26 MAR 1951

The Honorable John S. Graham
Assistant Secretary of the Treasury
Treasury Department
Washington, D. C.

Dear Mr. Graham:

Reference is made to your letter of 5 March 1951 which inquired whether CIA has evidence of use by the USSR of forced labor in the production of furs for export.

In connection with the USSR export of furs to the United States, a distinction should be made between undressed and dressed furs. The files in CIA do not reveal any evidence of the use of forced labor in the USSR undressed fur industry, though there is ample evidence that forced labor is employed in fur-processing plants that produce furs for domestic use or export. Furs that were in any way processed amounted to six percent of the total value of U.S. imports of furs from the USSR in 1950. Hence it may be concluded that a minor portion of USSR fur exports to the United States is produced by forced labor.

Regarding the possibility of the use of forced labor in the USSR undressed fur industry, the following points may be made:

    1. Since the majority of USSR undressed furs exported to the United States are obtained from animals killed in the wild state by individual trappers and hunters, the employment of forced labor in this respect would not seem logical.

    2. A good portion of the USSR undressed fur exports to the United States is from domesticated animals, but there is no evidence that forced labor is used in this respect.

    3. An unknown portion of USSR fur production is obtained from wild animals on Soviet State Fur Farms, but there is likewise no evidence that these farms employ forced labor.

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I hope that this information will be of value to you in your study of the subject in question.

Sincerely,

signed

ALLEN R. JACKSON
Deputy Director of
Central Intelligence

C&D/LD:JBW:fjc - 15 March 1951

Rewritten: O/DCI - 26 March 1951

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