Despite all the hoopla, one week after the headlines exposing him appeared on July 22, Bloch has not been detained or arrested. Even though he has been under investigation for a long time and his State Department pass has been pulled, the week before he started making headlines, he participated in a seminar at the Atlantic Council, a Council on Foreign Relations front group, where he was introduced as still holding his State Department job.

In an attempt to get out from under all the media attention around his apartment in Washington, D.C., where he lived across the hall from Supreme Court Justice Sandra Day O'Connor, he moved in with his daughter, who is a resident of Chappaqua in Westchester County, New York. The gumshoes of the FBI then set up "intrusive surveillance" of Bloch at his daughter's home. White House spokesman Marlin Fitzwater joked about how the FBI surveillance team was being visibly followed by the KGB: "The first half [of the surveillance] is FBI, the second half is KGB, staff one and two. Support cars. It's great. Great scene."

ABC-TV, which has scooped all the other media on the story, could be seen trailing right behind the FBI/KGB entourage, filming the whole affair. ABC News was the first television network to report that Bloch had been filmed by a counterintelligence team three years ago, passing a briefcase to a known Soviet KGB operative. According to media re-

ports, no senior State Department officials attempted to suppress the ABC report; some were quoted as hoping the publicity would push the investigation further.

The serious side of the affair is reflected in *EIR's* own investigation of Bloch, which suggests that he was not a "lone operator"—perhaps disgruntled at being passed over for promotions—but was part of a "mole hill" associated with former Secretary of State Henry A. Kissinger. The Kissinger connection complicates the issue of who ultimately commands Bloch's allegiance: In the perverse world of double and triple agents, U.S. counterintelligence has often found it useful to treat Soviet agents as its own assets.

"It was like a bomb going off around here," was how one State Department bureaucrat described the revelation to the *Washington Post*. Bloch is by far the highest-ranking official ever investigated for espionage in the United States. The "Hall of Infamy" heavies in U.S. espionage history, Alger Hiss, Jonathan Pollard, and John Walker, were much lower-ranking figures: Hiss, who was part of President Franklin Roosevelt's delegation to the 1945 Yalta conference, was a middle-level State Department official while the others were relatively low-ranking military personnel. U.S. officials normally emphasize that espionage is conducted by low-level employees, but the Bloch investigation is expected to shake that image profoundly.

One intelligence community source commented that Lawrence Eagleburger, the number-two man at Foggy Bottom, was "very upset" with the exposé. A spy scandal is the last thing desired by the "We love Gorbachov" faction, which is desperately trying to preserve global condominium arrangements with Communist China and the Soviet Union, two superpowers engulfed by major political and economic turmoil. Eagleburger is the former director of the Kissinger Associates consulting and influence-peddling business.

The Kissinger connection

U.S. intelligence-linked sources report that Bloch was initially assisted in his State Department career by Kissinger protégé Helmut Sonnenfeldt. During the late 1950s, Sonnenfeldt and Bloch both worked in the Intelligence and Research (I&R) division of the State Department. I&R, at the time, was known as a "major sieve for information leaks." Sonnen-

feldt was responsible for handling information about the Soviet Union at I&R. Later, in the 1970s, Sonnenfeldt was the target of a national security investigation for his suspected role as a "mole," leaking information to Israel that is believed to have gone on to the Soviets.

One report, yet to be confirmed, is that Bloch and Sonnenfeldt first met each other in Shanghai where their parents had immigrated in the late 1930s. Bloch was born in Austria into a Jewish family. In the immediate pre-World War II period, Shanghai was a refugee colony for Jews escaping the Nazi pogroms. Sonnenfeldt denies the story, but admitted that he may have met Bloch on several occasions, "in Vienna."

Bloch held a number of high-level, low-profile posts in locations which were centers of diplomatic activity associated with Henry Kissinger. His most recent posting was as deputy chief of mission (number-two man) at the U.S. embassy in Vienna, Austria. The position allowed Bloch to have an overview of all sensitive cable traffic, and a general familiarity with CIA operations run out of the embassy.

Vienna, aside from being the center of espionage traffic in Europe, is the host of the conventional weapons and short-range nuclear arms talks between East and West. Bloch would have been able to review cable traffic between European embassies and Washington, and had access to a classified, daily U.S. compendium of important intelligence information, and the department's key political reports on Moscow and its allies.

Sharp-eyed observers might recall that during the Senate hearings on the nomination of Sen. John Tower for Secretary of Defense, it was revealed that the Geneva delegation of U.S. negotiators was thoroughly compromised by Soviet-run drug and sex rings. The Bloch revelations demonstrate the level at which the Soviets are able to monitor and control the feedback from such sessions to Washington.

Previous postings of Bloch included both West and East Berlin for almost a decade, from the late 1960s through the 1970s. During this period, Berlin was a hotbed of détente diplomacy characterized by back-channel discussions over arms control leading to SALT I, and the related "Brandt-Brezhnev Accords" over the mutual recognition of East and West Germany.

A recently published book about the failures of U.S. counterintelligence, titled *Widows*, reports that the CIA obtained information indicating that during this same period, Henry Kissinger was investigated for possibly treasonous activities. Electronic surveillance had captured information indicating that Kissinger was verbally communicating information to then Soviet Ambassador Anatoly Dobrynin concerning the U.S. negotiating strategy over SALT I.

Bloch, known as a proponent of loosening controls on technology transfer to the East bloc, also served in the U.S. consulate in Düsseldorf, West Germany, and held a similar position in the U.S. embassy in Caracas, Venezuela. He

served in a trade and economic position in Singapore, and was also a Foreign Service inspector.

According to sources quoted in the *Washington Post*, Bloch was expecting to be awarded an ambassadorship to a Latin American country, or a Deputy Assistant Secretary of State position, but was instead "parked" as a director of one of 11 offices comprising the Bureau of European and Canadian Affairs.

State department sources are quoted saying that Bloch had been sent home from Vienna because he was perceived as being "too close" to the Austrian government.

The Bronfman angle

Another strange wrinkle in the affair are the charges made by the World Jewish Congress, whose most influential spokesman is the détente activist and Seagrams booze baron Edgar Bronfman. Elon Steinberg of the WJC has called on the Bush administration to investigate their charges that Bloch had been blackmailed by the Austrians to lobby for the United States to soften its international blacklisting of Austrian President Kurt Waldheim for alleged but unsubstantiated Nazi war crimes. According to a source, the WJC line is that "Bloch was the most important enemy of Israel within the State Department on the issue of putting Kurt Waldheim on a Nazi watch list. Bloch was especially close to Austrian Foreign Minister Alois Mock in this regard. One must assume, consequently, that the Austrians knew of Bloch's ties to the KGB, and used that knowledge to blackmail him for their own purposes," thereby protecting the career of Waldheim, who is believed to also have been compromised by the Soviets.

Although many say that Bloch was a "faceless bureaucrat," he did have important policy influence from his most recent position as the officer in charge of political and economic affairs in the State Department's Bureau of European and Canadian Affairs. For example, it was reported that Bloch helped prepare papers for President Bush's ill-fated Group of Seven Summit in Paris on July 14-16, where Bush was completely at odds with French President François Mitterrand.

Mitterrand's exasperation with Bush may explain the revelation on ABC's "Nightline" on July 24, that contrary to initial reports, it was not the prowess of U.S. counterintelligence that caught Bloch, but the French secret service, the SDECE. The filming of Bloch passing an attaché case to a known Soviet intelligence operative occurred in Paris, not in Vienna, Austria, as first reported. Moreover, U.S. intelligence sources indicate that Bloch was "blown" by the French SDECE leaking the story to ABC-TV.

"Mitterrand can be real mean," commented one intelligence source. "He has been provoked by the supercilious attitude of Bush and the way the Group of Seven summit went. Mitterrand probably decided to give Bush a black eye by blowing one up his pipe."