# F.O.I.A.

## JULIUS ROSENBERG ET AL

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Office N. Director, FBI (65-56402) SAC, New York (65-14603) SUBJECT: GREGORY ESPIONAGE Rebulet 6-5-52, ELIZABETH BENTLEY was Interviewed 6-12-52 concerning statements by her before the Senate Internal Security Committee on May 29, 1952, that "two Red spy rings" still may be operating within the Government and had not been exposed. She said she based these statements on information given her by JACK (JOSEPH KATZ). She said she has previously furnished the Bureau with information that on one occasion while acting as a Soviet agent she had been requested by JACK to obtain some information regarding ALGER HISS, and that she subsequently obtained some information concerning his identity. She furnished this information to JACK, at which time he said that he had learned the identity of HISS and that he was connected in some way with another group in Washington which was furnishing information to the Soviets. Later during this same conversation while they were discussing the value of the SILVERMASTER group, JACK indicated that this group was indeed valuable, but it was not the only one from which they obtained valuable information. From this conversation Miss BENTLEY got the impression that this concerned another group separate from the one in which HISS was involved. BENTLEY said this conversation took place in late 1944 or early 1945, and that therefore she assumed this group was not the one in which JUDY COPLON was involved. She said she based this assumption on the fact that COPLON did not ge to Washington, D. C., until later in 1945. LOG: RAA 60JUN 25 1952

CONFIDENTIAL Memorandum • UNITED STATES GOVERNMENT , CONFIDERTIAL DATE: May .22, 1952 H. BEMIQ NATHAN GREGORY SILVERMASTER. was.. et al SUBJECT: (THE GREGORY CASE) ESPIONAGE - R. REGISTRATION ACT LYDIA ALTSCHULER. wa., et al (ALTO CASE) ESPIONAGE - R. INTERNAL SECURITY ACT OF REGISTRATION ACT On the morning of May 22, 1952, Mr. Hennrich and I discussed these Departmental memoranda with Mr. Ray Whearty and Mr. William Foley, of the Department. We pointed out that the Department was asking for detailed information which did not appear to be warranted for two reasons:\_ (1) It does not appear that such detailed information is necessary in order to solicit the registration of the individuals involved. In cases involving serious consideration of prosecution, the Department does need to know the extent of technical and microphone surveillances and any unusual techniques. However, it appears to us highly undesirable that such information in detail be made the matter of. written record to be filed in the Records Section of the Department. Such a procedure would defeat the system set up within the Department to maintain information concerning such techniques on a very confidential

### CONFIDENTIAL

#### MEMORANDUM FOR MR. LADD

Relative to the need for information at this time, Mr. Theory advised that in these particular cases the Department is sure in its own mind that the subjects will not register when solicited. Consequently, the Department feels that it must be in a position to decide whether it will go ahead with prosecution prior to the time that registration is solicited. If the subject refuses to register upon solicitation, the Department does not want to be in a position of backing down and, therefore, wants to be sure it can go ahead with the prosecution upon refusal to register.

Relative to item #2, above, Mr. Thearty and Mr. Foley were in complete agreement with us that it is undesirable to furnish the details in writing of these techniques. We proposed and they agreed that in accordance with the previous agreement with the Department, where the <u>Department is seriously considering prosecution, or where </u> it is apparent to us that the Department must seriously consider prosecution, we will put the Department on notice that these techniques were employed. This will be done by a brief memorandum referring to the Attorney General's memorandum of February 26, 1952, and advising that unusual techniques were employed in the case. Thereafter, at the Department's request, we will have a representative of the Domestic Intelligence Division confer with the attorney in the Department handling the case and identify to him the technical and microphone surveillances or other unusual techniques under the symbol numbers set forth in the investigative reports which have been referred to the Department. We will not identify live informants unless we are prepared to release them for prosecutive purposes. (As to any live informants, these will be considered individually in each case and appropriately cleared before any informant is identified to the Department. This is in accordance with our past procedures.)

It is believed that the procedure set out above will best protect the Bureau's interests and yet enable us

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### CONFRONTIAL

### MEMORANDUM FOR MR. LADD

to furnish the necessary information to the Department to properly consider whether a case should be prosecuted. Mr. Whearty advised that the attorney handling the case who confers with us will be instructed that he is not to make any permanent record of the identities of the sources divulged by us during the conference so that there will be no permanent record in the Department identifying these sources.

If you agree, we will put this into effect once.

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(65-11603) e eperating within the reviewaly told us of the two other groups and whether she any identifying information relative to the unloop of Eb. De mence SECTIVED-HALL ABOU 5 6402 JUN 19 1952 JUH 0 5 1952 MAILED 25 66 JUNA 41852

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ELIZABETH BENTLEY, FORMER COURIER FOR A COMMUNIST SPY RING, TESTIFIED AND TWO RED SPY RINGS STILL HAY BE OPERATING WITHIN THE COVERNMENT.

SHE TOLD THE SENATE INTERNAL SECURITY COMMITTEE THAT WHILE SHE WAS ENCACED IN ESPIONACE WORK, SHE LEARNED THAT THERE WERE FOUR GROUPS OPERATING WITHIN THE ADMINISTRATION, SHE SAID TWO OF THESE GROUPS ALREADY HAVE BEEN EXPOSED.

SHE ADDED THAT THE OTHER TWO NAVE NEVER BEEN EXPOSED AND SHE ASSUMES THAT THEY ARE STILL OPERATING.

MISS BENTLEY PARTICIPATED WITH TWO OTHER EX-COMMUNISTS--WHITTAKER CHAMBERS AND NEDE MASSING--FORMER FBI UNDERGROUND ACENT NERBERT PHILBRICK AND ABM, R. H. MILLENKOETTER, FORMER HEAD OF THE CENTRAL INTELLIGENCE ACENCY IN A DISCUSSION ON COMMUNISM AND ESPIONACE.

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SECURITY (1159A)

J. CEN. CLAIRE CHENNAULT, WAR-TIME COMMANDANT OF THE "FLYING".

IN CHIMA, TOLD THE COMMITTEE EARLIER THAT HE BELIEVES W.S. POLICY IN CHINA AFTER THE WAR NELPED THE COMMUNISTS AND NURT THE

CHINESE NATIONALISTS.

CHENNAULT, WHO IS NOW ENCACED IN BUSINESS IN THE FAR EAST. THAT SOME ARMY OFFICERS IN CHINA DURING THE WAR TRIED TO INFLUENCE

SOME ARMY OFFICE POLICY TOWARD THAT COUNTRY.
POLICY TOWARD THAT COUNTRY.
ALBERT C. VEDENEYER.

IN CHINA, MAD TO ISSUE AN ORDER TELLING ARMY OFFICERS THAT THEIR BUT WAS TO EMFORCE W.S. POLICY -- NOT DEBATE IT.

THE COMMITTEE IS INVESTIGATING THE INSTITUTE OF PACIFIC RELATIONS -- A PRIVATE RESEARCH ORGANIZATION -- IN AN EFFORT TO DETERMINE IF SUBVERSIVE FORCES INFLUENCE W.S. FOREIGN POLICY IN THE FAR EAST. THE INQUIRY MAS BEEN GOING ON FOR OVER A YEAR.

THE THREE EX-COMMUNISTS AND PHILBRICK AND MILLENKOETTER WERE CALLED BEFORE THE GROUP TO TESTIFY ON THE TECHNIQUES OF COMMUNISTS AND PRIVATE ACTIONS.

OF COMMUNISTS AND

espionage acents, IN REPLY TO QUESTIONS BY COMMITTEE COUNCIL ROBERT MORRIS, CHAMBERS SAID THAT AN EX-COMMUNIST IS "FULLY JUSTIFIED IN FEARING REPRISALS OF A BODILY KIND" FOR LEAVING THE PARTY OR SPY APPARATUS.

HE SAID THAT THIS HOLDS TRUE UNTIL HE HAS TOLD HIS STORY PUBLICLY; AFTER THAT, HE SAID, THE DANGER IS LESSEMED.

CHAMBERS SAID THAT HE BELIEVES GEN, WALTER KRIVITSKY, REFUCEE RUSSIAN GENERAL WHO DIED UNDER HYSTERIOUS CIRCUMSTANCES HERE BEFORE

THE WAR, WAS MURDERED.

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		agency(ies) for review and direct response to you.
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Office Memorandun UNITED STATES GOVERNMENT TO D. H. LADD DATE: July 25, 1952 1. L. LAUGHLIJ SUBJECT: ELIZABETH T. (Testimony before Mc Carran Committee, October 12, 1951, Volume 131 PURPOSE To describe the nature of the testimony of Bentley before an Executive Session of the Senate Internal Security of School BACKGRO UND On October 12, 1951, Elizabeth Bentley testified before an Executive Session of the Senate Internal Recurity Subcernities. her testimonu being ne SULVARY OF TESTIMONY RJL: jl Attachment BICOICCOMOJUL 23

A review has been made of the case files of both Earl Browder and Henry A. Wallace without locating any data which indicates that Bentley previously gave us this specific data.

#### DISPOSITION

The original copy of the transcript of Bentley's testimony (Volume 131) has been photostated and is being returned to the Mc Carran Committee as soon as the representative of that Committee calls at the Bureau to pick up this and ether material. One photostatic copy of the transcript is being filed in the Mc Carran Control File - 62-88217. One copy is also being filed in the Gregory case - 65-56402.

#### ACTION

There is attached hereto a memorandum to the New York Office, instructing them to interview Elizabeth Bentley for any additional details she has on this matter.







### FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

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	Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).
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(65-14603) MAC, New York July 25, 1952 (65-56402) Director, PBI The Aureau has not been able to locate any information concerning the above in the Sureau's files, and it is desired that during your next interview of Elizabeth Bentley, she be pressed for any additional details she has an this matter. 64-71788 100-44244

ice Memorandum • united states government

DATE: August 8, 1952

SUBJECT: GRÉGOR ! CASE **ESPIONAGE -** R

PUR POSE:

This is to advise of a review of the files of subjects in the Gregory Case who were employed in the Treasury Department to determine if information developed therein was properly disseminated; to consider the need for additional investigation to determine the extent of Communist influence upon the monetary policy of the United States.

#### DETAILS:

The report of the Subcommittee investigating the Institute of Pacific Relations of the Senate Committee on the Judiciary recommends that consideration be given to investigating possible Communist infiltration into, and influence upon, the Treasury Department and other agencies forming and administering fiscal and monetary policies and affairs of the United States. Inasmuch as the McCarran Committee has recommended this inquiry, a review was made to determine if proper dissemination has been made of the information developed in these cases. A review has been made of the files of those subjects of the Gregory Case who were employed in the Treasury Department. The identity of these subjects is set forth hereinafter. The initial investigation of all Gregory Case subjects was handled in the case entitled "Nathan Gregory Silvermaster, was., et al, Espionage - R (Gregory Case)," and the investigation was instituted in November, 1945. On March 11, 1949, the field was instructed to report information in individual case files and since that time individual reports have been disseminated as the case dictates.

Two extensive summary memoranda have been prepared summartzing pertinent developments of the Gregory Case. These memoranda set forth the part played by each individual subject

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in the Gregory Case. Insofar as each individual subject is concerned these set forth the allegations of Elizabeth Terrill Bentley, background of the individual and the results of our investigation. The first summary memorandum consisting of 194 pages and index was prepared on February 21, 1946. The following pertinent dissemination of this memorandum was made on the dates indicated:

White House 2-25-46
The Attorney General 2-25-46
Secretary of State 2-25-46
Secretary of Treasury 3-4-46

Other dissemination of instant memorandum has been made but is not pertinent to this inquiry.

A second summary memorandum consisting of 296 pages and an index was prepared on October 21, 1946, and the following dissemination was made on the dates indicated:

White House 12-16-46
The Attorney General 11-27-46
Department of State 11-25-46
Treasury Department 3-6-48
(Copy given to T. V. Quinn, Justice Department, for transmittal to Mr. E. Foley, General Counsel, Treasury Department.)

Again other dissemination was made of this summary memorandum but it is not pertinent to this inquiry.

These memoranda were all inclusive up to the time written, and presented a clear picture of the part played by the various subjects in the Gregory Case. The memoranda reflect the association of the various individuals in the Treasury Department as well as the other subjects of the Gregory Case. The Treasury Department would have been able to perceive the extent of each person's involvement from a review of these memoranda. The extent of the dissemination of individual case reports will be handled below.

It is interesting to note that of the Gregory Case subjects employed in the Treasury Department, all but one had resigned by the end of 1947. The policy has been not to make

dissemination of reports in individual cases to the Treasury Department when the subject has left the Treasury Department unless there is some specific reason that the Treasury Department should be advised of the results of the investigation such as an individual employed by the International Monetary Fund.

The one individual who remained in the Treasury Department until 1950, Solomon Adler, was the subject of a Loyalty of Government Employee investigation, and copies of the reports were furnished to the Civil Service Commission for transmittal to the Treasury Department. Set forth hereinafter are the individuals who were employed at one time by the Treasury Department and the dates of their employment with the Treasury Department. There will also be shown the extent of dissemination of individual reports in these cases.

#### SOLOHON ADLER

12/7/36 - 10/1/42, Economic Analyst, Division of Monetary Research, US Treasury Department.

3/1/44 - 5/11/50, Treasury Department.

In 1950, Adler resigned from the Treasury Department and went to England. He has remained there up to the present time. While employed at the Treasury Department, Adler was the subject of an LGE investigation and copies of the reports were forwarded to the Civil Service Commission for transmittal to the Treasury Department and the Attorney General. Adler resigned prior to a decision on loyalty charges. Dissemination of the reports has been and is presently being made to the State Department, CIA and the Justice Department. On 3/7/47 a special memorandum was prepared for the Attorney General for his presentation to the Treasury Department. This was a memorandum summarizing all available information concerning Adler.

#### VIRGINIUS FRANK COE

6/20/34 - 9/20/34, US Treasury Department.

6/1/36 - 10/3/36, Economic Analyst, Division of Research and Statistics.



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5/39 - 5/25/39, Economic Analyst, Division of Monetary Research.

8/13/40 - 1/16/42, Assistant Director, Division of Monetary Research.

2/16/45 - 6/17/46, Director, Division of Monetary Research.

Present: Secretary of the International Monetary Fund, Washington, D. C.

Dissemination of pertinent reports has been made to the Departments of State, Treasury, and Justice. Dissemination is being made to the Treasury Department in this instance in view of Coe's employment as Secretary of the International Monetary Fund.

#### HAROLD GLASSER

11/23/36 - 12/31/47, Division of Monetary Research.

Glasser originally entered the Treasury Department as an Economic Analyst, Division of Research and Statistics and was promoted to Assistant Director on November 16, 1938. He was promoted to Assistant Director of the Division of Monetary Research on August 1, 1939, and Director on August 22, 1946. Glasser was the subject of a Hatch Act investigation, results of which were sent to the Departments of Treasury, Justice and State. A special memorandum was prepared for the Attorney General on 3-7-47 for transmittal to the Secretary of the Treasury reflecting a summary of the activities of Harold Glasser. Individual reports have been disseminated in instant case to the Department of Justice.

#### SONIA GOLD

8/25/43 - 8/21/47, Economic Analyst, Division of Monetary Research.

A special memorandum summarizing the results of Gold's activities was submitted to the Attorney General on 3/7/47 for transmittal to the Secretary of the Treasury. Copies of reports reflecting results of Sonia Gold's activities have been disseminated to the Department.

#### IRVING KAPLAN

7/12/45 - 5/19/46, Economic Advisor, Foreign Funds Control and Division of Monetary Research.

Pertinent reports have been disseminated in instant case to the Departments of State and Justice.

#### VICTOR PERLO

12/17/45 - 3/27/47, Economic Analyst, Division of Monetary Research.

Reports in instant case have been disseminated to the Department of Justice. A special memorandum summarizing the results of investigation of Perlo's activities was submitted to the Attorney General on 3/7/47 for transmittal to the Secretary of the Treasury.

#### ABRAHAM GEORGE SILVERMAN

Silverman has never been employed directly by the Treasury Department but was employed by the Railroad Retirement Board. He was on loan to the Treasury Department in 1941, for a short period of time and there worked on the frozen funds policy. He was secured for the Treasury Department through the intervention of Harry Dexter White. Copies of reports have been furnished to the Department, the Air Force and Navy.

### NATHAN GREGORY SILVERWASTER

During the Summer of 1944, Silvermaster was on loan to the Treasury Department from the Farm Security Administration.

12/44 - 3/46, Chief Planning Technician, Procurement Division, Treasury Department.

Silvermaster was the subject of a Hatch Act investigation and copies of the Hatch Act reports were furnished to the Departments of Agriculture and Justice, the Board of Economic Warfare, and the Civil Service Commission. Summary reports and pertinent reports have been disseminated in instant case to the Department and to INS.

#### WILLIAM HENRY TAYLOR

1/3/41 - 5/21/41, Principal Economic Analyst, Division of Monetary Research.

9/14/42 - 12/14/46, Division of Monetary Research.

Taylor was appointed Assistant Director on 4/11/43. He is presently employed as the Assistant Director of the International Monetary Fund. Dissemination is now being made to Departments of State, Treasury and Justice.

#### WILLIAM LUDWIG ULLMAN

2/16/39 - 10/42, Division of Monetary Research.

11/23/45 - 4/29/47, Division of Monetary Research.

A special memorandum summarizing the results of investigation of Ullman was forwarded to the Attorney General on 3/7/47 for transmittal to the Secretary of the Treasury. Copies of reports are being disseminated to the Departments of Justice and Air Force. Action has recently been instituted to revoke Ullman's commission as a reserve officer.

#### DONALD NIVEN WHEELER

4/39 - 5/40, Junior Economic Analyst, Division of Monetary Research.

Wheeler was the subject of a Hatch Act investigation and copies of the reports were forwarded to the Office of the Co-ordinator of Information, the Agency by whom Wheeler at one time was employed. Copies of reports are being disseminated to the Department of Justice.

#### HARRY DEXTER WHITE

6/20/34 - 5/1/46, Division of Monetary Research.

White was first employed as an economic analyst and was made Assistant Director in October of 1936. He was appointed Director of the Division of Monetary Research in

March, 1938. On August 5, 1941, he was appointed Assistant Secretary of the Treasury in charge of the Division of Monetary Research. He resigned on May 1, 1946, to become the US Director of the International Monetary Fund. On April 7, 1947, he resigned as Executive Director of the International Monetary Fund. A special memorandum reflecting the results of the investigation of Harry Dexter White and his associates was submitted to the President on February 1, 1946. White had been the subject of a Hatch Act investigation and copies of the reports were forwarded to the Treasury Department. White died in 1948.

It is interesting to note that all of the above individuals, with the exception of Nathan Gregory Silvermaster, were employed in the Division of Monetary Research. White was the first Director and later became the Assistant Secretary of Treasury in charge of the Division of Monetary Research. Coe and Glasser served as Directors of the Division of Monetary Research and Taylor served as an Assistant Director. The others served as economic analysts.

The summary memoranda previously mentioned show the extent of the above individuals' participation in Soviet espionage and their Communist Party membership where that was the case. The McCarran Committee has recommended that an inquiry should be made into the possible Communist infiltration of the Treasury Department. The summary memoranda presented the picture of the Communist infiltration into the Division of Monetary Research. This phase of the contemplated inquiry by the McCarran Committee has been covered by our previous investigation. It must be born in mind that the Gregory Case was an espionage case. The scope of the investigation was directed toward establishing whether or not evidence could be secured which would corroborate the allegations of Elizabeth Terrill Bentley. The investigation was not directed toward ascertaining the extent of the. Communist influence upon the monetary policy of the United States Government. Circumstantially it could be said that there must have been some influence upon the monetary policy of the United States, since an Assistant Secretary of the Treasury, who had formerly been Director, two Directors, who had formerly been Assistant Directors, an Assistant Director, and some of the economic analysts of the Division of Monetary Research were either Communist Party members or sympathizers to the Communist Party policy and were supplying information to a Soviet spy network. It is realized that this, in and of itself, does not prove the extent of the Communist influence. Our files show an association between these men and their activities but not the extent of their influence on monetary policies.

White, Glasser and Coe have represented the United States at international conferences. White is reported to have been influential in the Treasury Department. This information is contained in the disseminated summary memoranda. The question comes to the fore whether or not at this time further investigation should be undertaken to establish the extent of the Communist influence upon the monetary policy of the United States Government. Some of the reasons favoring a further investigation would be:

- (1) It would be a security investigation.
- (2) The FBI has the responsibility for investigating Communists within the Government.
- (3) The McCarran Committee will study this matter in the near future and we should have all available information.

In reply to some of these arguments it is pointed out that the investigation of Communists that are in the Government today is being handled at present under the LGE program on an individual case basis. Not one of these individuals is in the employ of the Treasury Department at present. The extent of the influence of this group upon the monetary policy of the United States is now history, as all but one left the Treasury Department in 1947, or prior to that. At this time such investigation would not appear to be the direct responsibility of the FBI. It would fall more logically within the province of an administrative inquiry by the Treasury Department, or possibly a congressional committee. The FBI is a fact finding organization; this inquiry would be one of evaluation of the influence wielded by the various individuals within the Division of Monetary Research.

The Gregory Case was an espionage case and not a case designed to determine the extent of the Communist influence upon the monetary policy. Our investigation was directed toward determining whether US Government information was being turned over to the Soviet espionage apparatus. If we were to conduct an investigation now into the influence of this group it would appear to be necessary to advise the Treasury Department of the real reason we are making this investigation; namely, that the McCarran Committee contemplates making such an investigation in the near future. If we were not to advise the Treasury Department of the real reason, the Bureau could be opening itself to unjustified criticism. It would appear very unusual to be making this inquiry five years after the bulk of this group left the Treasury Department and two years after the last one left. The unknowing outsider or the Treasury Department, if not told the real reason for the investigation, would possibly criticize the Bureau for a delayed investigation. This would be unjustifiable since it was outside the scope of our previous inquiry.

From a review of the files it is felt that proper dissemination has been made. Further investigation to determine the extent of the Communist influence, mainly of the Gregory Case subjects, upon the monetary policy of the United States is not being recommended.

#### ACTION:

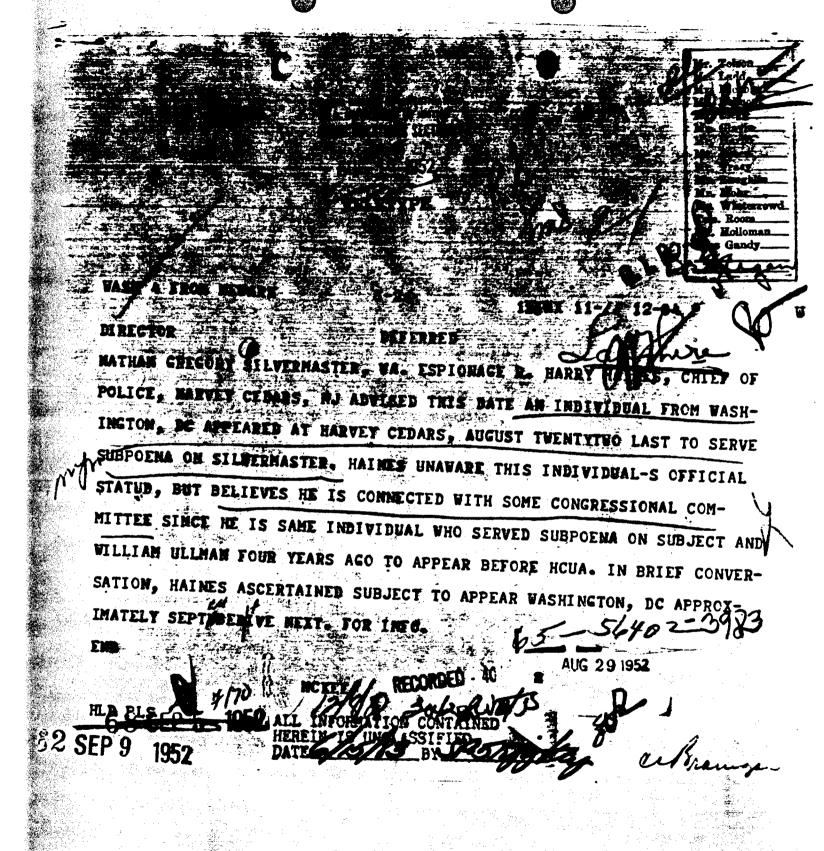
This memorandum is for information purposes only and no action is being recommended.

#### ADDENDUM:

Of the twelve individuals mentioned above, there are pending investigations in all instances with the exception of the case on Harry Dexter White, who is now deceased. The investigations are directed toward ascertaining the current activities of these individuals.

100-364413-1081

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## Office Memorindum • United States Government

70 : ADirector, FBI (65-56402)

DATE: AUG 2 7 1952

FROM R.V. SAC, Hew York (65-14603)

SUBJECT: ORREGORT CASE

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Rebulet, 7/25/52.

On 8/21/52, ELIZABETH BENTLEY was interviewed concerning her knowledge of the connection between HENRY A. WALLACE and the CP.

MISS BENTLEY advised that EARL BROWDER quite often boasted a good deal but she felt that in this instance he was telling the truth. She stated that after the death of JACOB GOLOS in late 1943 she had occasion to meet with EARL BROWDER. At that time from 1942 to 1945 BROWDER resided in the home of a wealthy CP member, (name unknown) in Monroe, N.Y.

Between late 1943 and early 1945 BROWDER on 4 or 5 occasions, when she saw him seemed quite provoked at HENRY A. WALLACE and on each of these occasions made some remark to the effect that 90 per cent of the time WALLACE follows CP directions and everything comes out all right. However, 10 per cent of the time he tries to do his own thinking and then things get all balled up.

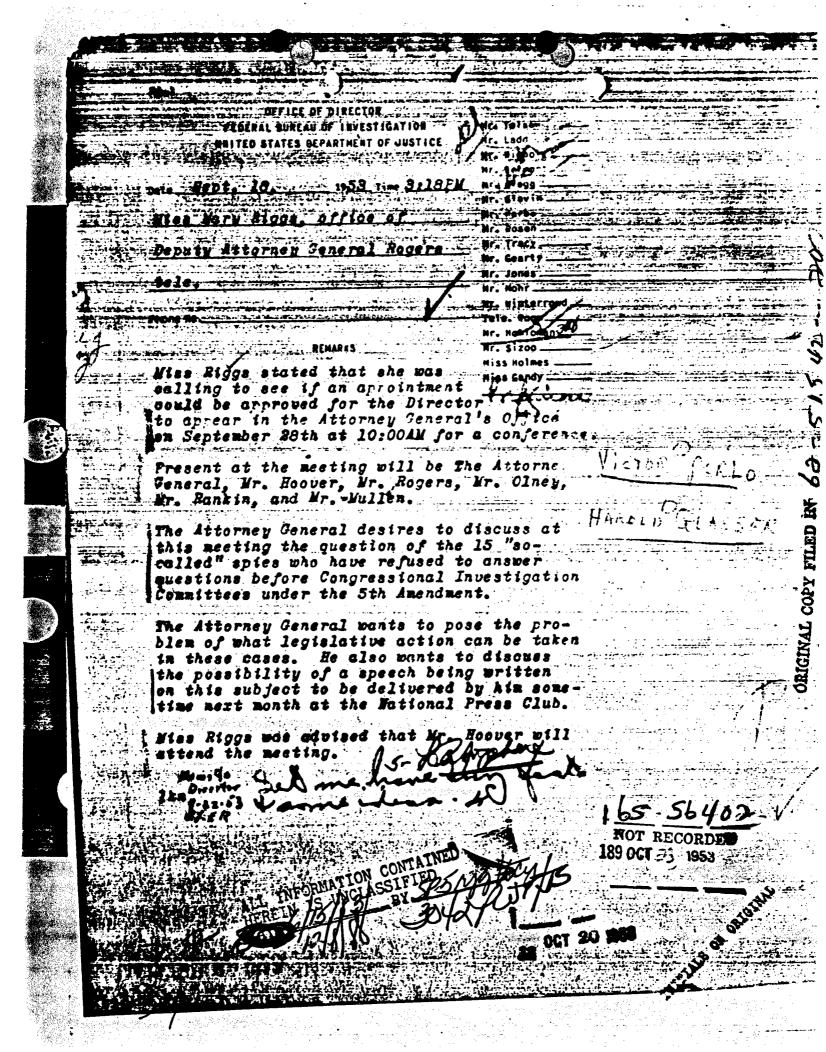
She recalled visiting with EARL BROWDER on Election Day, 1944. At that time BROWDER stated that WALLACE was an idealist and a "screw ball" and expressed the fear that if WALLACE was elected Vice President he would be an idealist and probably more difficult to manage.

MISS BENTLEY assumed that BROWDER maintained liaison with WALLACE before late 1943, when she first learned of it but knew of nothing to back up this assumption. She also was of the opinion that BROWDER and WALLACE did not personally confer with each other but used the services of a third person. She had no knowledge of who this third person was but at the time guessed it might be JOHN ABT since ABT was a friend of EARL BROWDER. In this connection she recalled that some other person prominent in the CP also was of the opinion that JOHN ABT probably was BROWDER'S contact man with HENRY WALLACE. MISS BENTLEY no longer was able to recall the identity of the CP member who also was of the opinion that ABT was BROWDER'S liaison man with WALLACE.

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#### Office Memorandum UNITED STATES GOVERNMENT

H. Belmont ABRI

DATE: September 22, 1952

MATHAM GREGORY STLVERMASTER

ESPICHACE - R

On September 17, 1952, Mr. M. L. Harney, Technical Assistant to the Secretary for Enforcement, U. S. Treasury, advised Supervisor Bartlett that it had come to his attention that Mrs. Abraham Fox was bitter concerning Harry Dexter White and others whom she felt were partly responsible for her husband's death many years ago. Mr. Harney thought perhaps the Bureau might know something of the matter and if not, might be interested in interviewing Mrs. Fox. He said that Fox had been with the Tariff Commission and then had taken a position in China where he died. Mr. Harney thought there had been some disagreement between White and Fox, and that perhaps Fox had known others of the group named by Elizabeth Bentley.

RECOMMENDATIOE:

Not do

There is attached a blank memorandum which has been prepared for delivery to Mr. Harney setting forth the information in our files concerning the above incident. It is recommended that this be delivered to Mr. Harney and after reading it he be asked if he can implement the information in any way, and whether he has any recent indication that Mrs. Cohen (the ex-Mrs. Fox) would be willing to expand upon the information she previously furnished.

Attachment

Info. arally to Harney This in more recent than his source co furnish. no reason to continue

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the Mrs. Fox angle further.

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CURITY INFORMATION -UNITED STATES DEPARTMENT OF JUSTICE

PEDERAL BUREAU OF INVESTIGATION

WASHINGTON 25. D. C.

September 22, 1952

BORA CONVISSOR (COME Formerly Mrs. Dora

Abraham Manuel Fox was born May 14, 1889, in Pfiladelphia, Pennsylvania. He was appointed a Special Expert in Economics, U. S. Teriff Commission, on June 1, 1923. On July 24, 1937, he was appointed a Commissioner in the W. S. Tariff Commission. He resigned this position on May 26, 1941, to accept an appointment as the American representative on the American-Chinese Stabilization Fund. Fox died while on this mission to China. Bora Convissor Cohen was born on January 6, 1890. She was married to Abraham Manuel Fox and after his death she married Joseph Jacob Cohen on January 2, 1946. She and her husband, Joseph Cohen, were last reported to be residing at Lakebay, Washington.

An informant who is believed to be reliable advised that after Fox in 1941 was selected by the Treasury Department to represent the United States as a member of a financial mission to China, some sort of a disagreement arose between him and Harry Dexter White of the Treasury Department. In regard to this disagreement, Abraham George Silverman made a number of calls on Mrs. Dora Fox, the purpose being to have her transmit certain information to her husband in China. Mrs. Fox did not wish to send the material and shortly thereafter Fox wrote he was returning home.

On May 3, 1949, Mrs. Dora Coben, who was then in Paris. France, was interviewed concerning the above incident. She said that her first husband, Abraham Manuel Fox, had made a speech before a group of Chinese economists and bankers while in China which was not well received in Washington. Following this speech, there was considerable criticism of his remarks in government circles in Washington, whereupon Abraham George Silverman contacted her and suggested that she get word to her husband that he should not make any more speeches and should be more discreet in his public declarations. She said that while Silverman apparently made the suggestion in order to help her husband, she did not take the matter seriously and in fact made no effort to get in touch with her husband regarding this matter. Later when her husband telephoned her from Manila, she asked him if he had

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#### SECURITY INFORMATION - CONFIDENTIAL

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made any statements in China to which the Chinese had taken exception whereupon his reply inferred be did not know to what she was referring. Mrs. Cohen believed that Laughlin Currie was present at the time of the telephone conversation.

Mrs. Cohen was also questioned concerning the association of her former husband and herself with Abraham George Silverman, Harry Dexter White and others. She said she and her husband had visited the Silverman home two or three times. She said that Silverman had been employed under her husband in the Tariff Commission. He was considered a very brilliant man, although a bit difficult to become acquainted with and not particularly well liked. She said he was a close friend of Harry Dexter White and Laughlin Currie. With respect to Harry Bexter White, she said she knew him only slightly. He was reputed to be very close to Mr. Morgantheau and a very brilliant man. He had an independent character and was a man who perhaps made enemies easily and unintentionally. Regarding Laughlin Currie, Mrs. Cohen stated that she knew very little about him except that he was a member of the "Little Brain Trust" and subsequently a so-called "anonymous secretary" to President Roosevelt. Prior to Mr. Fox's departure to China, he discussed Chinese problems with Mr. Currie and being an authority on China had furnished considerable background information of interest to Mr. Fox. Regarding Mr. and Mrs. Mathan Gregory Silvermaster, Mrs. Cohen stated that they were not close friends of theirs and were not particularly well liked. It is to be noted that Abraham George Silverman, Harry Dexter White, Laughlin Currie and Mathan Gregory Silvermaster were all named by Elizabeth Bentley as part of a network operating in government agencies in Washington, D. C., who were furnished data which were being transmitted to Soviet Intelligence.

Mrs. Cohen also stated that she first became acquainted with Priscilla and Alger Hiss through their frequenting a bookshop which had been eperated by Mrs. Cohen. Later Mr. Fox came to know Hiss and teok an interest in him and his career and had many discussions and conversations with him. Mr. and Mrs. Fox visited the Hisses at their home. Mrs. Cohen expressed the view that Hiss was completely innocent of the charges against him and felt he would eventually be cleared.

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Mrs. Cohen stated categorically she at no time had any reason to believe any of the foregoing persons had been engaged in subversive activities.

It is to be noted that it had previously been determined that Alger and Priscilla Hiss had contributed to the A.M. Fox Scholarship fund which was a fund set up as a memorial to him, and the purpose of the fund was to assist in the education of worthy Chinese students in China. Mrs. Cohen indicated she had not known that the Hisses had contributed to this fund.

A confidential informant of known reliability has advised that she knew Abraham Manuel Fox and his wife, Dora. She stated she did not know them to be Communist Party members but during the period she knew them she considered Dora Fox to be a Communist Party "angel" and felt that Manuel Fox followed the Communist Party line. This informant stated that she also knew their son, Melvin James Fox, and knew that he had joined the Communist Party in his early youth, during which time he was an actor. He later contracted tubercolosis and while in a sanitarium in New York State studied Marxist literature and considered that he was preparing himself for the coming revolution.

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# FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

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XXXXXX XXXXXX XXXXXX ALAND FIED OF CONFIDENTIAL TITE (3) 07 DATE Assistant Attorney General Charles 3. 30421 Director, 731 HATHAH GREGORY SILVENASTER, Was., et al (The Gregory Case) ALL INFOR ESPICEAGE - R INTERNAL SECURITY ACT OF 1950 65-56402-377  $\sim NL^3$ Referenced memorandum reflects with respect to Koral, Silvermaster and Kaplan that there is insufficient evidence in your opinion to sustain a prosecution in the event of refusal to register With respect to Abraham George Silverman, it is note: ne opinion is expressed as to the sufficiency of the evidence to support prosecution in the event of refusal to register, although it is whinten out that two serious bars to such prosecution exist, namely, (1), the claim of the privilege against self-incrimination and (2) the doubt y that under the terms of the Act there exists a present obligation tog registes. In the absence of a statement in referenced memorandum that there is insufficient evidence with respect to Silverman, it is requested that you advise whether your memorandum is meant to be interpreted that sufficient evidence does exist to make a prima facie case against Silverman but that the case would be subject to the two defenses mentioned. In this connection, the evidence available against Silverman appears to be considerably stronger than that available against the other three individuals named shove. It will be remembered that both Whittaker Chambers and Elizabeth Bentley can testify against Silvernen and that Florence Tompkine, former mail M BLIVANCE, can ce - 100-363633 ce - 66-6200 Sub Michity Information

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correborate that portion of Chambers! testimony relating to the delivery on behalf of the Russians of Persian rugs to Silverman, Harry Dexter White and Alger Hiss. Other evidence correborative of the rug transactions was developed in the Hiss case.

With respect to the privilege against self-incrimination constituting a bar to presecution, it is requested that you elaborate on this in view of our interest in the general application of this statute as well as our interest in this case. It is desired to know whether there can be any successful presecution for failure to register under Section 20(a) if the privilege against self-incrimination is a valid defense. If this privilege will not completely nullify the provisions of Section 20(a) it is requested that you cite hypothetical examples of cases wherein prosecution would not be barred by such a claim.

Mith respect to the doubt that there exists a present obligation on the part of Silverman to register, it is noted that Mr. McInermay's memorandum dated June 18, 1952, on the subject of "Cases Under Section 20(a) of the Internal Security Act of 1950, " sets forth in detail year position in this regard. The memorandum of June 18, 1952, peints out the general tenor of the let as applying only to surrent agency activity, by reason of which it is felt that a court might held that persons within the class defined by Section 20(a) are not under any duty to register under the Let as amended where it cannot be shown that they currently are acting, or within the effective period of Section 20(a) have seted, as agents of a foreign principal. As there is no known espionage activity on the part of Silverman during the effective period of Section 20(a) of the Internal Security Act of 1950, your coments are desired concerning the possibility of proceeding against Silvernas in a test case for the purpose of resolving the doubt as to how a court might held.

Icur referenced memorandum expresses the belief, in view of Silverman's insistent denials that he has ever engaged in espienage, that he will refuse to register if his registration is solicited. It would seem, however, that Silverman's previous denials may be considered to have been made under eigenstances distinguishable from the circumstances under which he would find himself as the subject of possible proceedings under this let. As the let authorises the Attorney General, under certain conditions, to except a person otherwise required to register if that person makes a full written disclosure, it is requested that you furnish

CONFIDENTIAL 2 -

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your spinion conserving the advisability of soliciting a disclosure from Aliverana and your chearwaitens, as a matter of policy, as to whether such a disclosure would serve as a basis for a determination by the Atternay Seneral that a registration by Aliverana would not be in the interest of mational security. It would appear possible that aliverana, rather than face prosecution done under this Act, might decire to seek exception from the requirement of registration if a full written disclosure would qualify him for such consideration. A full disclosure by Silverana would, of course, enable further prosecutive action with respect to the Bathan broggery Silvernaster espicates group.

The Department has previously advised that successful preservation of the various individuals involved in the espicacy network headed by Nathan Gregory Silvermater, as revealed by Elisabeth T. Bentley, requires the development of correborative evidence to support Miss Bentley's allegations. A review of the over-all Silvermater case fails to indicate where such correboration might be forthcoming if not from the admissions of one of the persons involved. Interviews of these persons have all resulted negatively. In view of this, considerable importance is attached to the possibility of obtaining a full written disclosure from Silverman.



Hen 2018 (1700-90130)

STANDLER BURSLES WATHE Vashington Field Office letter to the Bureau /22/52 suggesting that the W. T. Office Pe-contact Elizabers To BENTLEY and furnish her the names of PIERRE COT, former Air Minister in France, General AUGUSTE BROSSIN de SAINT-BIBLER, Chief of the Military Mission of the French in Washington, D. C., and General CHARLES LUGUET, Chief of the Free French; Air Mission in Washington, D. C. during 1944, as possibilitie for further identifying the individual whom she previously described as an acquaintance of the SILVERMASTERS. At the time of mentioning this individual, ARETLEY furnished information to the effect that she had received considerable syped material on the Free French from EARL BROWDER; however, she had no knowledge of BROWDER's source for this information. She advised that she also received information regarding the Free French from the SILVERMASTERS who had among their acquaintances an individual whom she believed was Air Minister for the Free French. She said this individual was a General,

On October 17, 1952, Miss BENTLEY was re-contacted by SA LESTER O. GALLAHER at which time the above mentioned names were discussed with her. At that time, HENTLEY stated that she believes CHARLES LUGUET is the individual who was an acquaintence of the SILVERMASTERS. She now recalls that this Individual had spent approximately one year in Russia. Further that his shild attended school in Moscow and that the General had a high regard for the type of educational system in Moscow

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The joined the Communies Party in New York City in 1935. In 1938, she went into the Communies underground and became an assistant to Jacob Goles, a Soviet espionage and became an assistant to Jacob Goles, a Soviet espionage agent serving in such capacity until the latter's death in 1943. Bentley defected from the Communist Party in 1945, and since that time has cooperated with this Bureau in furnishing intelligence information of value. It appears that she has also cooperated with other interested government that she has also cooperated with other interested government agencies including the Immigration and Maturalization Service agencies including the Immigration and Maturalization Service

(65-56402)
The above information is furnished for year confidential use only and is not to be distributed outside of your agency. This is the result of an FBI file shock only and is not to be considered as a elearance or non-only and is not to be considered as a elearance of the individual involved.

Original to INS: Washington, D.C.
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## FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

1	Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.
囟	Deleted under exemption(s) with no segregable material available for release to you.
. 🗆	Information pertained only to a third party with no reference to you or the subject of your request.
	Information pertained only to a third party. Your name is listed in the title only.
	Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.
	Pages contain information furnished by another Government agency(ies). You will be advised by the FBI at to the releasability of this information following our consultation with the other agency(ies).
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Director, FMI (65-56402)

wlet deted 12/15/32 captioned "China Stabiliza Fund, foreign Research Notter, " a deep of which is being eache with a copy of this letter for the WG. Her are instructed to Interview immediately Mr. Arthur Gampbell, Gustens Agent, 201 Variet Street, New York City, for all information in his persession ecocerning Harry Dexter Mhite, Millian Henry Taylor, Virginius Frenk Oce and Solomon Miler. This interview should be exhaustive and abould be conducted ! r incoriement amente familier with this case.

It is believed that the Br. OHI previously mentioned by Mr. Campbell is probably Dr. CHI Chao-ting, who is the subject of s seperate "Internal Security - CR" investigation in your Office. The Interview of Compbell should, of course, click the full identity of the Dr. LIN also mentioned by Campbell.

This matter should be given expeditious attention and rough handling.

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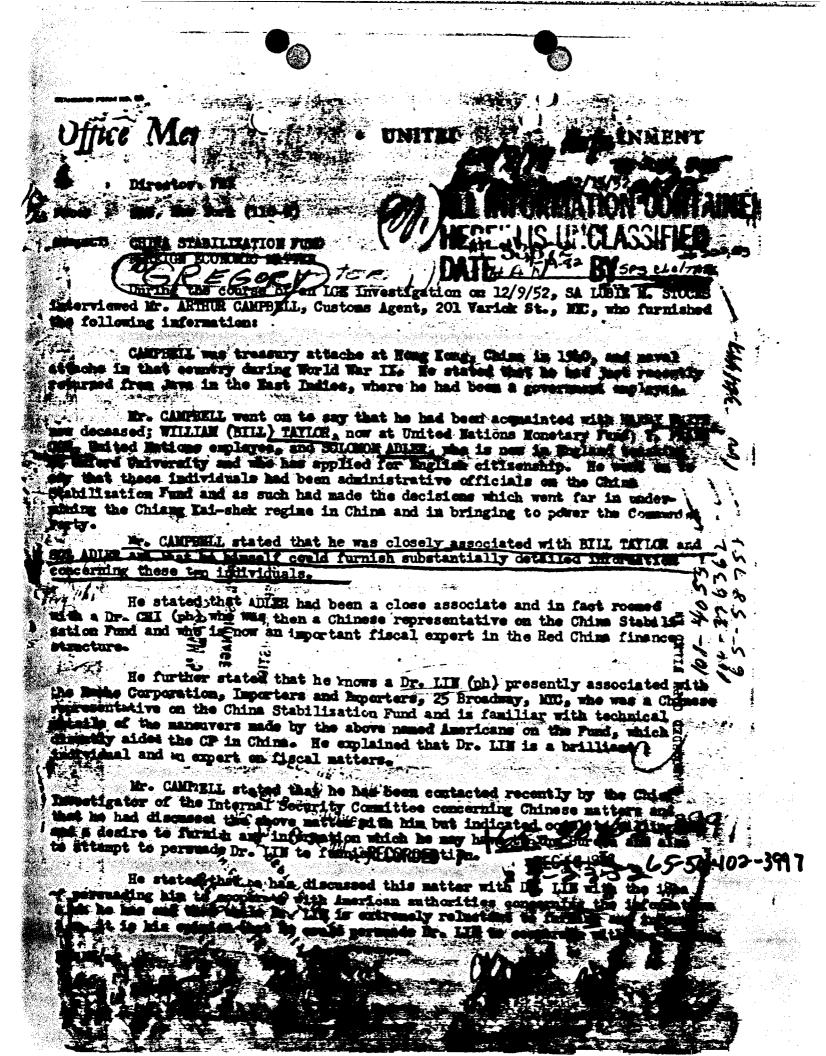
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NOTE: Campbell, former givit.employee in China, mas advised NYO that he knew White, Taylor, Adler and Coe, all subjs. of separate espionage investigations, and that he could furnish substantially detailed info. re Taylor and Alder.

COMM - FBI MAILED 27

65-56402 JAN 23 1953



12/15/52

Letter to Director, F3I
NY 110-0

The above is furnished for the information of the Bureau. No further action will be taken by the NYO.

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Addition 2

DIRECTOR, FBI (100-365891)

2/17/53

SAC, BAN FRANCISCO (65-4766)

MILA COLD, Wa.; SONIL STELLMAN, WM., ESPIONACE - R ALL INFORMATION CONTAINED
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DATE 15/83 EXPENSION
12/8/88 3842 FUT D.

The NFO letter, 12/30/52, setting forth the identity of Communists the ways and in the same Federal agencies as the subject and who would be logical persons to be interviewed for information of Communist Party membership on the part of the subjects.

The names of SYBIL DINABURG, was, and GRACE GOLUB GREEN COX, were

1. SYBIL DINABURG, nee APPLEBAUM, also, SYLVIA DINABURG, and SIBIL DINABURG, resides at 1418 Milvia St., Berkeley, California, and is employed by the Crippled Children's Service, State of California, State Office Building, San Francisco.

2. She is married to DR. AABON GORDON DINABURG, who resides at the same address.

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DINABURG, according to the records of CSC, listed one HARRY MAGDOFF as a reference in an application for employment in July, 1948. MISS ELIZABETH T. BENTLAY, self-admitted Communist and former member of the Soviet Espionage Ring, testified before the House Committee On Un-American Activities, that HARRY MAGDOFF was a member of the espionage group known to be operating in the Federal Government in the early 1940's.

AARON DINABURG, bushand of SYRIL, according to records of Special Committee Investigating Un-American Activities by Dies Committee, was listed as a member of the Washington Committee for Democratic Action and also listed as a member of the Washington Book Shop. The name, AARON DINABURG, appeared on the active indices of the National Federation or Constitutional Liberties and the American Peace Mobilisation.

FPP/hh

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cc: Washington Field (100-20527)(REGISTERED)
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by informants of the San Francisco Office; however, a vehicle registered to name of a purish the part of the San Francisco Office; however, a vehicle registered to name of a purish the san francisco DR. EPHRAIM KAHN and DR. DAVID E KISON, both SI subjects of the San Francisco Office.

I. GRACE GOLUB CHEEN COX, resides at 370 Lowell Ave., Mill Valley, California; is of the white race; and like occupation is housewife.

2. She is married to THOMAS ALEXANDER COX of the white rage, who is amployed through Local 1710 Carpenters Frien, AF of L. Mill Valley, Galifornia, which local union, according to reliable informants, is Communist dominated.

3. The COXES are reliably reported to have been Communist Party Club members in the Labor Department, Washington, D.C., from 1943 to 1944, or 1945, and to have been members of the Communist Party in Baltimore, Maryland. GRACE COX was active in a joint peace commission, 1938-39, while at Smith College, and in 1936, reportedly was a research secretary for the American Committee for Pretection of Foreign Born. Her former husband, AFMER GREEN, reportedly was Publicity Director for this same committee.

members of the Communist Party since their arrival in Mill Valley, California, have not reported either CRACE or THOMAS COX as members of the Communist Party since their arrival in Mill Valley, California; however, have reported them as currently in close association with Communist Party members and active in the Arts, Sciences, and Professions Local, at Mill Valley, and on behalf of the Independent Progressive Party during the plant election.

GRACE and THOMAS COI, in accordance with existing instructions relating to interviews of security subjects. If they are cooperative, no affirmative steps will be taken during the initial interviews to direct their activities, but a separate communication will be directed to the Bureau setting forth the results of the interview and requesting authority to re-contact the subjects as potential security informants.

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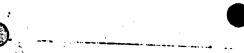
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W. J. H. Lock

April 29, 1953

Br. A. R. Belmont

JANES B. SETHAS (Jounes Committee Request)

countities requested of Mr. Nichola information and particularly the addresses of four heatile witnesses who will probably invoke the Pifth Amendment if they are called before the Countities. One of these individuals was Junes N. Howar, described as a contributing editor to the "Spientific American," former assistant of Senator Brion Melbhon, and reputedly author of the Atomia Inergy let.

Mounts was also reported to have been a commissioner in the incrican occupation who in Peace, Germany, and intervened in behalf of the Countries Party in Hosse.

James Roy Ferman, as one of the subjects in the Gregory projectes a grant was under investigation furing the Summer of 1946, This investigation revealed that Ferman had been in contact with various subjects of the above-neutioned cases herein it failed to establish any espionage activities on his part. (65-56408-3200; 123-7443-16)

the estacked memorandum for the Jenner Committee contabackground information concerning criticism of him while he was serving as imerican Hilitary Eguernor for the State of Hesse in Germany, as well as public source information reflecting his association with alleged left-wing individuals in the drafting the items and items in the drafting the items and items in the drafting the items of the memorandum review was limited to main file summeries dated July 8, 1946, and to review of "See" references subsequent to the latter summers. (65-56402-1359, page 96, 65-56402-1666-3268) ALL INFORMATION CONTAINED

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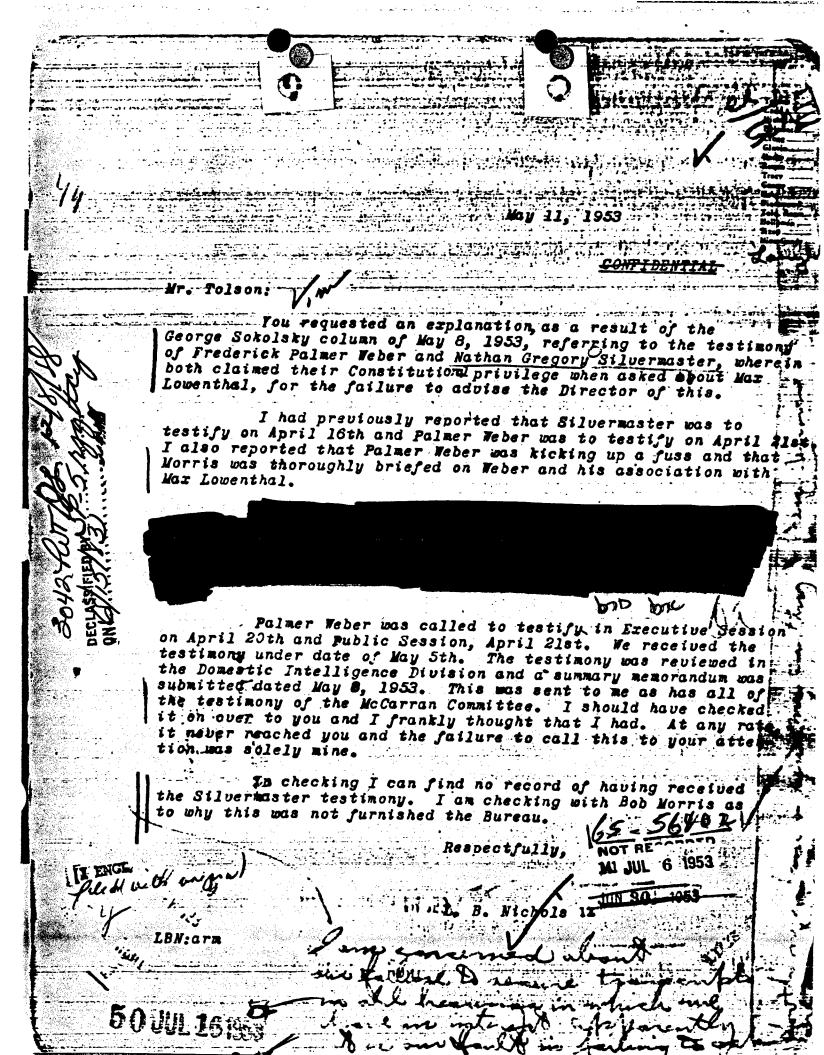
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May 15, 1953

-GONFIDENTIAL

MR. TOLSON:

With reference to my memorandum of May 11, wherein the Director expressed concern for our failure to secure prescripts, I wish to advise that with reference to the transcipt on Nathan Gregory Silvermaster, when I checked with Morris he reported back that their records showed the transcript had been furnished us. Subsequently, however, in getting a copy of the transcript one of the girls in his office called my office and stated that they had the transcript and guessed it had gotten in their files by mistake.

We will just have to set up our own system of following on the transcripts and requesting them.

Respectfully,

LBN: hmc

L.B. Nichols

( This is elemental. - H. )

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## Office Memorandum • United States Government

MR. TOLSON

L. B. NICHOLS

SUBJECT:

June 4. 1953

Roy Cohn of the Senate Investigating Committee just phoned Mr McGuire advising he had been endea yoring to reach Elizabeth Bentley at the College of the Sacred Heart at Grand Cotpeau, Louisiana (telephone Grand Cotoeau 1702). This is where she teaches. The school states Miss Berdley is not there today and will be gone for the next several days and her whereabouts are not known.

Cohn stated he also called Bentley's home at Sunset, Louisiana, phone Sunset 141J, and has been unable to find out her whereabouts. He is most anxious to reach her telephonically tonight or the first thing in the morning. He has asked if we could help locating her for him.

ASAC Whelan of New York advises they have not had contact with Miss Bentley in the last several weeks and have no knowledge of her immediate whereabouts.

It is recommended we have the New Orleans Office make an immediate contact at the school in order to find out Miss Bentley's whereabouts so that we can give this information to Cohn and he can [call her on the phone.

If approved, we will call the New Orleans Office at once.

JJM:FML

CC - Mr. Ladd

Mr. Belmont

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Office Mem

Mr. Tolson

L. B. Nichols

Reference is made to my memorandum of June 4, 1953, conce ing the desire of Roy Cohn of the Senate Investigating Committee to ascertain the present whereabouts of Elizabeth Bentley as he wanted to talk to her on the telephone as soon as physically possible. With the Director's approval, the New Orleans office ascertained that Miss Bentley had gone to Progeso, Texas, to talk to the Kiwanis Club there yesterday. ASAC Bailey of the San Antonio office ascertained that Elizabeth Bentley was staying at the home of Mr. M. A. Mumert of Progeso, telephone 423 on the Mercedes, Texas, exchange, but that she would be leaving there at approximately 12:10 Central Standard Time to take an Eastern Air Lines flight out of Brownsville, Texas, to Lafayette, Louisiana, today, and thereafter she would be at home at Sunset, Louisiana, for the weekend.

This advice was immediately furnished to Roy Cohn in order that he could place a phone call to Elizabeth Bentley prior to her leaving Progeso, Texas.

Mr. Ladd Mr. Belmont

JJM:MP

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Office Mem

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GOVERNMENT

O . A. H. Boly

DATE: June 5, 1953

FROM : L. H. Mertin

SUBJECT: ELIZABETH BENTLEY

(M)

Mr. David Shine of the McCarthy Committee called from the Stork Club, New York City at 11:45 P.M. and asked whether the Eureau had any further information on the whereabouts of Elizabeth Bentley. He said he wanted very much to talk to her before the Committee Hearing tomorrow, 6-5-53, primarily to get her travel plans. He mentioned that he had been unable to contact Mr. Roy Cohn at the Mayflower Hotel, Washington, D.C. He requested that we call him back at the Stork Club, Plaza 3-1940.

ACTION:

Pursuant to your instructions, Night Supervisor Doran, New York office, was requested to call Mr. Shine and tell him we had nothing further on Miss Bentley and that the appropriate officials of the Bureau would be advised of his call.

cc -1- Mr. Nichols

LHM: jdb

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SEP 24<sub>1953</sub>

Office Memorandum UNITED STATES GOVERNMENT

MR. A. H. BELMONT

June 11, 1953

v. p. KEAY

SUBJECT:

CEDRIC HENNING BELFRAGE

Mr. William Kilmane, Investigator, Local Office, Immigration and Naturalization Service, 939 D Street, N.W., Washington, D. C., at the suggestion of Mr. Mario T. Noto of the Central Office telephonically contacted Supervisor John E. Foley to advise that he had inquired of the British Embassy for information concerning the captioned individual who is subject to denaturalization and whose name appears on the Attorney General's The British Embassy informed Mr. Kilmane che said, that information be obtained through the FBI. Therefore, Mr. Kalmane contacted this Bureau toe request that the information

be obtained and made available to the immigration and Naturalization Service for the purpose of denaturalizing Belfrage. (3

review of the records of this Bureau has disclosed the only information pertinent to the INS inquiry is that

(65-56402-96x; 40-58589)

However, a further review of the records of this Bureau has disclosed information reflecting that Elizabeth Bentley, an admitted courier for Jacob Golos, a known Russian espionage agent, on November 30, 1945, identified Cedrid Belfrage, described as the editor of the "National Guardian," as a British intelligence agent who was furnishing information regarding British intelligence operation to Jacob Golos. On June 31, 1947, Belfrage in a signed statement to agents of this Bureau admitted Bentley's allegations. (100-355861-41, p. 20)

Attached is a request information concerning Belfrage, be made available so that it can be furnished to

RECOMMENDATION:

If you approve, the attached request should be RECORDED-62 65 56402 - 4011 forwarded to

Attachment JEFo: lmp// bent 6/17/53 cly

governmental agency has made lenaturalization proceeding and has informed that infor is in your possession concerning this individual. it would be appreciated if you would furnish any evel information concerning Belfrage which night be furnis the inquiring agency.

2 - Legal Attach London, England

AIR COURIER

**Beclassify on: OADR** 

1 - Foreign Service Desk

HEREIM IS UNCLASSIFIED

JUN 1 2 1953

# Office Memorandum • UNITED STALLS GOVERNMENT

TO : DIRECTOR, FBI

DATE: 6/29/53

3/13

FROM : SAC.

SAC, NEW YORK (65-14603)

SUBJECT:

CRECORY ESP - R

On 6/25/53 WILLIAM T. LYMCH, an investigator for INS who regularly contacts the New York Office, advised of the following:

WILLIAM T. FIAGG, Assistant Chief Investigator, INS, was interested in knowing if the New York Office has any objection to an interview with ELIZABETH BENTLEY by the Immigration Service. This proposed interview with Miss BENTLEY would be for the purpose of developing her as an informant for INS.

As the Bureau is aware, Miss BENTIEY recently returned to this area from Grand Couteau, Louisiana, where she had been teaching at the College of The Sacred Heart. Miss BENTIEY is presently at her home in Madison, Conn., and is attempting to sell her property in that city. She has advised this office if she is successful in selling her property within the next month or so, she intends to return to Louisiana, but that in any event she will return to the College of The Sacred Heart to commence teaching there in September of this year.

INS was advised that in the event they desire to cultivate Miss BENTLEY as an informant for that Service, that this arrangement would have to be made through channels in Washington, D.C. The local office of INS has been so advised.

The above is for the information of the Bureau in the event that.

INS calls on the Bureau in an attempt to obtain the services of Miss RENTIET
as an Informant for that agency.

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## Office Memorandum • UNITED STATES GOVERNMENT

FROM: 17. A. H. Belmottle Subject: JAMES ROY NEWYAN (U) HEREIN IS HELASSIFIED DATE OF NEWYAN DATE OF SUBJECT:

The Washington City News Service for June 18, 1953, reported that Emanuel Bloch, lawyer for the Rosenbergs, contacted Joseph Newman, formerly General Counsel of the Atomic Energy Commission, who helped Congress draft the Atomic Energy Act. The Director requested, "What do we know about Newman? H." It is believed that the Joseph Lewman is identical with James Roy Newman who held the above-described position. In addition to the Director's inquiry, Mr. Lewis Strauss of the Atomic Energy Commission requested June 18, 1953, that a name check be made on James Newman.

An investigation was conducted during the Summer of 1946 if sconcerning the captioned individual based on an allegation from Joseph A. Panuch of the State Department that Newman and other high government officials were engaged in espionage activities for the purpose of giving information concerning the atomic bomb to Russia. Newman was then made a subject of the Silvermaster case. Investigation failed to substantiate the allegation of espionage; however, it revealed he was a personal friend of Edward V. Condon, Director of the Burecu of Standards, who was describe by the House Committee on Im-American Activities as "one of the weakest links in our atomic security." Tewman also maintained contacts with Harold Stein, reported to be a friend of Alger Fiss and Richard V. Bissell Jr., alleged to be a friend of William Remington. Both Hiss and Remington are presently serving prison terms for perjury. (65-56402-907-3268; 123-7443-16)

In December, 1946, John R. Steelman, Director of the Office of War Mobilization and Reconversion advised that he had fired Newman because of derogatory information he had received concerning him.

In her appearance before the House Committee on Un-American Activities in July, 1948, Elizabeth Bentley stated she did not know James Roy Newman. The Jenner Committee was furnished background and public source information regarding Newman on Ipril 29, 1953, after having advise the Bureau that he might be called as a witness before the Committee. The Rureau has not received any testimony from that Committee indicating that Freeman has appeared before it, U)

The attached memorandum for I'r. Strauss contains background information concerning Newman; allegations made against him concerning espionage activities; public source information concerning association with alleged left-wing individuals in the drafting of the Atomic Energy Act; his pro-Communist statements made while he was Military Governor of Cermany; and contact with Bloch, lawyer for the Rosenbergs

Attachment SHR: Win

RECONUED 13 65 56 402 -40/3

Mr. D. M. Ladd from Mr. A. H. Belmont RV: JAMES ROY NEWMAN

#### RECOMMENDATION:

If you approve the attached memorandum will be furnished Mr. Strauss of the Atomic Energy Commission through liaison channels.

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Jone 53 7 custs MAN

### RITI INFORMATION - CONFI PPIAB

An investigation was conducted of James Roy Bewnen during the Sunner of 1946 when an official of enother governmen egency advised that Newson and other high government officials were involved in a soviet explonage ring eperating in Weekington, D. C. The informant stated that the ultimate objective of the group was to obtain all information with regard to stonic energy for the purpose of making this information available to the Soviet Union. Investigation by this Bureau failed to substantiate the allegation that Beunan was engaged this in espionage activities. The investigation conducted did reveal that he was a personal friend and centact of Dr. Edward V. Condon, Director of the Burcau of Standards, who was described by the House Conmittee on Un-American Activities as "one of the weakest links in our atomic security." Newman also maintained contacts with Harold Stein, reported to be a friend of Alger Hise and Richard M. Bissell, Jr., of the Connerce Department, alleged to be a friend of William Remington. Both Hiss and Benington are presently serving prison terms for perjury. (65-56402-907: 123-7443-16: 65-56402-3268)] SUMMAR

BACKGROUND

Glavis

A review of the files revesied that James Routhewnan NV was born in New York City on August 3, 1907. His parents were born in Prague, Czechoslovakia, and are naturalized United States Mewacn's wife, Ruth Gallert Newman, was bern in New Tork City on June 16, 1916.

Hewman attended the City College of New York from 1923 to 1926 where he earned on 1.3. degree. From 1926 👀 1929 he attended columbia University where he obtained an LL.B degree. From 1939 to 1936 he did groduate work at Columbia, and during this period he also practiced law in New York City.

SHRogers:wlh Blank Lemo to AEC SECURITY PROBLEM 1 5/1

65-56402 V ESTURALLE

### SEWRITT INFORMATION - CONFIDERTIAL

We is a member of the New York State Bar, having been edulated in 1989. He reads and speaks French and German. Howasn is the author of a number of beeks, among which are approximation and Process of Yer.

Newman formerly resided at the following addresses, 245 gast 72nd Street, New York Gity, from September, 1936 to September, 1940; 308 East 79th Street, New York City; 6019 North 19th Street, Arlington, Virginia; 1321 Relly Street, Northwest, Vashington, D. C. He is last known to have resided at 3409 - 34th Place, Northwest, Vashington, D. C.

During the period from April, 1939 to December, 1941, Mr. Newman practiced law in New York City and during this same period he was a member of the American-Jewish Committee engaged in survey work at a salary of \$5,000 per annum. While practicing law in New York, Newman resided at 303 East 79th Street, New York City. It has been reliably reported that one of his employees at that time was Nichael Endelman, identified by Elizabeth Bentley, self-admitted member of a Soviet espionage ring which operated in Washington, D. C., as a Soviet espionage agent who formerly operated in Paris, France. (116-624-37)

From December, 1941 to June, 1948, Herman was employed by the Far Department in Vashington as an Assistant to the Chief of the Tax Amortization Division at a salary of \$4,600 per annum. Later, from June, 1948 to April, 1949, he was employed by the War Production Roard, Vashington, D. C., as Head Program Planner at a salary of \$7,100 per annum. He was Assistant to Robert Nathan. His duties consisted of economic analysis of war programs, preparing studies on submarine warfare, copper production and listeen with the War Department. He was also a member of the Quarter master's Advisory Board.

Prom April, 1943 to August, 1944, Newman was employed by the Foreign Economic Administration as Head Intelligence officer in Vashington, D. C., and Lendon, England, at a selery of \$8,600 per annum. In this position his duties were described as being responsible for economic intelligence obtained from enemy countries, economic war preparation, bomb damage assessments

SECURITY INFORMATION - CONFIDENTIAL

### BE RITY INFORMATION - CONFI. TITAL

with the Ministry of Economic Verfare, and preparation of economic material for the Givilian Affaire Section of the United States Army. He worked water the direction of Winfield Riefler, United States Minister to England.

Commence of the first of the second of the s At the request of the then mader-Secretary of War, Robert P. Patterson, to the Foreign Response Administration, Bownen was loaned to the Far Department on August 21, 1944, for a three months' period, but extensions to this look governed were subsequently granted. His services were relinquished by the Far Department because his services were needed by 🦈 Judge Vinsen, believed to be the former secretary of the Treasury, and new Chief Justice of the Supreme Court, and Robert Fathan, in the Office of War Lobilization and Reconversion. Heman was approved by the Civil Service Commission as Fragram Analyst for the Office of War Nobilizetion and Reconversion on May 17, 1945, at a salary of \$8,000 per amoun. His salary was increased to \$9,000 per annum ( July 1, 1945. While employed with the Office of War Mobilization and Recenversies, he was counsel to the Senate special Consittee on Atomic Energy. Fewner resigned from the Office of War Vobilization and Reconversion in the Fall of 1946. He subsequently became connected with the magazine "New Republic." He was associated with this magazine until February, 1948. It has been reliably reported that during the Sunner of 1947, Newman was employed so an instructor at Tale University, teaching a course relating to the stonic Energy Act. (65-56402-3268)

ACTIVITIES:



SECURITY INFORMATION - COMPLESHIFAL



#### BY TRITY INFORMATION - CORPS. WITAL

It has been reliably reperted that in August, 1947, James Boy Newman was proposed as a speaker for a "freedom Meeting" to be held in New York City under the sponsorship of accentists and other professional members of the frequencies Citizens of America. Among other persons mentioned as possible speakers at this meeting were menty A. Falless and Mrs. Edward S. Bobinson. It is not known if the invitation to speak was extended to Newman or if he accepted the invitation to speak at such a rally.

(65-56402-3268)

The Progressive Citizens of America has been cited by the California Committee on Un-American Activities, Report 1947, as a "new and broader Communist front for the entire United States" formed in September, 1946, at the direction of "Communist steering committees" fron the "Communist-dominated National Citizens Political Action Committee" and the Independent Citizens Committee of the Arts, Sciences and Professions.

"The New York Times" dated Newember 18, 1947, contained an article entitled "Reds in Germany Reassured by U. S." which stated that Dr. James Roy Newman, Director of the State of Hesse, in a letter to the Communist Party in his State declared. "You gentlemen have my efficial and my personal promise that the Military Government will not interfere in the lawful occasions of any Democratic Party including the Communist." (64-200-232-4)

A confidential and reliable source reported that Hewman made a speech in New York during the early part of December, 1947, at the New School for Social Research. In a parphlet issued by the school, members of the faculty were described as individuals who had been expelled from their native countries because of political unreliability. It has been reliably reported that a great many Communist Party members have been in attendance at meetings held under the suspices of this school. (65-56402-3268)

BECURITY INFORMATION - CONFIDENTIAL

### SETRITI INFORMATION - CHAPI From

The New York "Journal American" for September 28 and 29, 1950, contained articles by Leslie Gould in which he stated Senator Brien McMahon was helped or, maybe more correctly, led by two lawyers, Merbert S. Marks and James Roy Mewman, in putting over the socialization of atomic energy. According to Gould, Newman did most of the drafting work on the McMahon Atomic Energy Bill and helped organize the Chicago University scientists and others in the "terrific" propaganda campaign that sidetracked the May-Johnson Bill which was put in shead of the McMahon Bill. Gould stated that although it was not spelled out in blust clear language, the basic program of the group, which included Newman, was that stonic energy should never be used as a meapon or product of private enterprise and that it should be socialized and internationalized. (U)

The article continued by stating that Hewman, when McVahon made Counsel for the Senate Special Committee on Atomic Energy, went with Henry Wallace to the "New Republic" when Vallace was severed from the Government payroll. Newman became the Washington editor of the "New Republic," and secording to Gould was, at the time of the article, on a retainer at \$800 a month with "New Republic" for articles he might write. The article described Newman as a smart, elever lawyer who was a close friend of Dr. Edward V. Condon, the head of the Bureau of Standards, who was charged with "knowingly er unknowingly" associating with Communists. Dr. Condon worked with Newson in the battle to put over socialization of stonie energy. According to Gould, Dr. Condon introduced Newman to Ignace Zlotowski, Polish nuclear scientist who was attached for s time to the Polish Embassy in Washington. Gould stated that Zlotowski was charged in testinony before the House Un-imerican Affairs Committee of being a Communist spy on atomic energy end of having been in contact with the head of the Russian MIYD. (62-3857**3-**A\*

SECURITY INFORMATION - CONFIDENTIAL

"The Yale Law Journal," Volume 60, Humber 8, for December, 1951, contained an article entitled "The Atomia Energy Industry: An Experiment in Hybridization" by James B. Perman. This article covered four fields as follows:
(1) Organization and Structure of the Counission, (8) Bases of Policy for the Production of Fiscionable Materials, بدار المعالد الم (3) ABC Production Contracts, and (4) Labor Belations and STATE OF THE STATE OF

. The Fashington City Hous Service for June 18, ..... 1953, reported that Enamuel Block, lawyer for Julius and Ethel Rosenberg, recently executed after conviction of violating the Repienage Law of 1917, stated he desperately sought divice from some experts on the Atomic Energy Law after Justice Douglas issued his stay of execution the day before, Bloch said he finally boated Joseph Mewman, former General Counsel of the Atomic Energy Commission. The Joseph Herman mentioned is probably identical with James Roy Herman who had held the above-described position. Block stated that Newman "traveled all might so he could be here today to aid we and to mid the presecution." Block also stated Newman gave him "some very valuable information but not nearly enough." He described Newman as "troubled" by "the many apparent conflicts of the punitive provisions of the Espionage Law and the Atomic Energy Law, " L.

The foregoing information to being furnished as the result of your request for an IBI file check and is not to be construed as a clearance or nonclearance of the individual involved. It is furnished for your confidential use and is not to be disseminated to unauthorized individuals or

ECURITY INFORMATION - CONFIDEN

Mr. Tolson Mr. Ladd Nid Mr. Bellinon Mr. Clegg Mr. Glavin Mr. Harbo Mr. Rosea Mr. Tracy Mr. Gearty Mr. Mobr Mr. Vinterrowd Tele. Room Mr. Holloman Mr. Sizoo Miss Gandy

ALL INFORMATION CONTAINED
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ADD 17 ROSENBERGS
AT ONE POINT DEFENSE ATTORNEY MARSHALL SAID HE DOUBTED THAT ANY
BEFORE THE BAR ON SUCH SHORT NOTICE AS TODAY'S HEARING.

WHICH PROVOKED VINSON TO CAUTION HIM NOT TO "LOSE YOUR TEMPER."

RETAINED FARMER AND MARSHALL IN THE ROSENBERG'S BEHALF. IT WAS FARMER
AND MARSHALL WHO GOT THE STAY FROM DOUGLAS YESTERDAY.

WHICH WAS BEFORE THE HIGH COURT EARLY THIS YEAR.

TO THAT AS A VAGRANCY CASE" AND INSISTED IT INVOLVED "FREE SPEECH."

THE SUPREME COURT ON JAN. 12 DISMISSED A CASE BY EDELMAN
THE COURT RECESSED FROM 2 TO 2:30 P.M. AND THEN BLOCH FINISHED HIS

6/18--KB302P

65-56402-4013 ENCLOSUME

WASHINGTON CITY NEWS SERVICE

ADD 18 ROSENBERGS

BLOCH PLEADED FOR PLENTY OF TIME -- AT LEAST A MONTH -- TO COLLECT
MATERIAL ON THE NEW POINT RAISED UNDER THE DOUGLAS STAY.
"NO DOUBT." BLOCH SAID. "THERE HAS TO BE A FINALITY AT SOME TIME TO
JUSTICE. BUT I DON'T BELIEVE THIS COURT EVER INTENDED THAT THERE BE AN END WHERE SUBSTANTIAL QUESTIONS OF LAW REMAIN -- ESPECIALLY IN A CAPITAL

BLOCH SAID HE DESPERATELY SOUGHT ADVICE FROM SOME EXPERTS ON THE ATOMIC ENERGY LAW AFTER DOUGLAS ISSUED HIS STAY YESTERDAY.

HE SAID THAT HE FINALLY LOCATED JOSEPH NEWMAN. FORMER GENERAL COUNSEL THE ATOMIC ENERGY COMMISSION WHO HELPED CONGRESS DRAFT THE LAW

"I PULLED HIM OUT OF CAPE COD, MASS. YESTERDAY." BLOCH SAID. "HE TRAVELED ALL NIGHT SO HE COULD BE HERE TODAY TO AID US AND TO AID THE PROSECUTION."

BLOCH SAID NEWMAN GAVE HIM "SOME VERY, VERY VALUABLE INFORMATION --

BUT NOT NEARLY ENOUGH.

HE DESCRIBED NEWMAN AS "TROUBLED" BY "THE MANY APPARENT CONFLICTS THE PUNITIVE PROVISIONS OF THE ESPIONAGE LAW AND THE ATOMIC ENERGY

IN RESPONSE TO A QUESTION FROM CLARK, BLOCH MAINTAINED THAT THE ROSENBERGS WERE ACCUSED OF TWO ACTS OF CONSPIRACY ON ATOMIC ESPIONAGE AFTER PASSAGE OF THE NEW LAW IN 1946.

"SOLE RESPONSIBILITY" FOR THE ROSENBERGS' DEFENSE. HE SAID HE DID NOT JOIN THE TWO "INTERLOPER" ATTORNEYS -- FARMER AND MARSHALL ON THEIR PROPOSAL THAT THE COURT SHOULD CONSIDER 11 POINTS. RATHER THAM THE ONE IMMEDIATELY RAISED BY THE DOUGLAS STAY.

AS BLOCH CONCLUDED. JACKSON CONGRATULATED HIM ON THE WAY HE HAS HANDLED THE CASE FOR THE ROSENBERGS.

"THESE PEOPLE." JACKSON SAID. "WERE FORTUNATE TO HAVE A COUNSEL OF YOUR COURAGE AND PERSISTENCE. I'M ALL FOR YOU. 6/18--KB318P

Mr. Tolson Mr. Ladd. Mr. Nichols. Mr. Belmoat Mr. Clegg. Mr. Glavia Mr. Harbo Mr. Rosen Mr. Tracy. Mr. Gearty. Mr. Nobr -Mr. Winterrowd Tele. Room. Mr. Holloman -Mr. Sizoo -Miss Gandy .

ADD 19 ROSENBERGS

BLOCH SAID THAT HE HAS AT ALL TIMES ATTEMPTED TO "UPHOLD THE DIGNITY

OF THE LEGAL PROFESSION."

"IT IS VERY EASY TO REPRESENT CLIENTS WITH A POPULAR CAUSE." THE
DEFENSE ATTORNEY SAID SOLMMLY. "I THINK IT IS TOO BAD THAT THERE IS
NOT MORE LAWYERS WILLING TO REPRESENT CLIENTS WITH UNPOPULAR CAUSES."

BLOCH'S ASSOCIATE. JOHN F. FINERTY, TOOK UP THE DEFENSE CASE WHERE
BLOCH'S ASSOCIATE. JOHN F. FINERTY. TOOK UP THE DEFENSE CASE WHERE
IS THE INNOCENCE OR GUILT OF THE ROSENBERGS.

"I'M QUESTIONING THE CONVICTION--NOT THE SENTENCES." FINERTY SAID.

PERJURED TESTIMONY."

HE SAID THAT IF THE COURT LETS THE EXECUTION GO AHEAD NOW "A REFLECTION INEVITIBLY WILL BE CAST ON THE INTEGRITY OF THE ORDERS OF THIS

FINERTY CRITICISED ATTORNEY GENERAL BROWNELL FOR "PUBLIC
PRONOUNCEMENTS "WHICH HE SAID CONDEMNED DOUGLAS" ACTION. AND HE SAID
THAT ACTING SOLICITOR STERN HAD FAILED TO PRESENT ANY ARGUMENT
FOR THE GOVERNMENT INVALIDATING DOUGLAS' CONCLUSION THAT THERE IS STILL

A "SUBSTANTIAL QUESTION" TO BE SETTLED.

Mr. Tolson Mr. Ladd. Mr. Nichols Mr. Belmoat Nr. Clegg. Mr. Glavia Mr. Harbo. Mr. Rosea. Mr. Tracy. Mr. Gearty. Mr. Mohr\_ Mr. Viaterrowd Tele. Room. Mr. Holloman. Mr. Sizoo. Miss Gandy.

FINERTY SPOKE LOUDLY AND RAPIDLY, FREQUENTLY ADDRESSING ONE OF THE JUSTICES INDIVIDUALLY.

HE SAID IT WAS HIS IDEA THAT A NUMBER OF THE JUSTICES DID NOT DOUBT THAT PERJURY HAD BEEN COMMITTED DURING THE ROSENBERG'S TRIAL BUT DID DOUBT THE GOVERNMENT'S KNOWLEDGE OF IT.

THE PRINCIPAL DEFENSE CONTENTION IN PAST ARGUMENTS WAS THE A-SPIES WERE CONVICTED ON THE BASIS OF LIES TOLD ON THE WITNESS STAND BY DAVID GREENGLASS, MRS. ROSENBERG'S BROTHER.

"THE STATE HAS PERMITTED A FRAUD ON THIS COURT BY THE PERJURED DOUGLAS BROKE IN TO REMIND FINERTY THAT THIS POINT HAD ALREADY BEEN CONSIDERED -- AND REJECTED--BY THE COURT IN THE NUMEROUS PREVIOUS APPEALS.

"THE COURT HAS RENDERED JUDGMENT AND I DON'T SIT TO OVERRULE THE COURT," DOUGLAS SAID, REFERRING TO HIS ACTION STAYING THE EXECUTION. FINERTY THEN LAUNCHED INTO AN ATTACK ON THE PROSECUTION AND ITS ALLEGED CONNIVING IN THE PERJURED TESTIMONY.

"THERE NEVER WAS A MORE CROOKED DISTRICT ATTORNEY IN NEW YORK THAN THE ONE WHO TRIED THE ROSENBERGS." HE SAID.

HE DID NOT MENTION ANY NAMES. ASSISTANT U.S. ATTORNEY JAMES B. KILSHEIMER, WHO FIGURED IN TRYING THE CASE. WAS LISTENING AT THE TABLE WITH GOVERNMENT COUNSEL.

6/18--KB328P

ADD 20 ROSENBERGS

CHANGED TO

ALL IMFORMATION CONTAINED

HERELY IS INVESSIFIED STATISTICS

HERELY IS INVESTIGATED

TO JOJ - 56402 - 4014

CHANGED TO

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EMILIAL UF PHUPERTY ACQL

Bufile: 100-355779Field Division

Date

Title and Character of Case: ATHAN GRUGORY

Date Property Acquired:

Source From Which Property Acquired: Elisabeth Bentley

Location of Property or Bulky Exhibit:

Safe deposit box, Manufacture Company

Reason for Retention of Property and Rfforts Made to Dispose of Same:

Evidence. Efforts presently being made to dispose of property.

Description of Property or Exhibit and Identity of Agent Submitting Same:

100 \$20 bills totalling \$2,000.00

ION CONTAINED

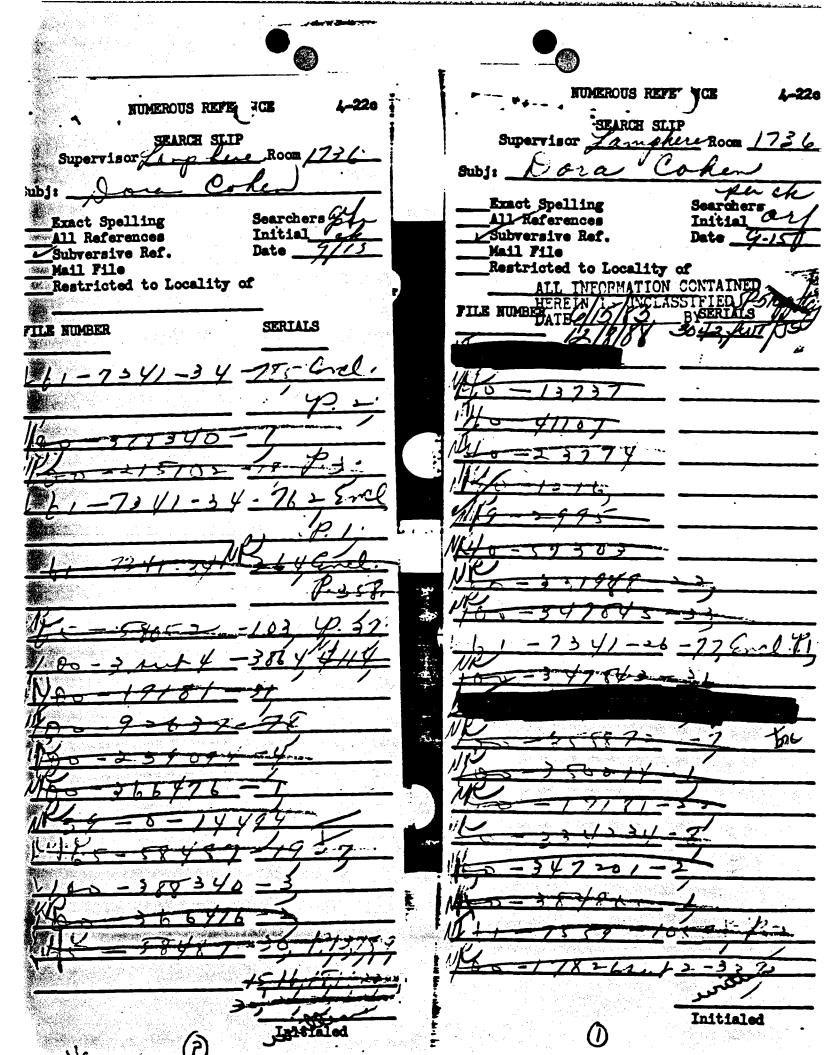
TT 66-6649

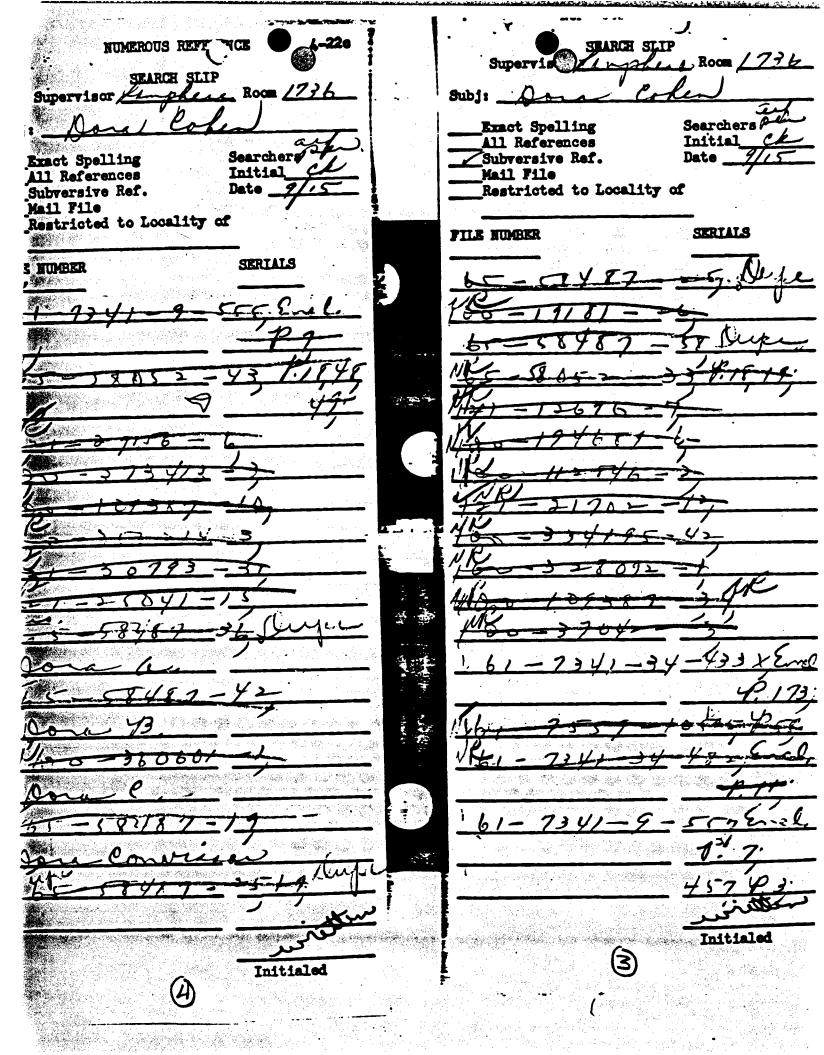
and the second

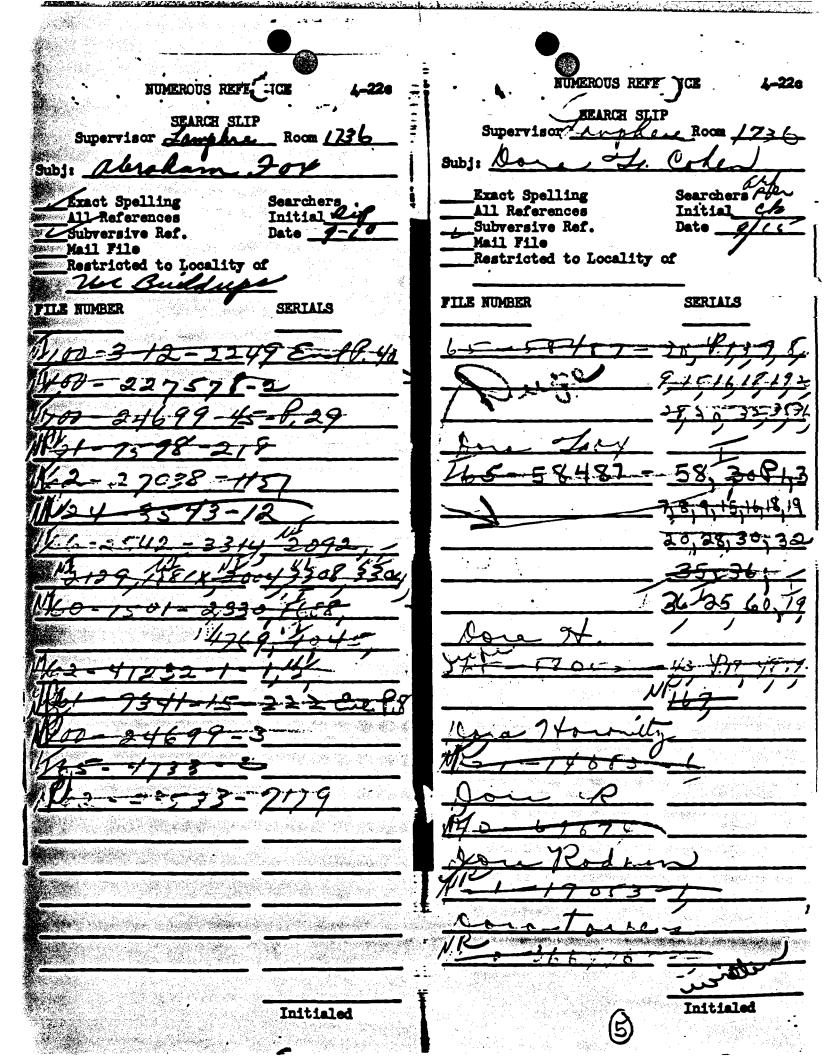
NOT RECORDED

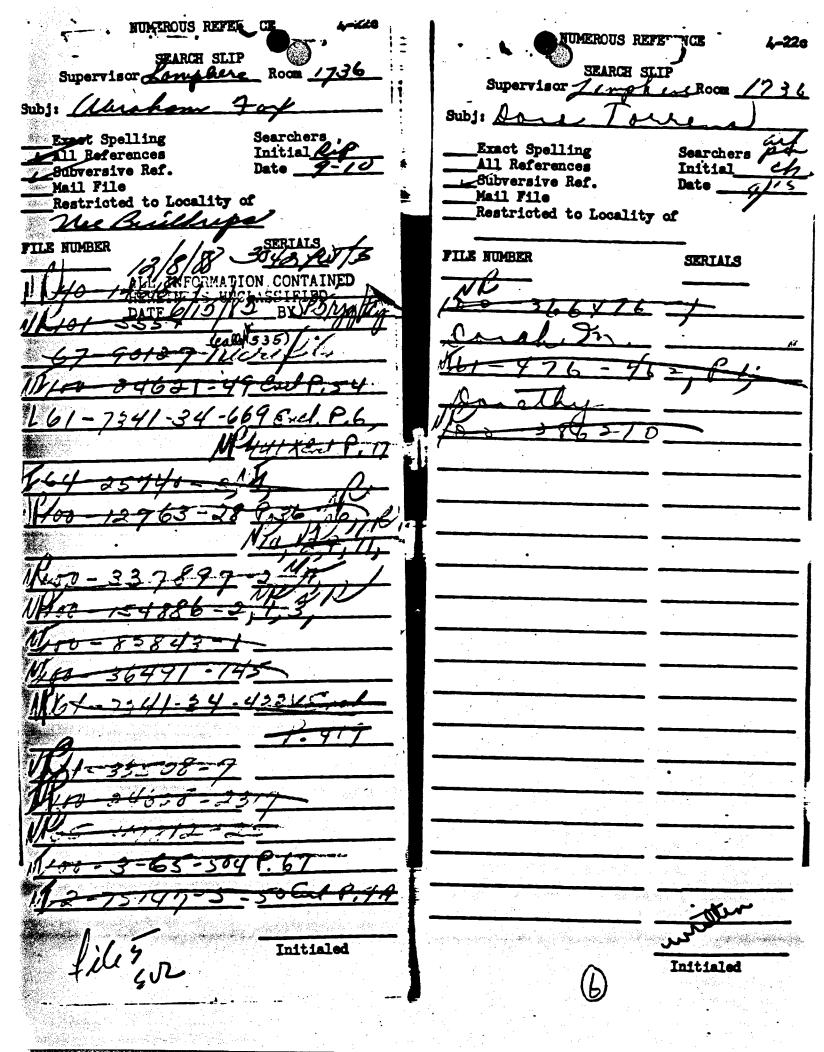
161AUG **14** 1953

Field File #:









Office Mem MR. A. H. BELMONT October 16. 1953 SUBJECT: McCARTHY SUBCOMMITTEE GREGURY ON INVESTIGATIONS On October 15, 1953, Colonel W. A. Perry advised ( Liaison Agent J. F. Sullivan that they had received word that the McCarthy Committee would next open its hearings into the loan of printing plates for printing script by the United You will recall that this incident States to the Russians. in the past has received considerable publicity in the press and allegations had been made that the United States had suffered undeterminable financial losses due to the uncontroll printing of United States script money in Occupied Germany by the Russians which, of course, had to be redeemed by the United States. The Army anticipates that it will be called upon to explain its part in the transaction. Colonel Perry will keep Agent Sullivan advised on the progress in this matter. It was also learned that Senator Carl Mundt will "chairman" this investigation. ALL INFORMATION CONTAINED ACTION: None. Liaison will follow HB:Sib

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(134-435)

ENTINATE - 2

HERE IS STORESSIFING STORES OF THE PARTY OF

"Gregory, Espionage " R." The Eurest desires that future committeetical regarding Elizabeth Bentley should be submitted under the above caption.

with respect to the proposal of IES to develop Bentley as informant or part-time consultant, the MO office was previously sontacted by IES in MO. with respect to this matter. The Bureau advised the MO office that they should reply to IES that we have advised the MO office that they should reply to IES that we have advised of years maintained contact with Elizabeth Bentley, ever a period of years maintained contact with Elizabeth Bentley, and that it is contemplated we will continue to contact her periodically and that it is contemplated we will continue to contact her periodically and that it is contemplated by IES as a part-time consultant if she so to her being stillized by IES as a part-time consultant if she so desired.

In view of the fact that you referred IES to the Buresq's headquarters, if an inquiry is received here, similar information will be furnished to IES. In the event you are again contacted will be furnished to IES. In the event you are again contacted regarding this matter by the local EY effice of IES, you should furnish them information in line with the above.

RJL: 146.

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### Mr. J.M. Cele, Room 2862 Wemorundum • United States Government

GREGORY

: The Director

DATE: October 19, 1953

SUBJECT: THE SENATE PERMANENT INVESTIGATING SUBCOMMITTEE (SENATOR MCCARTHY'S COMMITTEE)

STYOPSIS:

You asked for details concerning the inquiry which is be opened by the Senate Permanent Investigating Subcommittee (McCarthy Committee) on October 19, 1953, relative to officials who let the Soviet Union use United States printing plates to issue American military marks in Germany, which the U. S. later had to redeem. You asked whether there is any phase of this matter affecting the Bureau.

This is a matter which has previously been publicized in the press and it was the subject of hearings by a joint Senate committee of the Committee of Appropriations, the Committee of Armed Services, and the Committee on Banking and Currency during the 80th Congress in 1947. Their findings are contained in a 696 page report. The Bureau has not conducted any direct inquiry concerning this matter.

The previous Senate report set forth that early in 1944 a decision was reached to print Allied military marks which were to be issued in Germany when the occupation took place. marks were to be used jointly by the United States, British, French and Russian occupying forces. The U. S. agreed to supply the currency to the French and British but the Soviets manted the plates, paper and inks to turn out their own currency, in order, so they said, to be insured they would have an adequate supply of marks. On April 14, 1944, the Secretary of the Treasury Morganthau wrote a memorandum to the Soviet Ambassador Gromyko advising that the plates and other materials would be shipped to the Soviets April 18, 1944.

The previous Senate report sets forth that Harry Dexter White and William Henry Taylor, along with other officials, both played an important part in the negotiations leading up to the turning over of the plates to the Soviets. Thite, who is deceased; was named as a Soviet agent by both Elizabeth Bentley and Whittaken Chambers. Taylor was named as a Soviet agent by Bentley although she did not know him personally. Our files also reflect Colonel Bernard Bernstein, formerly a general counsel in the Treasury

*65-56402* 



Department, was also partially responsible for turning over the plates to the Soviets. Bernstein is known to have associated with White and with others involved in the Nathan Gregory Silvermaster network. He was disparaging in his remarks about the Bureau as early as 1940. Information concerning these three individuals was disseminated in summaries on the Nathan Gregory Silvermaster case dated February 21, 1946 and October 21, 1946, which went to the President, the Attorney General, State, Treasury, and the intelligence agencies.

It is to be pointed out that in the previous hearings concerning this matter it appeared that the decision to turn over the currency plates to the Soviets was made on a very high level by the U.S. Government, being agreed to by the Treasury and State Departments and concurred in by the Army. The previous hearings did not succeed in establishing that any one person was directly responsible for the decision, although White was very active in the matter.

#### RECOMMENDATION:

This is for your information in answer to your inquiry and we will carefully follow the results of the hearings now being conducted to determine the identity of any other persons who were responsible for this action and concerning whom there is subversive derogatory information.

#### DETAILS:

In a news release put out by the Senate Permanent Investigating Subcommittee on October 17, 1953, it was reported that that Committee would reopen a search on October 19, 1953, for the identity of officials who let the Soviet Union use U. S. printing plates to issue \$250,000,000 worth of German currency which this country later redeemed. It was announced that Senator Karl E. Mundt would start the hearings in closed session. Public hearings were expected on October 20 and 21, 1953. You asked what did we know concerning this matter.

## SECRET

Also, on October 16, 1953, we were advised by Colonel V. A. Perry of the Army that Army officials expected to be called concerning this same matter. Iou asked whether there was any phase of the matter which would affect us. Ve have not previously conducted a direct investigation of this matter, although there is information in several of our files concerning individuals who were reportedly involved in this transaction. They will be described later in this memorandum.

During 1947, three committees of/Senate held hearings in connection with this matter. These were the Committee on Appropriations, the Committee on Armed Services and the Committee en Banking and Currency, sitting jointly. They issued a report entitled "Occupation Currency Transactions" during the 80th Congress. This is a lengthy report of 696 pages. It appears from the report that one of the problems incident to the occupation of Germany was the issuance of extrency. The U. S. and British Governments desired the Soviet Union to use the Allied military currency and not to print currency of its own. At the time this decision was reached it apparently was centemplated that there would be a joint occupation of Germany rather than zones. Early in 1944, negotiations began with the Soviets regarding this and the Soviets agreed to issue the Allied currency but wanted the plates, paper and ink to print the marks, arguing that this was the only way they could be insured of an adequate supply. The decision to furnish to the Soviets the plates was arrived at by the Treasury and State Departments and concurred in by the War Department. The French and the British were going to be issued ourrency printed in the U. S.

The American Ambassador to the Soviet Union, Harriman, on February 15, 1944, cabled that the Soviet Government wanted to print part of the currency in the Soviet Union to insure a constant supply for the Red Army. On March 7, 1944, according to a memorandum prepared by Villiam Henry Taylor of the Treasury Department, he had participated in a meeting of Treasury officials, including Harry Dexter White, Assistant Secretary of the Treasury. During this meeting White said he did not want to turn the Ruseians down on the isque of the plates and said that it was Allied currency which was being printed and not U. S. currency. He said it would be necessary to trust the Russians in the matter.

The second second

On March 28, 1944, White prepared a memorandum on conversations he had had with Ambassader Gromyko in which White pointed out that Gromyko was not able to understand why the plates

## SECHET

could not be furnished to the Soviet Union and Gromyke was insisting on getting the plates, indicating in the alternative the Soviet Union would print its own marks. On April 14, 1944, a memorandum was prepared by James C. Dunn of the State Department reflecting he and Secretary Morganthau had agreed to the giving of the plates to the Soviets, inasmuch as otherwise the Soviets would print their own currency.

On April 14, 1944, a memorandum was written from Secretary Morganthau to Ambassador Gromyko informing him the plates, paper and ink would be shipped to the Soviets on April 18, 1944. A receipt for this material was signed for by the Soviet Embassy in Vashington on April 21, 1944.

PERSONS RESPONSIBLE FOR TURNING OVER THE PLATES TO THE SOVIETS:

The hearings in 1947 did not establish that any particular person was responsible for the turning ever of the plates to the Soviets. It also appears from a review of the 1947 report that the decision to turn ever these currency plates to the Soviet Government was made on a very high level in the U.S. Government, being agreed to by the Treasury and State Departments and concurred in by the Army. The following three individuals on whom there is subversive derogatory information appear to have played an important part in the matter.

#### Harry Dester Thites

Harry Dexter Thite was employed by the Treasury Department from 1934 to 1946 and was the Assistant Secretary to Morganthau during the war. In 1946 he became Executive Director of the International Monetary Fund where he remained until his death on August 16, 1948. He has been named as a Soviet Agent by both Flizabeth Bentley and Thittaker Chambers.

Villiam Henry Taylor: (5)

William Henry Taylor was employed by the Treasury Department from 1941 to 1946 except for a period during which he was an American representative of the Chinese Stabilization Board in China. He was a principal economics analyst in the SECRET

Division of Monetary Research in the Treasury Department. In 1948 he was appointed to a position in the International Monetary Fund where he is still employed. Elizabeth Bentley, while never meeting Taylor personally, stated that Taylor was a part of the Nathan Gregory Silvermaster network and was a close associate of Harry Dexter Thite. We investigated Taylor as an outgrowth of the Nathan Gregory Silvernaster case and in May, 1953, we opened an investigation of him under the character of Loyalty of Employees of the United Nations and Other Public International Organizations. We disseminated pertinent reports in that investigation to the Criminal Division and to the Civil Service Commission on July 17, 1953. (138-348)

## Colonel Bernard Bernstein:

Colonel Bernard Bernstein was appointed to a position in the Treasury Department in 1933, becoming general counsel prior to being detailed in January, 1943, to the War Department in charge of cartel investigations in Germany. He was also financial advisor to General Eisenhower and worked under the Office of Military Government in Germany.

During our investigation of the Nathan Gregory Silvernaster network we determined that Bernstein was a close associate of Harry Dexte White, Abraham George Silverman, and William Ludwig Ullman. Our files reflect that Bernstein was last known to be a practicing attorney in New York City. (62-61512)

Information concerning all three of the above individuals have been disseminated to the White House, the Attorney General, the State Department, the Treasury Department, and the intelligence agencies in our summaries in the Nathan Gregory Silvermaster case. dated February 21, 1946 and October 21, 1946.

Mr. Glavia Mr. Harbo Mr. Roses Mr. Tracy Mr. Gearty. Mr. Mobr Mr. Vinterrowd Tele. Room Mr. Holloman Mr. Sizoo Miss Gaady

dr. Michall Mr Belmont

RELEASE AT 7:00 P.M. EST) THE SENATE PERMANENT INVESTIGATING SUBCOMMITTEE WILL REOPEN A SEARCH MONDAY FOR THE IDENTITY OF OFFICIALS WHO LET RUSSIA USE U.S. PRINTING PLATES TO ISSUE \$250,000,000 WORTH OF GERMAN CURRENCY WHICH THIS COUNTRY REDEEMED.

SEN. KARL E. MUNDT (R-S.D.) WILL START THE HEARINGS IN CLOSED SESSION IN THE ABSENCE OF SEN. JOSEPH R. MCCARTHY WHO IS IN NEW YORK. PUBLIC HEARINGS ARE EXPECTED TUESDAY AND WEDNESDAY.

THE SENATE BANKING, ARMED SERVICES AND APPROPRIATIONS COMMITTEES INVESTIGATED THE CURRENCY ISSUE IN 1947, BUT MUNDT SAID THAT THE URGING DID NOT CLEAR UP W C WAS RESPONSIBLE FOR ALLOWING RUSSIA TO GET THE SET OF PRINTING PLATES, NOR THE REASON.

THE UNITED STATES ISSUED ALLIED OCCUPATION MARKS DURING AND AFTER WORLD WAR II FOR USE OF TROOPS IN GERMANY.

THE 1947 INVESTIGATION DISCLOSED THAT A SET OF PRINTING PLATES FOR THE OCCUPATION CURRENCY WAS FLOWN TO RUSSIA IN A U.S. ARMY PLANE IN 1944. IT WAS BELIEVED THAT THESE PLATES TURNED OUT CURRENCY IDENTICAL WITH THAT ISSUED BY THE UNITED STATES.

THE OCCUPATION CURRENCY WAS USED UNTIL SEPTEMBER. 1946. AND WAS

REDEEMABLE FOR SOME TIME THEREAFTER.

THE SUBCOMMITTEE DID NOT DISCLOSE NAMES OF WITNESSES IT HAS CALLED TO TESTIFY.

1C/17--MJ235P

all OGT 22 1951

#### FEDERAL BUREAU OF INVESTIGATION

UNITED STATES DEPARTMENT OF JUSTICE

ATR-TEL

TORK, 10/23/5

Mr. Holloman

Miss Gandy.

Transmit the following Teletype message to: BEREAU

ATT: INSPECTOR CARL HENNRICH

GREGORY, ESPIONAGE-R. RE BUREAU TELEPHONE CALL 10/22/53 REQUESTING THAT

BEFORE SPECIAL SENATE PERMANENT INVESTIGATING SUBCOMMITTEE RELATIVE TO

RLIZABETH BENTLEY BE TELEPHONICALLY CONTACTED IN CONNECTION WITH HER TESTINGS

PHOTOGRAPHING OF INVASION WARKS AND ATTEMPTS TO PUT PRESSURE ON TREASURY DEPT.

TO OBTAIN ENGRAVING PLATES FOR SAID INVASION MARKS. MISS BENTLEY WAS REACHED

AT THE COLLEGE OF THE SACRED HEART, GRAND COTEAU, LOUISIANA, BY PHONE AT

4:45 P.M. EST, 10/22/53. WITH RESPECT TO WHETHER OR NOT MISS BENTLEY HAD

EVER MADE THIS INFORMATION KNOWN TO AGENTS OF THE FBI, SHE STATED HER PRESENT

RECOLLECTION IS THAT EITHER SOMETIME DURING THE INITIAL STAGES OF HER INTERVIEW

OR POSSIBLY WITHIN THE FIRST FEW MONTHS WHEN SHE WAS BEING INTERVIEWED, SHE DID

GIVE AGENTS OF THE NTO SOME INFORMATION CONCERNING A REQUEST BY HED CONTACT I

TO OBTAIN SAMPLES OF INVASION MARKS SO THAT THEY COULD BE PHOTOGRAPHED.

PURSUANCE OF THIS, SHE HAD ENLISTED THE ASSISTANCE OF LUDWIG ULLMAN, WHO HAD

OBTAINED THESE MARKS PROBABLY THROUGH HARRY DEXTER WHITE, AND MADE THEM AVAILABLE

FOR PHOTOGRAPHING; THAT FOR SOME REASON THE PHOTOGRAPHS DID NOT TURN OUT AND

SHE WAS THEN INSTRUCTED TO ATTEMPT TO PUT PRESSURE ON TO OBTAIN THE ENGRAVING

PLATES OR TO HAVE THESE ENTRAVING PLATES MADE AVAILABLE TO THE RUSSIANS. SHE

WAS UNABLE TO STATE PRECISELY WHEN THIS INFORMATION WAS MADE AVAILABLE TO AGENTS

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Approved 10- Lange in Charge

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# FEDERAL BUREAU OF INVESTIGATION UNITED STATES DEPARTMENT OF JUSTICE

THO

Transmit the following Teletype message to:

OF THE MYO OR WHETHER THIS INFORMATION WAS GIVEN AT A TIME WHEN SHE WAS BEING SPECIFICALLY QUESTIONED REGARDING LUDWIG UILMAN AND HARRY DEXTER WHITE. HER IMPRESSION, HOWEVER, WAS THAT SHE DID MAKE SOME REFERENCE TO THIS SITUATION. SHE ALSO RECALIED THAT ABOUT A YEAR OR SO AFTER HER DEFECTION SHE WAS FIRST CALLED BEFORE THE FERGUSON COMMITTEE IN WASHINGTON AND SUBSEQUENTLY TO THE HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES AND LATER TO THE MC CARRAN COMMITTEE. SHE IS ALSO OF OPINION THAT SHE PROBABLY TESTIFIED BEFORE SEVERAL OTHER COMMITTEES JUST SUBSEQUENT TO HER APPEARANCE AT THE MC CARRAN COMMITTEE. IS HER PRESENT RECOLLECTION THAT WHILE TESTIFYING BEFORE THE MC CARREN COMMITTEE OR JUST SUBSEQUENT THERETO SHE TESTIFIED CONCERNING HER REQUEST ON BEHALF OF HER CONTACT "BILL" TO OBTAIN SAMPLES OF THE INVASION MARKS AND ALSO SOME TESTIMONY REGARDING EITHER OBTAINING OR PUTTING ON PRESSURE TO HAVE THE ENGRAVING PLATES TURNED OVER TO RUSSIA. SHE STATED IN SEVERAL OF THESE COMMITTEES WHEN SHE GAVE CERTAIN TESTIMONY IT WAS "OFF THE RECORD" AND SHE DOES NOT KNOW Whether her testimony concerning the invasion marks was one of those "off the RECORD MATTERS. SHE FURTHER STATED SHE DOES NOT HAVE ALL THE TRANSCRIPTS OF HER TESTIMONY BEFORE THE NUMEROUS COMMITTEES BEFORE WHICH SHE HAS TESTIFIED AND COULD NOT TELL AT THE TIME THIS CALL WAS MADE DEFINITELY BEFORE WHICH COMMITTEE SHE HAD SO TESTIFIED ABOUT THE INVASION MARKS AND ENGRAVING PLATES. HER ATTENTION WAS DIRECTED TO THE FACT THAT SHE DEVOTED A PARAGRAPH IN HER BOOK "OUT OF BONDAGE" TO THIS PARTICULAR WATTER, AND SHE STATED SHE HAD COMPLETELY forgotten that she had made mention of this in this book. In the she was asked

Approved:	Sent	Per
	and the second s	

Special Agent in Charge





## FEDERAL BURBAU OF INVESTIGATION

## UNITED STATES DEPARTMENT OF JUSTICE

THREE

Transmit the following Teletype message to:

TO THINK THE MATTER OVER TO RECALL IF POSSIBLE PRECISELY AT WHAT TIME THIS
INFORMATION WAS GIVEN TO BUREAU AGENTS AND, IF POSSIBLE, IF IT WAS IN GENERAL
CONVERSATION OR WHETHER IT WAS DURING A TIME WHEN SHE WAS BEING QUESTIONED
SPECIFICALLY ABOUT VARIOUS INDIVIDUALS SUCH AS SILVERNASTER, ULLMAN, HARRY
DEXTER WHITE, AND FORMER SECRETARY OF THE TREASURY HEARY J. MORGENTHAU, JR.
SHE STATED SHE DID NOT THINK SHE COULD SHED ANY FURTHER LIGHT ON IT BUT
WOULD ATTEMPT TO CONSIDER THE MATTER AND WOULD ADVISE THE NYO IF SHE WAS
ABLE TO GIVE ANY FURTHER DETAILED INFORMATION REGARDING HER DISCLOSURE
OF THIS PARTUCULAR INCIDENT.

BOARDMA N

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Approved:\_\_\_\_\_

Bent\_

Per

# MR. A. H. BELMONT

nr. C. R. Referich

CLIEABETH TERRILL BENTLET SECURITY INFORMATT w7110 184-435

ALL INFORMATION CONTAINED HEREWA

ESPIONAGE - 2

Bufile 101-4053

I talked with Supervisor for Spencer, Mil, on t afternoon of October 22, 1953. I sutherized him to call Elizabeth Bentley in New Orleans to determine whether she had ever furnished to the Bureau information to which she testified before Senator Bundt's Countities regarding obtaining samples of German marks to be used as occupation seript by 8. S. military forces. Bentley also testified that she had assisted in putting pressure on Barry Bester Thite to have the plates of this script made swellable to the Bussians.

Supervisor Spencer later advised that he had talked to Bentley and that it was her recollection she had furnished this information to the Bureau during the first three or four months of our interviews with her. She was semewhat heay as to whether she had furnished the information concerning the plates. She did not recall having written this information in her book, "Out of Bondage."

The STO to continuing the efforts to locate information in its files.

ACTION:

I instructed the HTO to send an air-tel to the Bureau topering the conversation with Bentley.

185 OCT : 1953

00-65-56402 (Bathan Gregory Silvermaster case)

INITIALS ON ORIGINAL

58 NOV 4 1953

October 22, 1953

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in . D. M. LADD

in . A. R. Believe

HARRY DEXTER THIS espionaux — b (Bursie 101-4009)

Elizabeth Benbley testified before the Senate Investigating Jubosamittee headed by Jonator Karl S. Winds on October 21, 1958. She testified her espianage superiors in 1944 instructed her to go to Washington and to transmit orders te Hatham Tregery Silvermaster and Tilliam Ludwig Vilman who uere to put pressure on Barry Dester White to obtain sumples of the Allied currency morks which were to be used in the German occupation. Thise of that time was desiriant to the Secretary of the Treasury, Morgenthau. Dentley stated the samples were obtained from thite's office and she took the samples to Hew York but her superiors were unable to phetograph them because of their color. The testified she them received instructions to tell dilurrester and Uliman to expect additional pressure to get the plates turned over to the Soviets so that Huesis could make its our Jerman secupation noney.

A review of the Bureau's files has been made to determine if Elizabeth Bentley at any time jurnished us this same informations and no information has been located reflecting us received such information from her during interviews. It is noted that Elizabeth Bentley's book, "Out Of Bondage," published in October, 1951, (which had previously appeared in the May, June, July, and inques, 1951, issues of McCall magazine as "My Life is a spy") cost contain the following passage on page 241: In speaking of Vilmon she states "Around this time he also brought me samples of the marks the United States was preparing for use in the German cooupation. The Bussians were delighted as they were planning to counterfest them, however, due to a complicated ink precess, this proved impossible - until I use able through Rurry Dester Thise to arrange that the United States Treasury turn the actual printing plates over to the Hussians F

It might be noted that when Bentley was interviewed starting in November, 1945, by our agents, the jurnished information concerning Burry Dester Thise and the type of information which

the explanage natural obtained through Thise. It does not appear from our files that she mentioned anything about obtaining samples of the Allied occupation marks or relative to putting pressure on Thise to obtain for the Sussians the actual Allies currency plates. In 1967, the hearings before the denate Counities, which were the Counities on Appropriations, the Counities on Appropriations, the Counities on Armed Services, and the Counities on Banking and Currency, did limb Thise to the ourrency plate matter. In 1951, the date appears in Bentley's book. It is believed necessary for us to attempt to resolve this matter and have Bentley interviewed concerning this information.

Former Special Agent Filliam A. Feler telephonically advised Supervisor R. J. Lamphere that Elizabeth Bentley planned to return by plane to New Orleans on the evening of October St. 1965.

#### RECOICERDATION

There is attached an air-tel to the New Orleans Office, with copies to New York and Yashington Field, instructing the New Orleans Office to interview Bentley concerning her testimony before the Senate Committee headed by Senator Mundt. The vill be asked whether she ever previously furnished the data concerning the Allied currency plates to the Bureau, and, if not, how it was that the recalled the information.

URGSNE AIR-TEL

### OCTOBER 22, 1950

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PLIZABETH BENTLEY TESTIFIED HARRI DEITIE THITE, ESPICAGE - R. BEFORE SCHATE INVESTIGATING SUBCOMMITTER OF 10-21-53, STATING THAT SAUPLES OF ALLIED MILITARY MARKS WERE OBTAINED BY HER FROM WILLIAM ULLWAN GOT THESE SAMPLES FEOM HARRY LUDVIS ULLHAN IN ABOUT 1944. DESTRUCTION BESTLET LATER INSTRUCTED SILVERSASTER AND ULLMAN THAT THEY COULD REFECT ADDITIONAL TRESLORS PUT OF TO GET THE ALLIED CHALENCY PLAYES TURNED OVER TO THE BUSILANS. SENATE COMMITTEE MEARINGS IN 1947 DEVELOPED WHITE WAS ACTIVE IN HEGOTIATIONS SHICK RESULTED IN THE CURRENCT PLATES BEING TURNED OVER TO THE RUSSIAL IN APRIL, 1944. HO INFORMATION LOCATED BUFILES THAT BENTLEY FURNISHED US THE DATA ON THIS MATTER. BENTLEY'S SOOK, "OUT OF BONDAGE, PAGE 241, CONTAINS SIMILAR INFORMATION TO HER TESTIMONT. BENTLEY REFORTEDLY RETURNED TO NEW ORLEANS FROM VASHINGTON BY PLANS ON 10-21-53. HEW ORLEANS INCIDENTELL INTERVIEW HER, ASK HER IF SIR EVER GAVE THIS INTORNATION TO THE DUREAU, AND, IF NOT, THEN IT WAS THAT THE RECALLED THE INFORMATION. SECURE ANY OTHER DETAILS SHE MAS CONCERNING THE MATTER. STAIR-TEL AND REPORT IN THIS CASE OF THE INTERVIEW. WFO SUBMIT REPORT OF SHITE INCORPORATING PATA IN 1947 SENATE HEARINGS BEFORE COMMITTEE ON APPROPRIATIONS, THE COMMITTEE ON ARMED SERVICES, AND THE COMMITTEE OF BANKING AND CURSINGE AND ALSO INFORMATION DEVELOPED IN THE CURRENT HEARINGS LE WHITE. ALL INFORMATION CONTAINED

HEREIN IS MICHASSIFIED 5 MATERIAL HOOVES

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65-56

PEDERAL BUREAU OF INVESTIGATION LITED STATES DEPARTMENT OF JUST

To: COMMUNICATIONS SECTION POSSESS 28, 1949

A HATES UNGLYT

Transmit the following message to Blant Butten fuite, beriorles blas d. BLIBARER BERTLET TESTIFIED BEFORE SEELER INVESTIGATION SUNCOMMERCES OF OCTOBER TVENTIONS LAST STATISS THAT SAMPLE OF ALLIES MILITARY MARKS FRRE OBTAINED BY HER FROM VILLIAM LUBSIS SLLMAN IN ABOUT NINETEEN FORTHOUR. ULLHAN GOT TYPE SAMPLES PROM MARKE DELTES VELTE. BESTLEY LATER INSTRUCTED TETT MASTER AND VALUE RELATIVE TO PUTTING PRESURE OF VEITE TO MYE CUMBERT PLATES TURKED OVER TO THE RUSSIARS. SEEATE COMMITTED BRARINGS IN BIRETRAN PORTYSHYRN DRYNLOPED WHITH WAS ACTIVE IN BEGOTIATIONS VEICH RESULTED IN THE PLATES BRING TURNED OFFE TO THE RESSIANC IN APRIL, NINSTERN FORTYFOUR, NO INFORMATION LOCATED POYTERS THAT DESTLEY FURNISHED US THE DATA OF THIS MATTER. BENTLEY BOOK, CHOTE OUT OF BOUDAGE RED QUOIS PAGE ING FORTIOUS CONTAINS SINILAR INFORMATION TO HER TESTIMONY. BENTLEY THEM TELEPHONICALLY Controlly becausing multip of him loug verse of octobed labilities THE SHE THOUSET SHE IURNIBERY THIS INFORMATION DURING RABLE of interviews vith him value statem in boundary, bibeten PORTEFICE. HER CHERALARS IMMERIATELY INTERVIEW RES AND SECOND COMPANY DETAINS CONTRACTOR VALUE S INVOLVMENT IN THIS MATTER. STRUIT AIRTEL AND REPORT IN THIS CASE. WHO STRUIT REPORT OF THIS

INCORPORATING DATA IN THE CURRENT REALINGS VAICE VERS BEFORE JOINE

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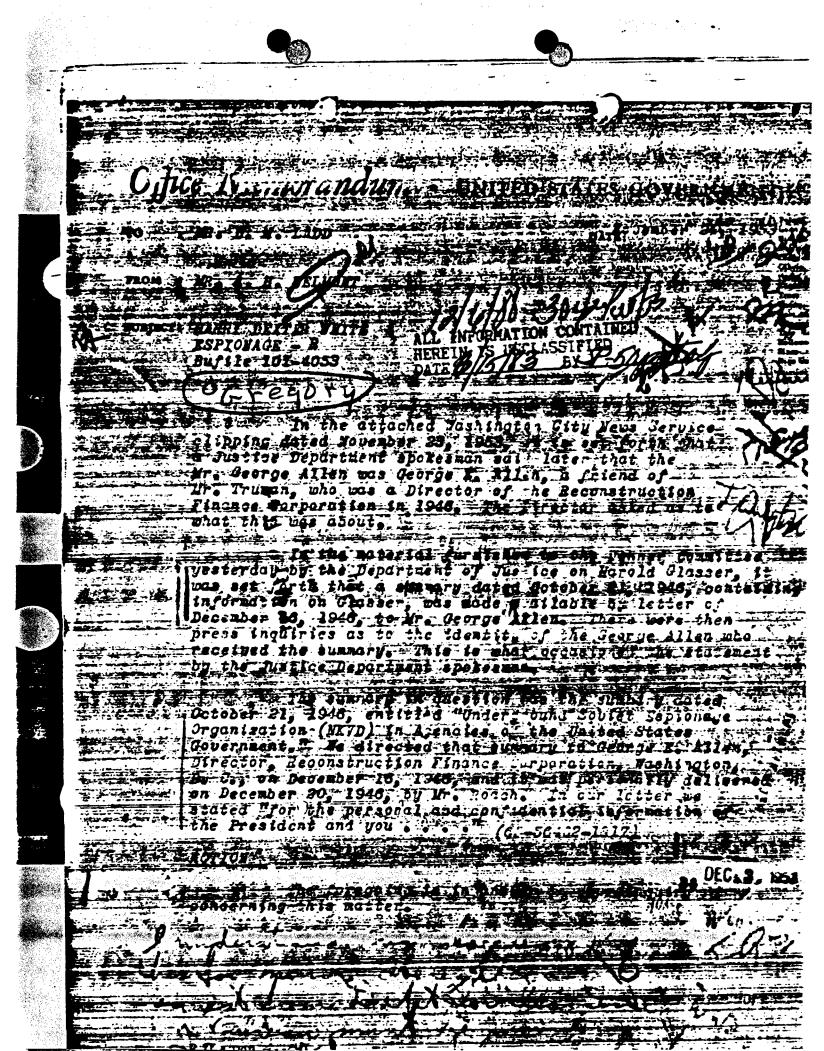
Briath Committees of Telegratuations' These Session

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CONTINUED

MAKE SURE THAT ALL PERTISENT DATA IN MER BOOK IS SHAMBLISHED TO APPROPRIATE INDIVIDUAL PILES, MEN YORK ADVISE SUREAU BY MENO.

HOOVER



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A JUSTICE DEPARTMENT SPOKESMAN SATOR CE E, ALLEN, A FRIEND OF MR. TOPET Com fruction finance corp. In 1946 7

M. D. M. LADD

M. A. H. BELHOUT

MARRY DELTE FRITE MAPTORIOE - B Suffle 101-4653 In connection with the attached Funkington City From Service story dated Sevenber 23, 1953, on Marold Classer, the Director inquired That about this

The news story reflects the Justice Department supplied the Senate Internal Security Subcounities with a statement showing the dissemination on Bureld Glasser. Ion will recall that pursuant to a memorandum from the Criminal Division dated Sevenber 19, 1953, we are working an preparing the dissentaction we made on eleven individuals, including Olesser. We are also checking the summaries prepared by the Department to see if they reveal confidential informants, confidential techniques, and whether the summaries will interfere with current investigations. We are also checking the accuracy of these etatements. Mr. Hichols' memorandum of Hovember 23, 1953, reflects Robert Minor of Mr. Regers' effice furnished a copy of the material the Department of Justice use making available to the Jenner Counities. Mr. Hichels informed him that it was up to the Department so to whether this naterial should be given to the counities. It would appear that the Department to not willing to wait for us to go over the material earefully and has taken it upon themselves to furnish information to the semittees Fo are going sheed with drawing up the dissemination made on the eleven individuals and else checking the summaries prepared by the Department.

ACTION

The foregoing to for your information.

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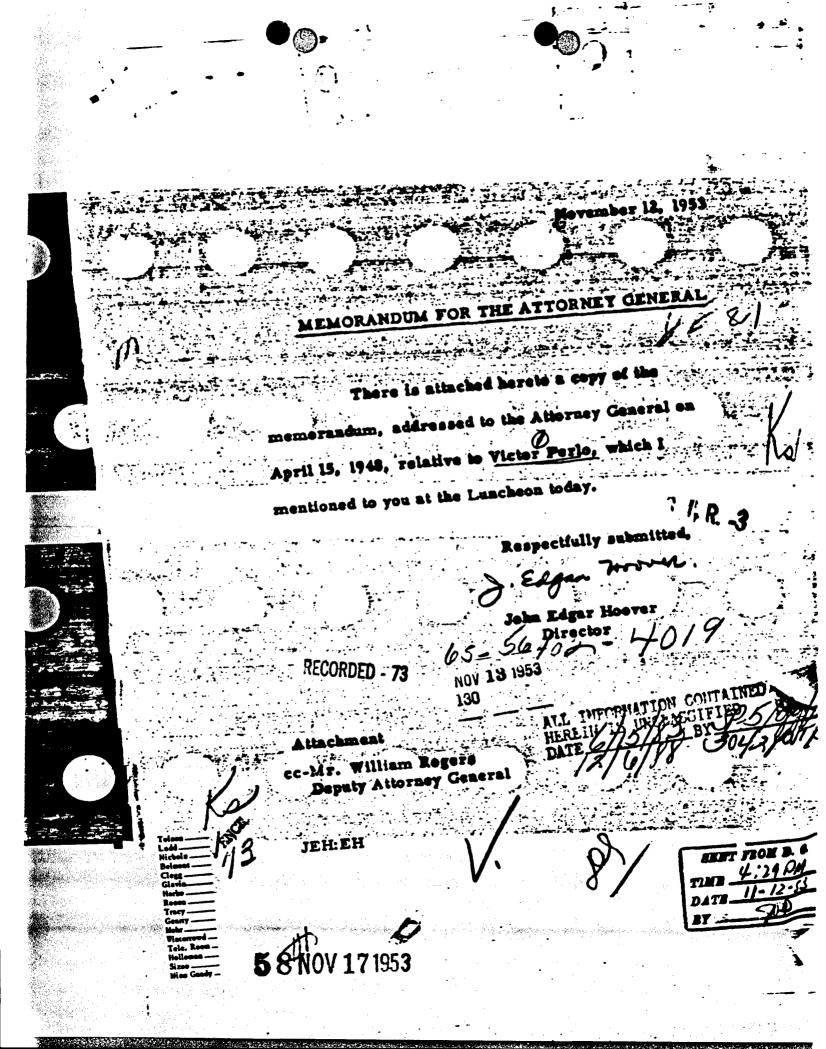
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**ZJLraus** 

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## United States Department of Justice Tederal Sureau of Investigation Washington 25, D. C.

IN REPLY, PLEASE REFER TO

COPY
April 18, 1948

30 42 / W/ / 5 Markey

VICTOR PERLO

I have received information from a source in New York, who is entirely satside of the Justice and Treasury Departments, relating to an aspect of the Gregory Case, which I wanted to pass on to you.

According to my source of information, who has heretofore been found to be reliable, efforts are being made at are to be made by representatives of the Treasury Department to have you concur in some course of action which will emmerate the Treasury Department from any blame for centiming to employ Victor Perlo after Treasury officials were advised of his participation in the activities of the Communist espionage ring. Treasury officials are reported to be endeavoring to have you individually or jointly with a high-ranking Treasury efficial make some statement or execute some document which will indicate that the Treasury Department's action in retaining Perlo as an employee had the concurrence of the Department of Justice or was done at the suggestion of the Department of Justice are was done at the suggestion of the

If any official of the Department made this suggestion or concurred in this program, it certainly was done without the knowledge of the Federal Bureau of Investigation. As a matter of fact, I desire to point out that the maintenance of Perlo in Government employment was not continued either at the suggestion of any representative of the Bureau or with the concurrence of the Bureau.

You will recall that as early as March 4, 1946, a defailed summation of the Gregory Case, including the participation of Treasury employees, was farnished to the Secretary of the Treasury. At the request of Mr. Lawson Moyer of the Personnel Investigations Section of the Treasury Department, he was farnished on September 12, 1946, with a general summation of Perlo's activities.

The Bureau has been advised from a confidential source, heretofore found to be entirely reliable, that in November or December of 1946, a Treasury Department official, Harold Glasser, after receiving the FBI information about Perlo's activities, discussed it with his superior and decided that Perlo should: be let out of the Treasury Department. Glasser advised Perlo to leave the Treasury Department since he had not been cleared on loyalty grounds, but

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pointed out that if Perlo wanted to fight the charges, he could do so. Perlo indicated that he would look for another job. Later Mr. Feley of the Treasury Department advised Classer that the Department had made a mistake in telling Perlo to leave the Department. Glasser talk Feley that Perlo did not indeed to fight the charges, but in the measurable the employment of Parlo was continued, and, according to the Bureau's source, Parlo was allowed to continue to have and, according to the Bureau's source, Parlo was allowed to continue to have access to documents of a confidential, classified, or restricted mixty.

The Treasury Department received a request in March of 1967, from the State Department, for a recommendation to fill the position of Treasury Department the Intergovernmental Committee on Refugees. Glasser of the Treasury Department recommended Perio for the State Department post without advising the State Department of the charges which had been made against Perio, Glasser believing Department of the charges which had been made against Perio, Glasser believing that this would be a desirable way of removing Perio from the Treasury Department with Mr. Spingarn of the General ment rolls. Glasser discussed this procedure with Mr. Spingarn of the General Ment of the Treasury Department, who was aware of the allegations Counsel's Office of the Treasury Department, who was aware of the allegations made against Perlo. Fortunately in this regard, the State Department determined Perlo's background and did not hire him for this post.

It seems to me entirely improper for the Treasury Department to attempt to justify their ill-advised and dangerous action in continuing Perlo in a position where he had access to confidential, classified and restricted material, a position where he had access to confidential, classified and restricted material, after they had learned of his participation in an espionage ring by alleging at this late date that their inaction was predicated upon a suggestion from or carried out with the concurrence of the Justice Department. The fact that Perlo was notified by Glasser that he should leave the Treasury Department for loyalty notified by Glasser that he should leave the Treasury Department's position. reasons clearly indicates the falsity of the Treasury Department's position, but that at an later it is noted that Feley countermanded Glasser's instruction, but that at an even later date Glasser, with full knowledge of Perlo's espionage activities, even later date Glasser, with full knowledge of Perlo's espionage activities, recommended him to the State Department for the purpose of removing him from the Treasury Department.

These facts, it seems to me, clearly indicate that the entire course of action followed by the Treasury Department was predicated upon their own views and without any reference to any opinion or suggestion emanating from the Department of Justice.

I feel, consequently, that the Treasury Department, and the Treasury Department alone, should accept the responsibility for what was exclusively their own course of action.

I have set forth these facts in some length because as I have indicated
I have set forth these facts in some length because as I have indicated
I am advised that you will be approached directly or indirectly to share the responsibility for this matter with the Treasury Department.

11/10/53

MR. TOLSON

L. B. WICHOLS

ALL INFORMATION CONTAINED

HEREIN IS SIFE DO NATE OF STATE OF STAT

I have been advised in the strictest of confidence by a very responsible newspaperman with whom we have had friendly contacts that a defense is now being prepared for the Truman administration so far as the Attorney General's charges on Harry Dester White are concerned, and that the defense will lay the blame for the failure of the Truman administration to act at Mr. Hoover's doorstep; that late in 1945, according to my informant, Bently told a story to the FBI, the FBI began checking and in January of 1946 decided to handle Visa Bentley and her story as an intelligence operation and to put her back into the party; that, accordingly, during that period the FBI did not want anyone fired or anyone moved which would in any way draw suspicion to the information in our possession; that in early 1947 the FBI came to the conclusion that it would not be possible to reinstate Miss Bentley as a part of the old spy ring and then agreed to the facts being presented to a special Grand Jury which was impaneled in New York; that Vince Quinn was put in charge of this special Grand Jury and Tom Donegan was his assistant; that if Mr. Brownell wants to know why no indictments were returned then all he need do is to ask Mr. Donegan, whom he recently appointed to an important post in the Department.

My source told me that he could see certain holes in this; that when parts of this story began to leak out in 1948 and this; that when parts of this story began to leak out in 1948 and Congressional Committees began to function administration sources started feeding a long line of information to their favorite outlets, such as Mark Childs and Tom Stokes; that in that if they claim that such as Mark Childs and Tom Stokes; that in that if they claim they fired the individuals in 1947, and particularly if they claim they fired Larry Duggan, this will not hold up because Tom Clark lauded him after he committed shields.

My source at the very outset told me that the foregoing information is accurate. However, he could not give me the names of some of Truman's old friends who are working on it and he doubts that Truman even know that they are working on it. I asked him if by any chance this was the old Treasury crowd and he replied that it may chance this was the old Treasury crowd and he replied that it was the old Justice crewd. I know that last night this source also was the old Justice crewd. I know that last night get certain talked to me and made inquiry as to where he might get certain information persaining to a Grand Jury in New York. I told him that

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frankly I did not know. He then asked if Jim McInerney was in the Criminal Division in 1947. I teld him that I simply did not recall and I am deducing from this he subsequently got in touch with McInerney and McInerney may have been the source of his information, although he has also been in touch with these people this morning judging from the manner in which he talked.

LBN: DSS

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it must conefully an 2 do not
pecall any seach short on the Bently
matter

Sovender 19,1988 **建筑**建筑。 **基础的工作。1000年,1000年,1000年** BARRY DEXT'R FEITH espicsage - A Buffle 101-4068 ittached menorandum dited Forenber 10, 1955. indicates telets being preparal for frames ainteletration se for as literney General's charges on Harry writer white tre concerned. It is alleged that he Fil will be clearly glaine will be made that after kearing Bendley's story, the THI be an checking and in January, 1348, decided to handle the case as an intelligence operation and reactivate sentler table the (Temponist) Party. Aerordingly, 'Ae PBI did not mant sayone lires from Covernment apposee or acceuse is not to jeogardize the investination. Also, early in 1947, the PBF decided that Bentley could not be reactivated and so agreed to the facts being presented to a trand furze Te did try to reactivate Benticy into espionage work so an investigative procedure and properly so but be hever requested any Covernment official or agency to hald up firing anyone to protect this in essigntion, de disseminated information received from Bentley relating to subjects in the Silvernater case promptly. In se using we made we requesto that ne action be taken against the incividuals involved. Our records show that other covernment agencies edvised us during 1966 of certain dismissals of centemplated dismissals of Government employees connected with the Silvermeter case. Then so notified, we entered no objection other than a word of caution that the Bureau be kept out of the picture. To were reluctant to see this cose procecuted as it has our view that the facts would not sustain a proceedian. Our strength to reactivate Bentley had no bearing on the case being presented to a great fury to life. foregoing is fer your information inaconnection 7 - OC - WE

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istaghed neverander docod Sovenber 10, 1958, indicates that a defence to new being prepared for the crumen editatetration so for so the Attorney General's charges on Earry Dester thite are concerned. It to etated that this defense will try to lay the blane on the IRI. This olleged defense on the jort of the Trusca administration involves three pointes

Is that the FBI prevented the Ireaan administration from taking action against ullvernasies out jeens becase it depided to reactivate Bentles into espionece merke

That the FBI did not went any dilectmenter subjectment fired from Gevernment service or moved because to do se mighe jeepardise the investigations

That the FSI concluded to 1967 that Sentley could not be reactivated into espionage with and, therefore, agreed to the facts being presented to a grant jury.

It is true that funedictely after Bentley told us her story in November, 1965, m Gittenpied to utilize her in penetrating the network. To would have been union in our responsibilities if we had not attempted this cotton. He had her confact incicls Gronov, Eathan Gregory Silvernactor,
Bac Sison, Rolen Senney, and Sar's Brouder, all of whom, according to Bentley, were tovolved in the apparetue. However it was seen evident to be (in a mother of months) that we could not successfully reactivate here

An example of our desire to resolivate Bentley to shows in the followings Bureau letter to New York dated April 5, 1946, suggests that Bentles continue contact with the less thanks, a contact that the coop, to an expert to the contact with contact the passibility of reactively less thanks of the contact that the contact the contact the contact that the contact the contact the contact that the contact the contact that the contact the contact the contact that the contact the contact the contact the contact that the contact the co letter me etated that the marinen utilization could best be observed in this case by reactiveting Sentice on a doulet agent. (66-3066-965)

provided the frames editaletration from toting action against the frames editaletration from toting action against the frames editaletration from toting action against the frames of the first first and the first reporting the first and others to the fifth first and the first frame or interceted as profession as and action the filts firms or interceted four matter editaletrated to present the fruits administration from taking action against the subjects included, he would not have standarded the pertuent information or wealth action and in addition, in our consuming stand discontinuing and in addition, in our consuming that he action is action to the first against the autients against the subjects mentioned therein, we did not as any time anygory that he exists by taken against and and individuals.

We have not lieved my demunications where no told anyone outside the Sureau that we did not mant administrative action taken because of our desire to reactivate lexiley.

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As a continuation of point and there, to must be personed that the Jureus did not indicate in any may to any agriculture that the Jureus did not indicate in any mixtor appropriate that we did not desting them any Mineranster and foots be first from September to do so night foots and investigation. Bere again it is to be emphasized that we did attending to perturb information per be apply and did not restrict in any way the action other constitute aperturb there is the following prints illustrate our positions.

As Bureau memorandum of March S, 1968, reflects that
Bobert Banzerum, Chief Security Officer, State Department,
informed the Sureau that he had been successful in having
Emply Marting claudewell from employment of the Mose Department.
Laret Mantella mas a centacy of Manting Majoria, audies in the
Silvenausium catego De Januarum informed De Make Toppins
Bureau that coher includencie in man the Sureau had buppins
deragnism information were to be simplemed incessory.

. The west of the street and the street and the objection to the action by the state separtment.

So Sureas reservation of June 18, 1948, reveale that on thes does followed shot seles femore by officer, for Supertures, advised that seles femore, notif he reten has distinct on that and distinct on the structure of the acted that Robert Tomay to a confident at the Structure of and at the structure following following at the Structure of the Clautecal, the sureau make so objection. As noted to Sureau newer under a function of Tune 8, 1968, the Sureau function of Tune 8, 1968, the Sureau function of the far Department elating that the information was being furnished to him for the far the sureau function of the Sureau function of the Sureauteur stating that the information was being furnished to him for the far for the sureauteur.

Colones Desilve, for Department, advised the Interest that an image is 1968, Claywood Sak Deter with displaced from that an image is 1968, Claywood Sak Deter with displaced from the Tap Department in view of confidential theoremsion furnished by the Silvermenter case. In hard dispensated information on Sak Luter in the Silvermenter case. The Derivat opain made no objection to this median. (66-3668-1967).

July 25 1946, Robert Jannerman of the State Department of that on white St. 1946, Robert Jannerman of the State Department of anticipating disables in State Inpurtment to anticipating disables? If Sebert Polibett Miller, III, a subject in the silverments on the state of the sta

September 10 10 And September 1 And September 10 10 And September 10 10 And September 10 An

e the court of the burney a state of the lifettor to the Atterney Jeheral dates April 13, 1960 eaptions "Floter Perio." In this miserunium is in stated, that the liverior learned that efforts one being made by representations of the Preserve Japantsent to may the literacy Seneral ponein in some course of addish this while exempts, the Preserve Department from the Sine for confiniting to emiliar Plates. in rector ferle after procesury officials page of wead the participation in activities of a committee asury afficials were reported to be trying to he b the terney General make some statement which would indicate that the Treasury Department's section is retaining for is as employee had the consurrence of the Separament in Justice will done as the suggestion of the Department of Justice. Girector wrote in connection with this "Ty uny of sciel as the Department made this suggestion or concurred in this program, it certainly was done without the knowledge of the rederal suresu of Investigation. As a matter of fact, I destre to point out that the naintenance of rirls in Covernnent employment is net centinued either at the auggestion of any representative of the Sureau or with the concurrence of the surest." In another part of this memorandum the Director wrote "It seems to me entirely improper for the Pressury Separtment to attempt to justify their ill-advised and dangerous action in continuing Perla in a position where he had accese to confidential, classified, and restricted naterial after they had learned of his participation in CB. captenage ring by alleging at his late date that their inaction was predicated upon a suggestion from an earsted lous with the concurrence of the Diction Departments

the this memorandum the Director makes the following connectes. These facts, it seems to me, clearly indicate that the chitre towns of action followed by the Presurg pepartment was predicated upon their own views and without any reference to any opinion as engagestian granding from the Department of Justice."

"I jeel consequently that the frequent Department and the frequent the responding the process the responding the parties of action."

(63-68-08-1596 2208)

A TOTAL AND A STATE OF THE STAT in III. It is estimate from our files that by 1907 we know that continued invertigation through severage of the individual subjects was not likely to develop coldenes on which to formless a presention. It is elect that the streeter having the natter presented to a l'ederal grand jury as a foce-sauing nocembe. This is supported by the followings THE REPORT OF THE PARTY OF THE In a memorandum , role fire from to the Director doted the foun said he estended a negting in the Astorney Jeneral's office on the afternoon of that ease. In edition to the Attorney General, Hr. 2. to Studio and Br. Motherney of the Griminal Division were present. Buring the Cleonaten Mr. Tume expressed the Strector's view that the facto in this case would not execute a procession, and that the Director was very reluctant to see this case prosecuted; particularly where in the Azeratic case the presecution fulled niverably. The Attorney Jonaral stated he agreeds the light s nemerous from the Streeter to Mr. Telesa dated February 19, 1947, the Director possess out he had told the littorney Ceneral he was still against prosecution in the lovegory coses (68-50409-6057) **337** the star that to to existent the the Streeter felt that extend for an the case chools be given to individual departments. In a conversation with bearetary of the freeze & some paints from the freeze & to be felten of february 19, 1947) the director pointed extended to the the theretary of freezent that chart there were parties he had wanted to some numerics to individual departments but the Attorney Several had lockled there was a mand for investigation or interviews by Departmental Atterneys before n atom desire has resistance "El between the plan to readily the Jentley and the part the facts to the great jury. To pers not to seed by the 1947, we begin to plant to be the company of the base located to part of ME GE

# Office Memor ndum . UNITED STALLS GOVERNMENT

TO : MR. D. M. LADE

FROM : MR. A. H. BELLONT

SUBJECT: HARRY DEITER MITTE

ESPIONAGE - B Bufile 101-4053 12/6/88 30/3/WITH

DATENOUEMber 12.1953

In answer to the question as to whether we departed from our usual dissemination practice and named Harry Dexter White se a spy, in the dissemination we made running from November 8, 1945 to March 5, 1946, the answer is that in each instance we attributed the information as coming from a source. We utilized varying language, and I am quoting

hereinafter from the pertinent portions of our various communications.

In our letter to General Vaughan dated November 8, 1945, we said, "As a result of the Bureau's investigative operations, information has been recently developed from a highly confidential source indicating that a number of persons employed by the Government of the United States have been furnishing data and information to persons outside the Federal Government, who are, in turn, transmitting this information to espionage agents of the Soviet Government. At the present time it is impossible to determine exactly how many of these people had actual knowledge of the disposition being made of the information they were transmitting."

In our summary entitled "Soviet Espionage in the United States," dated November 27, 1945 and the similar summary of December 12, 1945, we used the same language. We said, "This case first came to the attention of the Bureau on November 8, 1945, when Elizabeth Bentley, an official of the United States Service and Shipping, Inc., New York City, came, into the New York Office of the Bureau and stated for the past eleven years she had been actively engaged in Communist activity and Soviet espionage. Later in the same summaries we said "the espionage groups with which Bentley worked were printfily employees of the United States Government stationed in Pastington, D. C." We then named White as a member of this group.

NOV 24 1953

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RJL: com acond

In our letter to General Vaughan dated February 12 1946, we said "As will be observed, information has come to the attention of this Bureau charging White as being a valuable adjunct in an underground Soviet espionage operation operating in Washington." In the actual summary on White dated February 1, 1946, we said in the opening paragraph "This information has been received from numerous confidential sources whose reliability has been established either by inquiry or long-established observation and evaluation." We then start off a section entitled "Original Charges" by attributing our information as coming "through a confidential source." We also state "through comments made by Silvermaster, his wife, and Ullmann, the source learned that White was supplying them with information consisting of documents presumably obtained by him in the course of his duties as Assistant Secretary of the United States Treasury Department."

In our summary of February 21, 1946, entitled "Underground Soviet Espionage Organization (NKVD) In Agencies of the United States Government," we start off the summary by saying our source became available and cooperative in November, 1945, and was being designated in the summary by the cover name of Gregory. In the section on White we state "Gregory stated the activities of Harry Dexter Thite, present Assistant Secretary of the Treasury, first became apparent in the latter part of 1942 or the early part of 1943." In the summary entitled "The Comintern Apparatue of March 5, 1946," we, in the section which contains information relative to White, attribute our information as coming from "an admitted Soviet agent who was active for many years up until 1943 in a Soviet espionage parallel."

#### RECOUNENDATION

The foregoing is for your information in connection with this matter.







# FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

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# FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

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	Pages contain information furnished by another Government agency(ies). You will to the releasability of this information following our consultation with the other agen					
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⊠	The following number is to be used for reference regarding these pages:  65.56402-56 NR after 4019					

XXXXXX XXXXXX XXXXXX

# the Memorandum - United States THE DIRECTOR R. D. H. LADD HARRY DEXTER THITS **ESPIONAGE** Tou asked for the facts which will brower the Ellegation in the attached article which appears in the Bashington Post of November 12, 1959. This article sets Caloage Daily News. Several points are mentioned as follower: Former President Truman will answer the Thite. charges by claiming that Harry Dester White was moved out of his job as Assistant Secretary of the Treasury early in 1946 to a job in the International Monetary Fund under an agreement between the IBI and then Secretary of the Trecenty Finson on a theory that Thise ould be better kept under surveillance in this job Connents This is false. The Director's conference w Secretary of the Treasury Vinson and Attorney General Clark as set forth in a memorandum from the Director to VA Tolson dated February 25, 1946, clearly shows that the Birector and the others felt that Thite should not serve. (65-56402-505) 2. A. The article claims that Truman'is assimbling "some crusty remarks" to direct at Governor Byrnes. The latter said he urged Truman to withdraw Thite's nomination "because of an FBI report labeling him a Communist spy. B. Truman's response to Byrnes will be "the FBI report pulled together on the basis of Elizabeth Bentley's statement, contained about eighty names of suspected Soviet agents in the Governments, Alger Hiss was the prominent floure in that report. Harry Dezter White was mentioned in passing. the state of the state of the same of the same of The writer of the newspaper article is obviously confused at this point in the article. The FBI report referred ERT : awn Ako Attachment co - Mr. Nichols

to by Byrnes in paragraph A is the February 1, 1946 summary of the Berry Derter Thits. The FBI report referred to in paragraph B is probably the November 27, 1945 summary entitled by Boulet Replanage in the United States. The writer of the article is under the misapprehension that both Byrnes and article is under the misapprehension that both Byrnes and Truman are referring to the same TRI Tunnary.

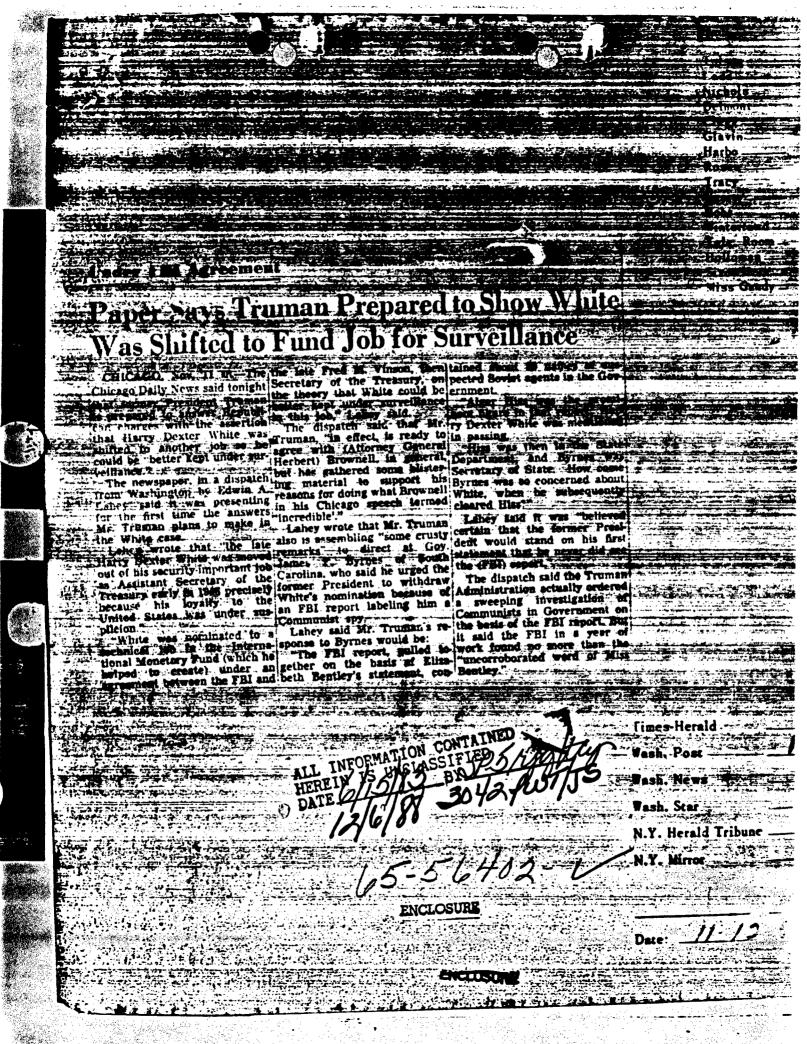
paragraph B is the November 27, 1945 summary because it is known that newspapermen have the substance of the November 27, 1945 summary. This summary does mention numerous November 27, 1945 summary. This summary does mention numerous individuals who were involved in suspected septonage individuals. However, even when referring to this activities. However, even when referring to this November 27, 1945 summary, the writer of the article is inaccurate since the November 27, 1945 summary was not inaccurate

paragraph A by Byrnes is the February 1, 1946 summary on Harry Dexter thite because Byrnes has said that the only report he has knowledge of came to him on February 5, 1946. This is the February 1, 1946 summary which was delivered to the State Department on February 4, 1946, and the receipt of same was acknowledged by Byrnes in a letter to the Director dated February 6, 1946.

3. The article also stated that the Trusca administration actually ordered a sweeping investigation of Communists in the Government on the basis of the FBI report but it said the FBI in a year of work found no more than the livencorroborated word of Miss Bentley."

Comment: We have not located any evidence in the Gregory

Comment: We have not located any evidence in the Gregory case where a sweeping investigation of Communists in the case where a sweeping investigation of Lomunists in the case where a sweeping investigation of Loureau s summary of November 27, 1945.



# Office Memorandum - UNITED STATES GOVERNMENT MR. TOLSON - DATE: NOV. 15, 1959

L.B. NICHOLS

subject:

Mullen called and stated that he and Olney wanted to see the Director. The Director was out so he wanted to see me. I told him I was tied up at the moment. He said they would come on around and wait. I did keep them waiting for a while and then saw them. The following were the matters discussed:

transmitting the summary report to General Vaughan which was delivered on February 4. I stated I thought we had already sent this to the Department. Olney was certain that we hadn't. Since I quoted from this letter in the conversation with Mullen last night, Mullen reminded me of this. I told him I had sent the file back and would have to get the file. I left this up in the air.

After leaving my office, Olney called back about an hour later is and stated he had checked with Walt Yeagley and this letter had not been previously requested from the Bureau and they couldn't find it and could he get a photostat as soon as possible as they are preparing a summary and they wanted to be accurate. I told him I frankly had not had a chance to check as yelland still left it up in the air.

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2. Olney stated that the Attorney General was going to have to testify before one of the Congressional Committees, that we was going to get a summary of the evidence on the espionage picture in general and the Harry Dexter White case in specific and the basic material to be used for this summary was a lengthy memorandum prepared in April, 1946, by the Bureau, and that they had lengthy memorandum prepared in April, 1946, by the Bureau, and that they had also prepared summaries of the reports that are pertinent but will be careful to not divulge sources and will show us what they have done before it is used.

LBN: FML

CC - Mr. Ladd

Mr. Belmont

chart dep'; ag White's role in the Treasury Department showing his tie ins sith 2 er individuals charged with espionage with particular reference to the lines of transmission. They wondered if we could prepare such a chart.

Department, that any chart would, of course, entail an evaluation, that I thought the Department could get into all kinds of trouble if the Bureau was forced to make evaluations and that we could not depart from our traditional customs.

He stated it was inconceivable that we didn't already have charts prepared. I asked if they didn't have charts that were prepared for the Grand Jury in New York. Olney didn't think so and I told him I thought it would be better if such a chart were prepared in the Department. Olney kept harping on the point he thought there would be charts.

appeared in some Congressional hearing and he might want to check the hearings.

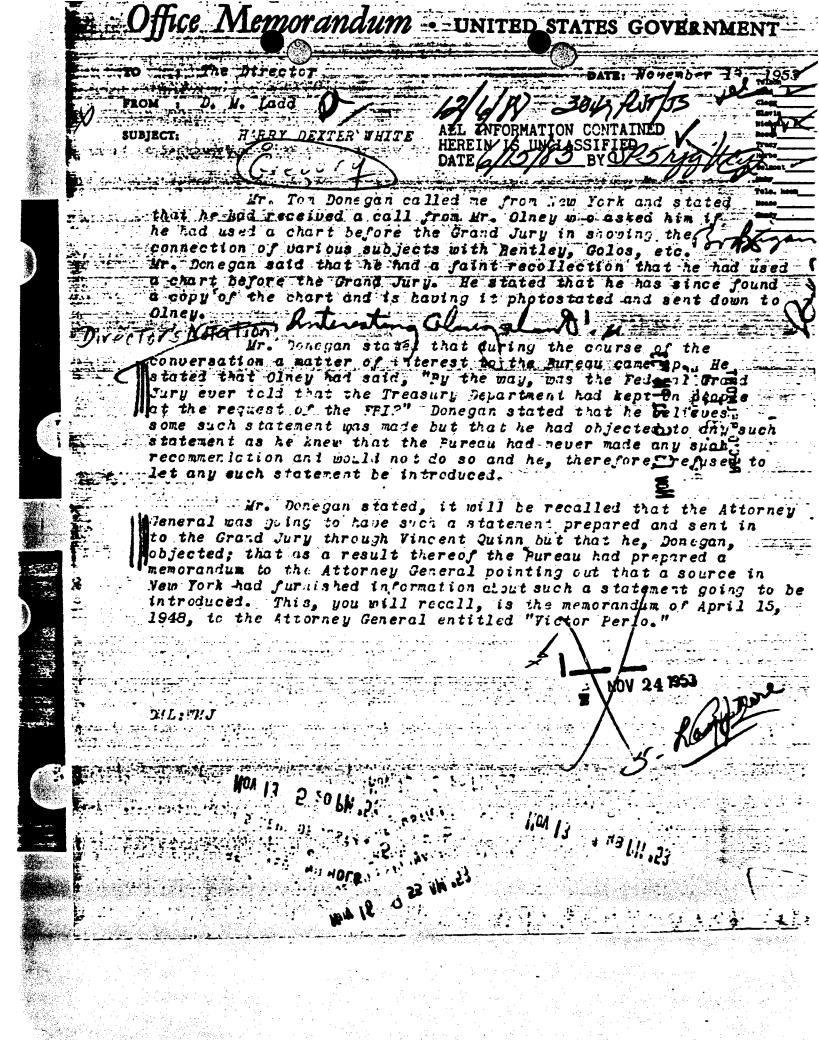
We, of course, do have charts, Mr. Ladd has no recollection of having furnished them to the Department. We, of course, are checking on this. Mullen later called me and stated he had suggested that the Attorney General have some visual aids and that the trouble was they didn't have any artists in the Department. I told him we were swamped and just couldn't do it. I suspect the Director may hear further on this. In the meantime, we are checking to see what we have and whether anything has gone to the Department.

4. Olney stated they have found in the Department files a letter from Clark Clifford to the Attorney General stating that in view of the imminence of a Monetary Conference in Paris the Attorney General wanted pertinent information, that the Attorney General then wrote a letter to Clark Clifford transmitting a summary dated July 25, 1946. Olney had with him 39-page summary with an index dated July 25, 1946, entitled "Soviet Activities in the United States." He wondered if this was the summary. I told him I couldn't tell offhand, that if the Bureau had prepared the summary for that purpose this should be reflected in Bureau correspondence to the Department. Olney stated

he wanted to be certain of his facts and that he would appreciate if we Louid to theck to see if we had anything that tied into this. I told him anything we would have, if there was an exchange of correspondence, would be reflected in memoranda to the Department. I left this up in the air. However, we will the check on this and then decide what to do.

Mullen called me after the meeting and stated he had searched his mind on our conversation yesterday on the Art Sylvester statement that he Mullen had stated we had made an exception and evaluated in this case. Mullen recollection was that he had stated it was clear from the FBI reports that

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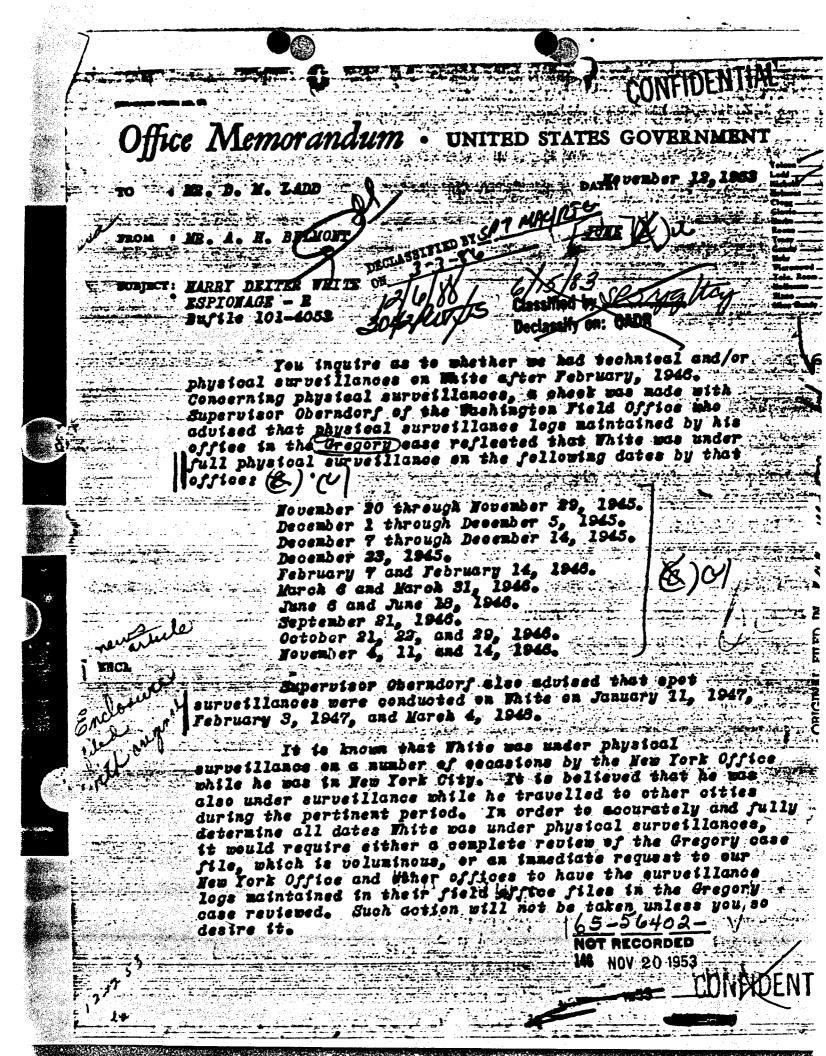
TO BE KEET PERMANENTLY IN HIS SPEC

SEE FILE 66-2554-7530 FOR AUTHORITY.

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**5** 9 DEC 15 1953

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Concerning technical surveillances on White, surfiles reflect that the Attorney General authorized same on the residence of Thite, Tairfax Road, Edgemoor, Betheads, Maryland (telephone number - Visconein 6896) on November 20, 1945. The installation was made Movember 28, 1945, and operated under Washington Field Office informant symbol On May 16, 1947, this informant was discontinued.

Dadditional details concerning the technical surveillances an intained on Thite.

ACTION

Hone. For your information.

CONFRENTIAL

SUBJECT:

WATHAN GREGORY SILVERWASTER NAPORAS ESPIONAGE - R

HARRY DEXTER WHITE ESPIONAGE - R

Mr. Davidson Sommers, General Counsel (United States), International Bank for Reconstruction and Development, 1818 H Street, Washington, D. C., called at my office at 2:55 p.m., Movember 13, 1953. Mr. Sommers advised that in 1945 he was in the Air Force and was assigned to the office of Mr. McCloy, Assistant Secretary of War. In this capacity, he was sent to attend the United Nations Conference in San Francisco, California.

Prior to his departure for the Conference, Mr. Sommers said he was called to McCloy's office and was advised that Harry Dexter White had called and said he wanted Ludwig Ullman (a subject in the Silvermaster case) lito go to San Francisco with him. He indicated that Ullman had been a speech writer, and White wanted Ullman to help him at the Conference. UcCloy instructed Sommers to find out where Ullman was assigned and to see if he could be detached to go along with White to San Francisco. Sommers said he determined that Ullman was either a captain or a major assigned to the Signal Corps, and he made arrangements to have Ullman ordered to San Francisco to help White for the duration of the Conference. Sommers said that while at San Francisco, Ullman located him and thanked him for arranging the matter.

Mr. Sommers stated that the above incident had been recalled to his mind as a result of reading recent newspaper articles concerning White and that he thought the Bureau should have this information.

I thanked Mr. Sommers for calling this matter to the Bureau's attention.

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TO MR. LADD A. H. BELMONT ALI INFORMATION CONTAINED Regarding your memorandum of November 13, concerning a chart used by Tom Donegan before the Grand Jury in the Bentley case, I spoke to Supervisor Tom McAndrews of the New York Office this afternoon. He said Photostats had been prepared and he would try to have Donegan bring down a copy and leave it with us, as Donegan is coming to Washington tonight. If he cannot reach Donegan, he will send a Photostat down to us by mail tonight MR. A. H. BELNOWT

TATELY GREGORY SILVERIASTED

Shortly before zoon on Medember 19, 1953, he William Foley of the Department called and said that he had been instructed to try to locate a chart reflecting the association of various subjects in the Silvernaster case. He said he had checked in the Department and could not find such a chart, He said that he understood a chart had been prepared for the Grand sury in New York in presenting the Silvernaster case and he wondered if we had a copy. I told him frankly I did not know wondered if we had a copy. I told him frankly I did not know just what chart he was talking about and suggested that he check the records of the Department relative to the Brand Jury hearings,

Supervisor Ton McAndrews of New York called Mr. Cleveland in my office at 1:20 P.L. today. He stated that Donegan had i contacted the New York Office and advised that the Department had asked him if he had such a chart. Donegan has located the chart desired by the Department and has asked the New York Office to prepare Photostats so that he can bring one Photostat to Rashington to turn over to the Department when he next comes to Mashington. Donegan also wanted to leave a Photostat with the New York Office for information. The New York Office is going ahead and making the Photostats.

Mr. Donegan indicated that he might call you direct concerning this matter.

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OFFICE MEMORANDUM-

UNITED STATES GOVERNMENT

DATE: October 24, 1953

TO

Mr. D. M. Ladd

FROM

Mr. A. H. Belmont

SUBJECT

HARRY DEXTER WHITE

ESPIONAGE - R

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SYNOPSIS:

By memorandum of October 22, 1953, it was pointed out That Elizabeth Bentley testified before Senate Investigating ...... Subcommittee on October 21, 1953. She stated her espionage network in 1944 got samples of Allied currency marks from White, and later she through the network pressured him to turn the currency plates over to the Soviets. No information located reflecting Bentley furnished us this information in interviews, but similar information appeared in Bentley's book published in 1951. The Director requested to be informed as to whether Bentley was questioned concerning this information after her book was reviewed. No information could be located in our files reflecting this was done and ASAC Brent of Atlanta office who reviewed the book while assigned at Seat of Government stated when telephonically contacted on October 23, 1953, that he must have missed this information. Supervisor Tom Spencer of NYO telephonically contacted Bentley in New Orleans October 22, 1953, and she stated she thought she gave this information to Bureau during first three or four months of our interviews with her. The interviews started in November, 1945. No information has been located in New York or Bureau files to confirm Bentley's statement.

#### RECOMMENDATIONS:

The above is submitted in answer to the Director's question regarding this matter.

DIRECTOR'S NOTATION: "Yas." H.

An Airtel is attached to the New Orleans office instructing them to interview Bentley for complete information concerning the matter. WFO being instructed to submit report concerning information developed in current hearings concerning this matter. NYO being instructed to carefully review Bentley's book for other information she should be questioned about.

Attachment

RJL:bja cc: 65-56402

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DIRECTOR'S NOTATION: "Yes."

SECHET

Memo to Mr. Ladd

Re: HARRY DEXTER WHITE

ESPIONAGE - R

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#### DETAILS:

In my memorandum to you dated October 22, 1953, I pointed out that Elisabeth Bentley testified before the Senate Investigating Subcommittee on October 21, 1953. She testified her espionage superiors in 1944 instructed her to go to Washington and to transmit orders to Nathan Gregory Silvermaster and William Ludwig Ullman, who were to put pressure on Harry Dexter White to obtain samples of the Allied currency marks which were to be used in the German occupation. White, who died in 1948, was in 1944 Assistant Secretary of the Treasury Department. Bentley stated the samples were obtained from White's office. Later she received instructions to pressure White through Silvermaster and Ullman to have the plates given to the Soviets. This the U. S. Government did in 1944 and independent information establishes White was instrumental in having it done.

A review of the Bureau's files was made and no information could be located reflecting we received this information from Bentley during interviews. Elizabeth Bentley's book was published in 1951 entitled "Out of Bondage," and did contain similar information. The Director asked to be informed if Bentley was questioned concerning this information at the time the book was reviewed in 1951. No information can be located in our files reflecting that this was done.

Bentley's book first appeared in serial form in the "McCall's" magazine in issues of May, June, July and August, 1951, under the title "My Life As A Spy." The issues were reviewed at the Bureau by Supervisor A. S. Brent, now Assistant Special Agent in Charge of the Atlanta office.

65-56402-3917)

In order to definitely determine if Brent had noted the information concerning White which has now come up in the hearings and which appears in Bentley's book, Mr. Hemmrich called Brent in Atlanta on October 23, 1953, and he stated he has no recollection of this item. He said he must have missed this item when he reviewed the articles as he cannot now even recall seeing this information.

In addition with Bureau authorization, Supervisor Tom Spencer of the New York office on October 22, 1953, telephonically contacted Bentley in New Orleans. Spencer is the agent who handled



Memo to Mr. Ladd
Re: HARRY DEXTER WHITE .
ESPIONAGE - R

SECRET

Bentley during the bulk of the period while she was residing in New York City. Bentley, when contected, stated she thought she gave this information to the Bureau during the first three or four months of our interviews with her. The interviews started in November, 1945. No information has been located in the New York or Bureau files to confirm Bentley's statement. While we have never had reason to question Bentley's veracity, the significance of this information could hardly have escaped our agents if she had provided it during the period she states. At that time White was still alive and we were conducting an extensive investigation of the whole network. It was not until 1947 that White's name was publicly linked in Senate hearings with the currency plate matter, and then in 1951 the information came out in her book. White had died in 1948.

It is believed necessary to interview Bentley to determine if she can furnish any additional information to that which she testified to before the Senate Investigating Subcommittee. An Airtel has been prepared for the New Orleans office instructing that this be done. The Washington Field Office is being instructed to submit a report on White incorporating the data in the current hearings and also data in the 1947 Seante Hearings before the Joint Committees of Appropriations, Banking and Currency, and Armed Services. The New York office is being instructed in the Airtel to carefully review Bentley's book to see if there is any other information concerning which shd should be questioned. The New York office handled all of the initial interviews of Bentley and have all the pertinent data secured from her.

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U. S. DEPARTMENT OF JUSTICE COMMUNICATIONS SECTION

NOV 10 1953

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GREGORY, ESPIONAGE - R. RE HARRY DEXTER WHITE.

ST.PETERSBURG TIMES NEWSPAPER CONTACTED MIAMI OFFICE STATING THEY HAD ESTABLISHED THE FACT WHITE LIVED IN ST. PETERSBURG DURING WINTER OF MENETEEN FORTYSEVEN AND FORTYEIGHT AND MADE INQUIRY IF THE FBI HAD WHITE UNDER SURVEILLANCE AT THAT TIME. THIS OFFICE ANSWERED INQUIRY WITH NO COMMENT.

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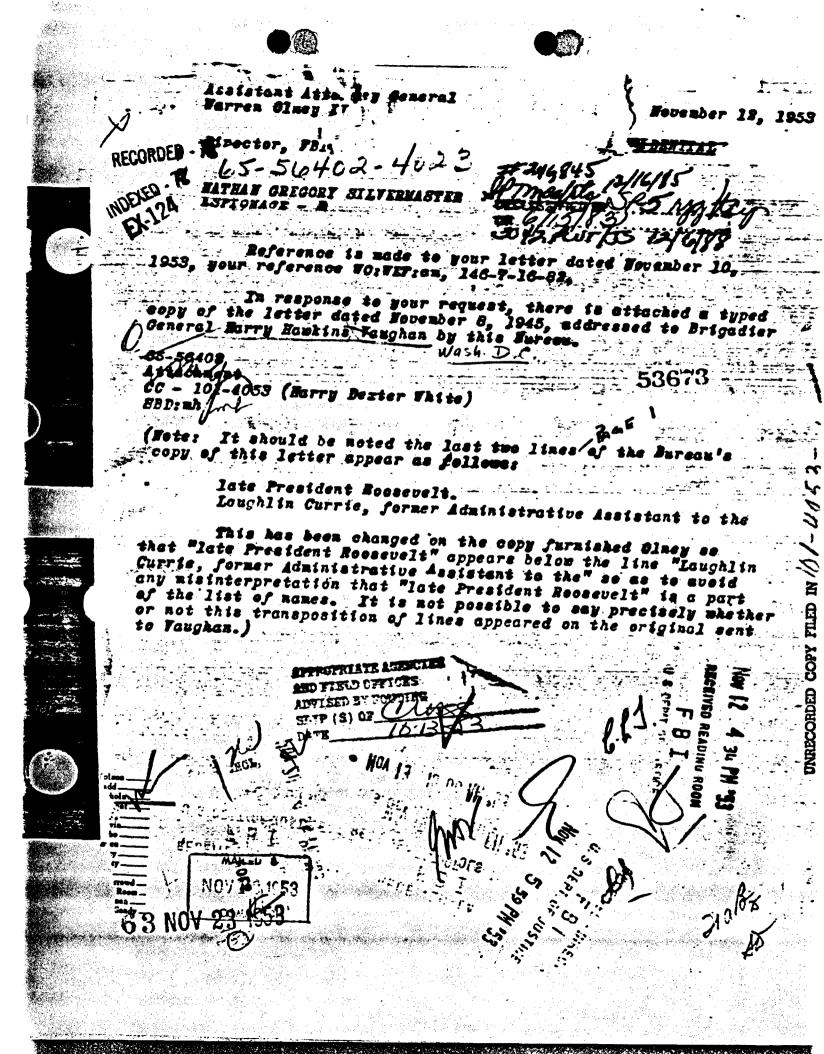






## FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

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Hovember B. 1941 brigadier General Marry Bustine Taughan Villery Aide to the Freeident The Thite Bouge ----Seehington, D. Co Declassity off. Un Dear Ceneral Taughant recult of the bureau to investigative information has been recently developed from a highly conby the Government of the United States have been furnishing date and information to persons outside the Jederal Coverna who are in turn transmitting this information to septemble agents of the Soulet Covernment. At the present time it is imposeible to determine exectly how many of these people ! setual knowledge of the disposition being made of the tion they were transmitting. The investigation, however, at were actually the source from which information possing through the Soviet espienage system was being obtained, and I am con-tinuing vigorous investigation for the purpose of astablicating the degree and nature of the complicity of these people is this copionage ring. The Auronu's information at this time indicates that the following persons were participants to this operation were utilized by principals in this ring for the purpose obtaining date in which the Boulet to Interestable Dr. Gregory Stlvermeter, & long time employed of the Department of Agricultures Merry Dester Thite. Assistant to Tress Pu George stiverman, formerly employed by the Bailroad ment Board, and now reportedly in the for Depart late Pre-ident Bessevelt. Laughlin Currie, former Administrative Accietant to COMMUNICTIONS SECTION MAILEDIA THE PUT OF THE PARTY U. S. DEPARTMENT, OL

Pictor Prorison, formerly with the Authorities Sound and the Perrison Reposite Authorities and the Perrison

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In addition to the foregoing group in the Abberthant it appears at this time that Mary Orice, formerly Secretary to taltery ippearing the newpaper entermise and presently published menager of the Introd Office and Parecelonal Persons of America CIO, to also accorded with the foregoing groups

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in either Fachington, D. C. or New York City. In the past, it is reported, the contact nan made trips to Fachington, L. C. once every two weeks and would pick up on such occasions an average of forty rolls of 35-millimeter film.

Investigation of this matter is being pushed vigorously, but I thought that the President and you would be interested in having the foregoing preliminary data immediately.

regards,

Sincerely yours,

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