F.O.I.A.

JULIUS ROSENBERG ET AL

FILE DESCRIPTION

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SUBJECT_SILVERMASTER

FILE NO. 65-56402

VOLUME NO. 156

SERIALS

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Office Memorandum • United States Government

TO The Director

DATE: November 14.

...... 1953

D. M. Ladd

ALL INFORMATION CONTAINED.

SUBJECT: NATHAN GREGORY SILVERMASTER, with aliases, ESPIONAGE - R

With reference to the telephone call you received today from Assistant Attorney General Olney to the effect that one of the Bureau's espionage summaries turned up in the possession of Nathan Gregory Silvermaster, the following is submitted:

During the investigation of Nathan Gregory Silvermaster, we never developed any information that he had possession or access to a Bureau espionage summary.

Undoubtedly, Mr. Olney is referring to the incident where a summary was furnished to Wajor General Vaughan at the White House and was subsequently delivered by him to Lieutenant General Gregory, head

The facts concerning this were as follows:

On Warch 13, 1946, Joe Carroll and Leo Laughlin, who were then on loan to War Assets, called at your Office to advise that a copy of the summary report (Underground Soviet Espionage Organization (NKVD) in Agencies of the United States Government) dated February 21, 1946, together with a cover letter addressed to General Vaughan, had been given by General Vaughan to Lieutenant General Gregory who in turn had given the report to Carroll. The report was furnished to Gregory by Vaughan during a discussion during which Vaughan mentioned that there was a Communist in the War Assets Administration and referred to Nathan Gregory Silvermaster.

SAC Leo Laughlin of the Washington Field Office today advised concerning his recollection of the incident. He stated that he and Joe Carroll were approached on one occasion by Lieutenant General Gregory who wanted to know if they knew anything about Nathan Gregory Silvermaster. About two days later Gregory and his Chief Assistant visited Carroll's and Laughlin's office with the summary memorandum in an envelope and left it with them. At that time Laughlik understood from Lieutenant General Gregory that the memorandum had been furnished by General Vaughan. Laughlin pointed out that the Bureau's memorandum was handled on a high level in the War Assets Administration and he did not see how Silvermaster could

65-56402 WAB:njh

RECORDED=97 165-56402-4024

It should be observed that Nathan Gregory Silvermaster was employed by the War Assets Administration from March to

ACTION:

The above is submitted for your information.



THE DIRECTOR

Hovember 5, 1953

MR. D. H. LADD

ABRAHAN BROTHWAN ESPIONAGE - R Bufile 100-365040

In connection with an article in the New York Herald Tribune dated November 4, 1953, it was stated that representatives of the McCarthy Countities had obtained a new statement from Marry Gold in which Gold stated that Abrahan Brothman was his contact. The article also set forth that Brothman and Mirian Meskowitz were charged with track" and defeat justice in the espionage investigation, You waked for the fucts concerning this matter.

Fre COV

Elizabeth Bentley in the Fall of 1945, informed us that Abraham Brothman had been turned over to her in 1940 for handling by Jacob Golos, her Soviet superior, Brothman was furnishing data on industrial projects. After a short period, Brothman was turned over to another Soviet superior and Bentley last contact with him. Brothman was interviewed by Bureau agents on May 29, 1947, and after first them and furnishing blueprints to Golos through Bentley and after Murry Gold. Brothman alleged Gold was a representative of Golos. In July 29, 1947, Brothman was called before a substantially the same information. Gold was a less interviewed by us at that time and endstantiated the statements made by

De May 23, 1956, Marry Beld edulated that he was the Mevist superior of Abraham Brothman but that his previous distances to the agents more false in that his contacts with Brothman were at the direction of a Meviet official, Semen M. Fenemen. Sold furnished detailed information sensoraing his that at the request of Brothman and Merenev. Weld admitted testified to the false story in 1947 before a grand jury.

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EJLsam Coloni Attackment 165-56402-191 NOV 6



The Criminal Division in 1950 informed us that there was not sufficient suidence on which to base an espionage charge against Brothman for the transmittal of information relating to the national defense during war time. The Criminal Division did authorize prosecution against Brothman and Maskewitz for conspiracy to obstruct fustice and for influencing a vitness before a grand fury. Brothman and Meskowitz were convicted and on Sovember 22, 1950, Brothman was contened to five years' imprisonment and \$5,000 fine on one count, and two years' imprisonment and \$10,000 on another sount. The first count was reversed by the United States Souré of Appeals on July 26, 1951. Moskowitz was contened to serve two years and to pay a fine of \$10,000. South Brothman and Mockowitz have served their conteness.

of a report from the Warden of Lewieburg setting forth his recollection of Gold's interview by McCarthy Committee investigators and enclosing copies of two affidavits submitted by Gold to them. The warden advised that Gold was requested by Roy Cohn to submit an affidavit for Senator Jenner concerning knowledge of one Maure Swan (also known as Alexander Svenchansky), who had been dismissed from the United Nations. Gold submitted two affidavits concerning known pointing out the heard of this individual through Abraham Brothman. Gold the Soviet explanate erganization of which I was a courier. The interview of Gold by McCarthy Committee investigators did not exceed fifteen or inventy minutes.

Information obtained by the McCarthy Countities from Sold concerning Swan (Sucnoheneky) is fully set but in a copy of memorandum from Mr. Delmont to Mr. Ladd dated Nevember 5, 1953, which is attached berett. Sold did not furnish any not proviously known to the Sursau.

ACTION

Mone. For your information.

D. M. Ladd

Bovender 5, 1953

A. H. Belmont

ALEXABDER STERCHARSKY, with aliance
Alexander Svinichansky; Alex Svenchansky;
Alexander Sven; Shura Sman
SECURITY MATTER - C

ALL INFORMATION CONTAINED HEREIN IS INCLASSIFIED DATE BYOLD

SIKOPSIS:

In a "Bashington Evening Star" article dated 11-3-53, information was set out that hobert Merris of the Senate Internal
Security Subcommittee stated that his consittee had a sworn affidavit
from Harry Gold in which Gold stated he had once interceded for
Svenchansky with his superiors in a Russian spy ring. The Director
inquired whether this was new information. It is not new.

Harry Gold advised on interview on 6-2-50, and 8-3-50, that on two occasions (1942 and 1946) Abraham Brothman complained to him because Svenchansky had been fired by Antorg. In 1942 Brothman wanted Gold to get Svenchansky his job back for him and Gold said he would see what he could do. Gold later mentioned this matter to his Soviet superior, Lemen M. Semenov, and was told to mind his own business. Gold during 1942 was contacting Brothman at the instruction of Semen M. Semenov.

Gold said he got the impression from Brothman that Evenchansky had first introduced Frothman to an Antorg employee to do industrial espionage. Brothman on interview 5-29-47, stated Jacob Golos originally came to him in 1936 or 1939 for blueprints. Gold on interview 5-22-50, advised he believed Golos was Brothman's first contact with the Coviets. Svenchansky on interview on 11-16-50, and before the Senate Internal Security Subcommittee on 10-29-53, denied introducing Brothman this Russian espionage. Svenchansky employed at Antorg in New York City from 1932 to 1942; from 1942 to 1945, he was in the U.S. Army; from 1946 to 1958, he was employed by the Y.K. Investigation of Evenchansky failed to establish that he was empaged in Seviet espionage. He is on the Security Index. Swern affidavite of Gold in this matter dated 10-29-53, and 10-30-53, set est merbatin.

RECONNEMDATION:

Bone. For your information.

100-21970

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THE STATE OF

"Greengless' Lewyer Denies McCarthy Sot New Mager
Spy Data" in 11-3-65, edition of the "Meshington
Evening Star." The following paragraph to quoted from

(Sens to Internal Security Subsensitées) que ted the imprisoned a ton apy Harry Gold an eaving in his second sworn affidavit in four days that he once interesded for Spencheneky with superiors in a Austian apy rings?

new information. It is not new.

During interviews of Harry Gold on 8-2-50 and 8-3-50, he advised that in March, 1948, he had a conversation with Abraham Brothman in New York City. At this time Brothman advised Gold that his friend, Shure Swan, subsequently identified as Alexander Svenchansky, had worked for the Soviet Union and had been laid off recently by them. Gold said he get the impression from Brothman that Swan had worked for Amtorg and that Swan was the man who first introduced Brothman to another Autory employee who then induced arothesa to engage in industricl espionage. At this time Brothman asked Gold to see what, if enything, he could do to get Swan's job back for him at Amborg. Gold said he told Brothman he would do what he could in this respect, but at the time he said he had no intention of doing anything about this since Brothagn's story about Swan and his discharge did not ring true. Gold explained that the part that did not sound accurate was principally Brothman's request for Gold, a mere underling, to see what he could do for Swan when Swan undoubtedly should - have been able to help himself had he been the individual who was responsible for securing and developing prethuch for the Soviets as Brothman claims Swan did. Sold said that later on he had mentioned this matter to his Soviet superior, Senen M. Senenov, and was told by Senency in so many words to mind his own business and to tell Brothman that Semenou eald for him to get a job in the United States Rubber Company. In late 1942 or early 1943 Gold, during a meeting with Brothman at which Swan mas mentioned, conveyed Semenou's message to Brothman,

In June, 1946, Brothman told Gold that Swan had been "ticked out on his ear" by Anterg on at least two occasions. It should be noted that during 1942 Gold was contacting Brothman at the instructions of his Soviet superior, Semen M. Samenov.

On interview on 5-29-47, Brothman advised Bureau agents that Jacob Golos originally came to his office in 1936 or 1935 and requested blueprints of certain products on which Erethman was then working. Thereafter, Brothman turned over various blueprints to Elimabeth Bentley and Merry Gold. Gold on interview on 5-22-50, advised that to the best of his knowledge, Golos was Brothman's first contact with the Soviete. Suenchansky on interview on 11-16-50, admitted him that Eussian espionage. Svenchansky was called before the benate internal Security Euscommittee on 10-29-53, and denied introducing Brothman to anyone for espionage purposes.

entered the Inited States in 1923 and was naturalized in 1929. He was employed by the Amtors Trading Corporation in New York City from 1932 to April, 1942, and from May to December, 1942, by the Soviet Government Purchasing States Army from December, 1942 to September, 1945. He was employed by the United Pations in New York City from October, 1946 to December, 1952, when his employment was terminated after his refusal to answer questions en Communism before an earlier Senate inquiry. Investigation of Svenchansky was initiated in late 1949 because of his failed to reveal that Svenchansky was engaged in espionage, Svenchansky is on the Security/Index.

Gold's sworm affidavit furnished to McCarthy Connittee investigators regarding the captioned subject and dated 10-19-53, reads as follows:

Harry Gold, being duly sworn, states,

I heard of Shura Swan from a man called Abraham Brothman. Brothman was one of my cources of information for the Soviet copionage organization, of which I was a courier. I met Brothman in September of 1841. About one half year after that Brothman first mentioned Shura Swan. Brothman caid that it was Shura Swan who had introduced him to soviet capionage work. At a somewhat later date Brothman complained to me of the base ingratitude of the Sevice

espionage cetup. He said that during a slack period, Suan, who was working for Amtory, had been laid off. On a third occasion prothnan told me that he had met Swan through his wife (Brothnan's wife) Hauni.

Signed

Harry Gold

Subscribed and sworn to before me this 29th day of Gatober 1953.
G. T. Humphrey, Farden, Lewisburg Prison.

Gold's sworn affidavit furnished to medarthy Committee investigators regarding the captioned subject and dated 10-30-53, reads as follows:

Harry Gold, being duly sworm, says:

This is the fourth occasion on which I heard of Shura Swan. Sometime in either 1942 or 1943 Abe Brothman asked me to request of my Soviet superior that a job be obtained at Amtory for Shura Swan; this man who was my "bose" at that time I knew only as "Sam" but I have since identified him as Semen Karkovich Semenov, an employee of Amtory and also an espishage agent. I told Sam of Brothman's request—the Ruesian flew into a rage and said: "Tell Brothman to keep his nose out of other people's business! And as for you, you mind yours too! We know all about this Shura Swan."

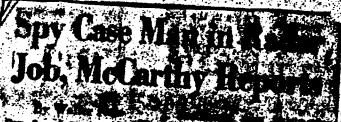
Thus chastised I was only too happy to let go of the subject. However, in telling Brothman of San's refusal, I softened the blow by saying merely that nothing was available at that time--for I had to keep in Abe's good graces so as to continue obtaining information from him.

At the time of asking me to intercede for Shura Swan, Abe told me that while Shura, who was level to the Soutet Union, had been laid off at Amtorg, there were others (presumably Americans employed at Amtorg) who secretly ridiculed the USSE, but who had been retained.

Signed

Harry Gold

Subscribed and sworn to before me this 30th day of Gatober, 1953, at the U.S. Fenitentiary, Lewisdurg, Pennsylvania, G. T. Humphrey, Farden.



vier Square. The Senator & mi investigating s wring at the rader labour ployed in the plant was the wies at Fort Monmouth, R.

rethman who had

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New York and surrect increases, increasing section 200 to the prison instead. Sen. Corps employees who surveyed McCarthy said that Greenglass the Pifth Amendment, was Tom could give vital information Dribers, a Labor member of the could give vital information Dribers, a Labor memoer of the about the Rosenberg spy ring at British Parliament from Marifelass had testified against his slider, Ethel Rosenberg, and his slider, Ethel Rosenberg, and his right amendment, because the labor memoer of th

The Benators claim was challenged by O John Rosse. Greenglass' attorney. Mr. Re accompanied subcommittee in vestigators to the prison week and was present when the questioned Oreergluss. He add his client had given no important nes infurnation on espi Cold the tentiled Brutton of the late

Tentinued from page one? Brothman was 12 covident."
Brothman was 12 covident.
Brothman was 12 c

The Senator said the other closed to the press, have always reason was that Attorney General Herbert Brownell jr. had
fold him it would require a court
order to get Greenglass up to
New York and "advised" him to
nesses, including of eight witnesses, including several signal brother-in-law, Julius, and both have no such thing, not building a written constitution

Directors Notatio

10/23/53 NEW YORK. N. Y.

GREGORY; ESFIONAGE - R. IN INTERVIEWING LLOYD H. LANDAU, FORMER COLONEL IN THE UNITED STATES MILITARY GOVERNMENT IN AUSTRIA IN 1945 CONCERNING DONALD HISS, WA, SECURITY MATTER - C: PERJURY, BUREAU FILE 100-4300, NEW YORK FILE 101-804, LANDAU VOLUNTEERED THE FOLLOWING THEOREATION: AT THE TIME HE WAS ATTACHED TO MG IN AUSTRIA THE HEAD OF THE FINANCE DIVISION FOR MG WAS COLONEL ARTHUR MARGET WHO HAD FORMERLY BEEN A PROFESSOR OF BUSINESS ADMINISTRATION AT THE UNIVERSITY OF MINNESOTA. LANDAU SAID THAT MARGET WAS A VERY CLOUB PRIETY OF HARRY DUXTER WHITE AND UPON FIRST ARRIVING IN AUSTRIA LANDAU SAID HE THOUGHT THAT SOME OF MARGET'S ECONOMIC THINKING MIGHT HAVE FOLLOWED CERTAIN SOVIET BOONOMIC THEORIES. LANDAU AT ISED THAT WHEN MARGET DEALT DIRECTLY WITH THE SOVIETS, HOWEVER, HE SOON CHANGED HIS OUTLOOK. AND WAS SUCCESSFUL THE THEARTING THE RUSSIANS IN MCONOMIC AND POLITICAL MANOEUVERS. LANDAU SAID THAT HE BELIEVES MARGET TEWART WITH WHITE TO MAINTAIN CONTROL OF THE PLATES USED TO PRINT AUSTRIAN OCCUPATION CURRENCY SINCE HE REALIZED THE ECONOMIC CONSEQUENCE TO THE UNITED STATES. Bureau (REGULAR MAIL) ALL INFORMAT

FC:EI

B. Mar. C. Br. Call.

PAGE TWO

WAS DIRECTLY RESPONSIBLE FOR THE AUSTRIAN PLATES NOT FALLING INTO RUSSIAN CONTROL AND FREIS THAT GENERAL MARK CLARK WILL CORROBORATE THIS FACT. LANDAU SAID THAT CLARK THOUGHT HIGHLY OF MARGET AND TOOK INTO MOSCOW WITH HIM WHEN CLARK MADE A TRIP THERE TO CONFER WITH THE SOVIETS. LANDAU SAID HE FELT THAT MARGET KNEW ALL THE DETAILS CONCERNING THE ATTEMPT TO OBTAIN THE PLATES FOR AUSTRIAN OCCUPATION CURRENCY AND ALSO CONCERNING THE TURNING OVER OF THE PLATES FOR GERMAN OCCUPATION CURRENCY TO THE SOVIETS. LANDAU SAID HE BELIEVED THAT MORGET WAS IN SOME WAY CONNECTED WITH THE MARSHALL PLAN IN PARIS AFTER THE WAR AND HE HAS SINCE RETURNED TO THE UNITED STATES, BUT LANDAU DOES NOT KNOW HIS PRESENT WHEREABOUTS. NEW YORK FILES REPLECT. IMPORMATION CONCERNING ONE ARTHUR WILLIAM MARGET, E. R. P., MEW YORK FILE 124-96, WHICH IS INCOMPLETE AND IT IS NOT KNOWN IF HE IS IDENTICAL WITH THE MARGET MENTIONED ABOVE. THIS IMPORMATION IS BEING SUBMITTED TO THE BUREAU IN THE EVENT THE BUREAU IS DESIROUS OF LOCATING AND INTERVIEWING MARGET CONCERNING THE AUSTRIAN AND GERMAN OCCUPATION CURRENCY PLATES.

BOARDMAN

Director, FBI (101-4053)

HARRI DEITER WHITE ESPIONAGE - R HERE IN 18 ANGLASSIFIED DATE BY 12/12/98 3042 PUT DE

In an air-tel dated October 28, 1953, captioned "Gregory, Espionage - E," a copy of which is attached for the Vashington Field Office, information from Lloyd H. Landau was set forth. Landau said Arthur Marget had been the head of the Finance Division for the American Military Government in Austria, and Landau believed Marget fought with Thite in order to keep the currency plates used in printing Allied occupation money in Austria from being turned over to the Soviets.

The Bureau file on "Arthur William Marget, European Recovery Program, " reflects he was employed as a Lieutenant Colonel in the army and was in Austria when relieved from active duty on August 31, 1946. It would appear that he is identical with the individual mentioned by Landau. investigation we conducted under the European Recovery Program does not reflect any derogatery, dieloyal information concerning Marget other than the fact that his wife's father, Doctor Samuel George Pavlo, was a member of the Communist Political Association in June, 1945, and had been a member of a number of Communist front organizations, including treasurer of the Matienal Council of American Soutet Friendship in February, 1950. The Bureau's file on Marget reflects a communication from the Civil Service Commission dated January E 1959, which gives his title so Director, Division of Inter-national Finance, Board of Governors of the Federal Reserve System, in Fashington, D. C. You will also note that Landau believed Marget had returned to the Butted States from Paris, France. The Washington Field Office should determine Marget's present whereabouts and interview him concerning any information he has relative to activities on the part of Marry Dexter White which relate to turning ever printing plates used an Allied occupation ourrency in Austria to the Soviets. In the event It is determined that Marget is not now in Machington, D. C., an appropriate lead should be set forth to have him interviewed.

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cc 2 - Hew York (101-804)

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NOV 13 1953

DIRECTOR

November 6, 1953

ARRY DESTER THITE

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

Pursuant to your request, attached hereto is a copy of the letter dated February 1, 1946, which the Bureau directed to Brigadier Beneral Harry Hawkins Faughan, Military Aide to the President, The Thite Bouse, Vashington, D. C. Also attached is a copy of the detailed memorandum which was furnished as an attachment to the letter. A handwritten notation appears on the yellow copy of this letter in the files of the Bureau that the letter and attachment were personally delivered by our liaison representative on February 4, 1946.

ACTION:

Tone. This is pursuant to your request.

This attached memo is dated Feb. 1, 1946.

-s this the same as referred to as memo dated
Feb. 4, 1946 in recent memo we sent A. G.

1. Also what do wour records show re delivery of attached technology memo to White couse. I note of the liver delivery delivers to the liver delivery delivers to the liver delivery delivers.

101-4053 it was designated for delivery 57D by Special Messenger".

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NOV 23 1953

February 1, 1946 PERSONAL AND CONFIDER BY SPECIAL WESSENGER

ell information contained MEREIN IS UNCLASSIFIED EXCEPT-WHERE SHOWN.

Brigadier General Harry Hawkins Yaughan Military Lide to the President The White House Washington, D. C.

Dear General Yaughan:

As of interest to the President and you, I am attaching a detailed memorandum hereto concerning Harry Dexter Thite, Assistant Secretary of the United States Treasury Department.

As you are aware, the name of Harry Dexter White has been sent to Congress by the President for confirmation of his appointment as one of the two United States delegates on the International Monetary Fund under the Bretton Woods agreement. In view of this fact, the interest expressed by the President and you in matters of this nature, and the seriousness of the charges against White in the attachment, I have made every effort in preparing this memorandum to gover all possible ramifications. As will be observed, information has come to the attention of this Bureau charging White as being a valuable adjunct to an underground Soviet espionage organization operating in Washington, D. C. Material which came into his possession as a result of his official capacity allegedly was made available through intermediaries to Mathan Gregory Silvermaster, his wife, Helen Witte Silvermaster, and William Ludwig Ullmann. Both Silvermaster and Ullmann are employees of the United States Treasury Department, reportedly directly under the supervision of White.

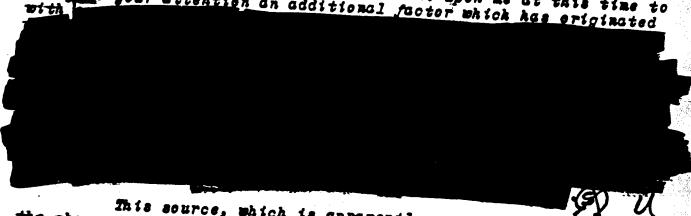
The information and documents originating in the Treasury Department were either passed on in substance or photographed by Viluann in a well-equipped laboratory in the basement of the Viluann in a well-equipped laboratory in the basement of the Silvermaster home. Following this step, the material was taken to Silvermaster home. Following this step, the material was taken to Silvermaster home. Following this step, the material was taken to Silvermaster home. Following this step, the material was taken to Silvermaster home. Following this step, the material was taken to Silvermaster home. Following this step, the material was taken to Silvermaster home. Following this step, the material was taken to Silvermaster home. Following this step, the material was taken to Silvermaster home. the time of his death on November 27, 1949. Goles, a known Soviet desarrested some years ago as an unregistered agent of the Soviet Glavidovernment and subsequently by special arrangements with the RoseDapartment of State, was permitted to return to the U.S.S.R.

65-56 402-6 ENCLOSURE



After the departure of Gaik Ovakimian, Golos delivered his material to an individual who has been tentatively identified as Dr. Abraham Benedict Weinstein. Subsequent to the death of Golas, the courier handling material received from the Silvermasters and Ullmann delivered it through an unidentified individual to Anatole Borisovich Gromov, who until December 7, 1945, was assigned as First Secretary of the Seviet Embassy, Washington, D. C., when he returned to the U.S.S.R. Gromov had previously been under suspicion as the successor to Vassili Zubilin, reported head of the MAVD in North America, who returned to Moscow in the late Summer of 1944. This whole network has been under intensive investigation since Movember, 1945, and it is the results of these efforts that I am new able to make available to you.

I also feel that it is incumbent upon me at this time to bring to your attention an additional factor which has originated



This source, which is apparently aware of at least some of the charges incorporated in the attached memorandum against White, commented that the loyalty of White must be assured, particularly in visu of the fact that the U.S.S.R. has not ratified the Bretton Voods agreement. Fear was expressed that facts might come to light in the Juture throwing some sinister accusations at Thite and thereby feopardize the successful operation of these important international financial institutions (4)

I thought you would be particularly interested in the above Comments, th expressions of my highest esteem, .

Binoerely yeurs,

Attackment



SECTET CONFIDENTIAL

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HARRY DEXTER WHITE

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

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SECRET

February 1. 1946

HARRY DEXTER WHITE

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The purpose of this memorandum is to relate all of the information available at this time concerning Harry Dexter White, his activities and contacts in order that an over-all picture may be available for review, action or future reference. This information has been received from numerous confidential sources whose reliability has been established either by inquiry or long-established observation and evaluation. In no instance is any transaction or events related where the reliability of the source of information is questionable. It is with these factors in mind that the following material is set forth.

ORIGINAL CHARGES

Through a confidential source, the activities of Harry Dexter White, present Assistant Secretary of the Treasury, first became apparent in the latter part of 1942 or the early part of 1943. At that time, this source was in direct contact with Nathan Gregory Silvermaster, his wife, Helen Witte Silvermaster, and William Ludwig Ullmann, all of whom for several years have resided at 5515 Thirtieth Street, N. W., Washington, D. C. Both Nathan Gregory Silvermaster and William Ludwig Ullmann were then and are now, employees of the United States Treasury Department. Mrs. Helen Witte Silvermaster is unemployed.

Through comments made by Silvermaster, his wife and Ullmann, the source learned that White was supplying them with information cansisting of documents presumably obtained by him in the course of his duties as Assistant Secretary of the United States Treasury Department. The source in this regard recalls definitely having seen documents at the Silvermaster residence, which documents were brought there for Silvermaster or Ullmann, both of whom received the material from White. As concerns the nature of this material supplied by White, the source states that it consisted of reports of a varied nature concerning the financial activities of the United States Covernment, particularly if they related to foreign commitments. Also various memoranda and reports from other Governmental departments and agencies were made available through these thannels. These documents had usually been reduced to photographs by the time they were observed by the source but on occasions this source had the opportunity of viewing the original documents themselves. Suffice it to say, during the investigation of these charges, it was learned that a complete photographic laboratory exists in the basement of the Silvermaster home sufficiently well equipped for the copying of documents. This includes an enlarger, developing equipment and all the necessary chemicals and other incidentals.

These documents whether consisting of notes taken therefrom, verbatim copies, developed photographic negatives or undeveloped photographic negatives were delivered through channels to Jacob No.

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Golos, a known Soviet agent, who died on November 27, 1943, and who was then secretary of World Tourists, Inc., a New York corporation chartered June 10, 1927. Jacob M. Golos whose real name is Jacob Raisin pleaded guilty to an indictment along with World Tourists, Inc., charging failure to register as agents of the Soviet Government in Warch, 1940. He received a fine of \$500 and a jail sentence of four months to one year which was later changed to probation. The source in this matter states that material collected in this particular parallel of Saviet espionage was all channelled through Golos to an individual who has been tentativel identified as Dr. Abraham Benedict Weinstein, a practicing dentist residing at 28 Fifty-third Street, New York City. Weinstein in turn passed the material to a Russian contact who in turn channelled the information to the Soviet diplomatic establishment in this country. can logically be presumed after arrival at this destination that material of primary interest to the Soviets was forwarded to Moscow, U.S.S.R. via diplomatic code and material concerning which there was no urgency, reached that destination through the Soviet Diplomatic Pouch.

Subsequent to the death of Golos, the material gathered by the Silvermasters and Ullmann originating with White, was traced by this source through an unknown individual to Anatole Borosovich Gromov, former First Secretary of the Soviet Embassy, Washington, D. C. Suspicions had previously surrounded the activities of Gromov to the effect that he was the successor to Vassili Zubilin, reported head of the NKVD, one of the primary branches of Soviet Intelligence in North America. Zubilin returned to Moscow, U.S.S.B. in the late summer of 1944, and Gromov departed from the United States for Moscow, U.S.S.R. on December 7, 1945. From all appearances, the position previously held by Gromov to whom this material was transmitted prior to his departure, is now held by Fedor Alexeevich Garanin, an official of the Soviet Embassy, Washington, D. C.

After identifying the channel through which material from the United States Treasury Department passed from White to the Soviet Embassy, conversations overheard in the Silvermaster home that Thite was considered one of the most valuable assets in this particular parallel of Soviet Intelligence. This view was taken since in his capacity as Assistant Secretary of the United States Treasury, those individuals whom this group was anxious to have assigned there could secure employment. Among individuals in this category are William Ludwig Vilmann, William Henry detail hereinafter. The source also reports that White was regarded as waluable adjunct to Soviet espionage because of his close relation—Morgenthau, Jr. and was felt to be in a position to secure favorable consideration for the U.S.S.R. in financial matters.

Following the death of Jacob M. Golos, known Soviet agent, a discussion was had between Silvermaster and his immediate superior in Soviet espionage, who has not been identified to date, as to the advisability of introducing White directly to the Russian contact to whom this unknown intermediary delivered the material originating with White. Silvermaster was not in favor of taking this action and presumably this meeting was never arranged.

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The source recalls that sometime in the summer or fall of 1943 the Silvermasters believed it desirable to have someone placed as a secretary to White in order to facilitate the obtaining of information from his office for delivery to Soviet espionage agents. As a result of these deliberations, Mrs. Helen Witte Silvermaster went to one of the Communist functionaries in Washington, D.C., and from this source secured the name of Sonia Steinman Gold. Eventually, Mrs. Gold through arrangemen with White, obtained a position as one of the secretaries in the United States Treasury Department. As a result of this employment, Mrs. Gold obtained documents from White's office, which she copied and made her notes available to Mrs. Helen Witte Silvermaster. The source does not recall specifically but it is recollected the information which Mrs. Gold obtained concerned principally the Treasury Department's opinions and recommendations concerning applications for loans made by the Chinese and French Governments. It is also recalled by the source that some of this information concerned political reports regarding General DeGaulle, which found their way into White's office. The exact date of the employment of Mrs. Gold with the United States Treasury Department is not readily available; however, it is significant to note that she has been employed for a considerable period as secretary or assistant secretary to White. She was on maternity leave during the fall of 1945 and was expected to return to her employment shortly after January 1, 1946.

This source also reported the existence of another parallel of Soviet Intelligence operating within the United States Government and headed by Victor Perlo. The information gathered from the Perlo group was channelled through Jacob M. Golos and on to the Soviet diplomatic establishment in the same manner as outlined for the operation of the Silvermaster group. This is true both before and subsequent to the death of Golos on November 27, 1943. Victor Perlo as late as October, 1945, was a statistician in the Var Production Board.

The source relates that because of the relationships existing between Golos and the Perlo group, another individual, namely, Harold Glasser, appeared in the picture. Glasser for a period in 1944, according to the source, was outside the United States in some capacity for the United States Treasury Department. He returned to the United States probably in the early fall of 1944, and thereafter was employed in the Glasser was rather closely associated with White and may have served as his assistant. Glasser was able to supply general information concerning the activities of the United States Treasury Department, particularly where they concerned proposed loans to foreign countries. He also which had been sent to the United States Treasury Department for action or information.

The above summary of information is complete as it concerns the material known to this source regarding White.

BACKGROUND OF HARRY DEXTER WHITE

Harry Dexter White was born in Boston, Massachusetts, October 29, 1892. Since 1939 he has resided with his wife, Anne Terry White, and two daughters at 6810 Fairfax Road, Edgemore, Bethesda, Maryland.

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During the first World Wer he served as a First Lieutenant in the Infantry of the United States Army and spent some time overseas during his service from April, 1917 to February, 1919. Following his return to the United States he directed the American Expeditionary Force Orphan Asylum for the period of two years. He attended Stanford University where he obtained a Bachelor of Arts degree in 1924, and a degree by Harvard University in 1935. He was awarded a Doctor of Philosophy State of Wisconsin and he served as Professor of Economics for two years at Lawrence College in Appleton, Wisconsin. He was also an instructor in Economics at Harvard University for a period of six years.

In June, 1934, Professor Jacob Viner of the University of Chicago brought Mr. White to the United States Treasury Department to make a special study. He was employed in the Office of the Secretary of the Treasury as an economic analyst from June 20 to October 4, 1934. From October 5 to October 31, 1934, he served as Chief Economic Expert with the United States Tariff Commission. Following this, he served as Principal Economic Analyst, Division of Research and Statistics, Treasury Department, from Movember 1, 1934, to October 1, 1936.

It is noted that during the year 1935 he was sent to England to study economic and monetary questions. He became Assistant Director in the Division of Research and Statistics, United States Treasury Department, and served in this capacity from October, 1936 to March 25, and continued in that position until August 5, 1941. He assumed his the Division of Monetary Research on August 5, 1941.

Also in this year he was entrusted with the management of the two-billion-dollar stabilization fund of the United States Treasury.

Mr. White has represented the United States Treasury on the Economic Defense Board and he is also a trustee of the Export-Import Bank in Washington, D. C. He is also a member of the Government's Committee connection with reciprocal make the Committee has been active in He accompanied (former) Secretary Morgenthau in 1943 on a trip to Italy and North Africa.

During the Bretton Woods Monetary Conference which began July 1, 1944, Harry White was the Chief Technical Expert for the United States Government and gave to the press daily summary of the Committee meetings. In September, 1944, he was instrumental in drawing up the Morgenthau Plan for treatment of Germany following World War II.

Current Biography also states that Harry Dexter White is the man behind (former) Secretary of the Treasury Henry Morgenthau's postwar maneta

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proposals, and he was the chief du hor of the measures under discussion at the United Nations Monetary and Financial Conference held at Bretton Woods, New Hampshire, in July, 1944.

According to Current Biography, Anne Terry White, wife of Harry Dexter White, is a writer of children's books. They have two

Harry Dexter White has written the following books and articles:

Some Aspects of the Tariff Question (in conjunction with Frank V.

French International Accounts.

Ohlin's Interregional and International Trade (Quarterly Journal of Economics, August, 1934, volume 48, pages 727 to 741). The Monetary Fund (Foreign Affairs, January, 1945, volume 23,

COLLATERAL INFORMATION AVAILABLE PRIOR TO NOVEMBER, 1945

White was the subject of an investigation conducted in 1942, Predicated upon charges by the Special Committee on Un-American Activities of the House of Representatives, at that time headed by the Honorable Martin Dies. It was charged that White was a member of the Washington Committee for Democratic Action, which had been declared a subversive organization by the Attorney General, thereby indicating a possible violation of the Hatch Act. Inquiries determined that White's name did not appear in the active indices of the Washington Committee for Democratic Action; however, it was ascertained the name of Mrs. Anne Terry White, his wife, did appear in these indices. After preliminary inquiries with no appreciable results, white himself was interviewed under oath on Warch 30, 1942, at which time he denied membership in the Communist Party and in the Washington Committee for Democratic Action. He likewise denied membership in any organization which he had reason to believe might be dominated by the Communist Party or the policies of which were dictated by any foreign government. The great part of the interview was the denunciation on the part of White of this type of investigation being conducted on the basis of the reports of the Dies Committee. He admitted that his wife had contributed to the League of Women Shoppers and also contributed to the Spanish Relief during the Spanish Civil War. The League of Women Shoppers is allegedly a Communist front organization and the policy of the Communist Party was to give such assistance in the form of relief and otherwise to the cause of Loyalist Spain during the

Through the estranged wife of one of the individuals reportedly serving as a source of information for Soviet Intelligence, the names of a number of persons reportedly identified as members of the underground Communist group in Washington, D. C. were secured. Among other names was that of Abraham George Silverman, who was formerly employed by the Railroad Retirement Board and the United States Army Air Forces and is presently employed by the French Supply Council of the French Government. As incidental to the

mention of Silverman, it was alleged that he worked through close friends who are indebted to him, including White and others. It is pertinent to note that Silverman was also prominently mentioned by the source of information on Thite as an important element of the Soviet espionage parallel, chanelling information through the Silvermasters to the Soviet Government. Some of the material which Silverman delivered to the Silvermasters reportedly came from White. Silverman apparently was one of the main collectors of information from various officials in the United States Government and which in considerable volume, he delivered to the Silvermasters for photographing and transmittal to the Russians. This photographic work as stated hereinbefore, was done in the basement of the Silvermaster's home. William Ludwig Ulmann, who maintains mutual residence with the Silvermasters, did the actual work of photographing after training himself specially for this purpose.

Through a highly confidential source, it has been learned tha t

In January, 1945, "The Federal Record," official publication of the United Federal Workers of America - CIO, reported that Local No. 11, the main United States Treasury building, had met with White, the new Assistant Secretary, to discuss a meeting for staffs of the three research divisions attached to the Office of the Secretary. White agreed that such a meeting should be held and promised to speak on the significance of the Bretton Woods agreement. It should be noted that the United Federal Workers of America - CIO is reported to have been strongly infiltrated by Communist elements and to follow and expedite the policies of the Communist Party whenever Particles

Through a highly confidential source, it was learned that Harriet Bouslog of the CIO Maritime Committee, made an appointment for Louis Goldblatt with White in early 1945. Goldblatt while in

Washington, was also to see Silverman of the War Department who is believed identical with Abraham George Silverman mentioned herein-before. Louis Goldblatt reportedly is a member of the Special Branch of the Communist Party, San Francisco, California, and is Secretary-Treasurer of the International Longshoremen's and Ware-housemen's Union of America - CIO. This is the Union of which Harry Bridges is the head.

During February, 1945, White served as a member of a delegation to the Pan-American Conference of Foreign Ministers at Mexico City, Mexico. According to press releases, his primary interest in attendance at this Conference was to act as an advisor on the methods of preventing Axis leaders from cashing funds in "safe haven."

In July, 1945, a clerical employee of the Passport
Division of the Department of State, who was formerly employed as
a clerk by the Soviet Government Purchasing Commission, was allegedly
purloining certain information from the official records of the
Department of State for transmittal to unknown persons. This individual had reportedly stated that he knew a man or men who would pay
him \$1,000 for the information he had collected in the course of his
employment. In his application for employment with the Department
of State, White was listed as a reference and recommended him highly.
This circumstance is being set forth in view of the allegations
enumerated hereinbefore to the effect that White was considered of
extreme value because of his influence in securing positions for
persons who could be of assistance to Soviet espionage.

In October, 1945, it was learned through reliable sources that functionaries of the National Council of American-Soviet Friendship, Inc. were considering inviting White to be a speaker at the organization's rally scheduled for November 14, 1945, at Ma'ison Square Garden, New York City. This organization whose objectives are to propagandise the Soviet Union is reliably reported by many sources to be completely under Communist control. Its functionaries who are responsible for its policies and the issuing of such invitations include known members of the Communist Party, numerous apologists for the Soviet Union and suspected Soviet agents.

During the investigation of Philip Jacob Jaffe, editor of Mamerasia," who was arrested in June, 1945, for the possession of documents taken from the Department of State, it was learned that he had been in frequent contact with Andrew Roth. During one of these contacts, the question was discussed as to whether one of their sources in the Treasury Department on Far Eastern Affairs would lose his position if Secretary Morgenthau were to be replaced. It was concluded that he would retain his position on the basis of his own merits and then a veiled reference was made to White who was destribed as "pretty widely respected." Jaffe's counter-remark to this was, "Yes, but he is pretty radical," leaving the innuendo that with the change in Secretaries of the Treasury, White might not remain in his position.

On another occasion while in contact with Roth and discussing various possible contacts for Jaffe for information from Government sources, Roth referred to David Carr, who works with

Drew Pearson, as obtaining considerable information on Far Eastern Affairs that other individuals did not get because of his United States Treasury connections. Both stated that Carr was seeing white once a week and spending considerable time with him.

Subsequent to the receipt of the information above, White Jaffe for the receipt of official documents of the Department of State. He stated that he did not recall any instances where there documents had been taken or material given to unauthorized indinumerous persons have visited him since he has been working in the does not recall this meeting. He denied hat the had net Jaffe but indicated that Treasury Department and it is possible that he had met Jaffe but he does not recall this meeting. He denied knowing any other principals in the Jaffe case but stated that the name of John Service, an familiar to him and he believes that Service's name was mentioned that Roth and Jaffe were discussing above as to whether he would lose resignation of Secretary Department in the event of the

was an employee in the Treasury Department handling matters dealing with monetary affairs in the Far East. He indicated that he himself had brought Friedman to the Treasury Department approximately five for six years previously at which time Friedman was working either contended that he had no reason whatsoever to question the integrity Friedman's work he must necessarily know a number of persons in of informed persons is limited. Further, White stated that Friedman as other officials in the Treasury Department. It is to he noted article for "Amerasia," of which he knew Jeffe to be editor, but Department. Friedman also admitted acquaintanceship with Service, Roth and other individuals involved in the Jaffe case.

During the investigation of the Jeffe case, it was developed that the principals therein were reported on numerous occasions to be sympathetic with the Soviet policy as it concerns thina. With this in view, documents concerning the foreign policy of this Government relating to China were those primarily desired by Jeffe for guidance in the articles appearing in his publication, which itself followed the Communist Party line.

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RESULTS OF INVESTIGATION SINCE NOVEMBER, 1945

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Investigation of White since November, 1945, has been conducted with the primary objective of proving or disproving the original charges enumerated hereinbefore. It should be realized that to prove these charge at this time when they relate to activities occurring in 1942 and 1943 is practically impossible. Certain conclusions, however, may be made possibl by establishing that White is in fact acquainted with the Silvermasters, Vilmann and other individuals who, according to the source of this informa tion, were serving a parallel of Soviet espionage assiduously during this period. Weight may also possibly be given to the establishment of facts concerning situations prevailing at the present time, such as the presence of a photographic laboratory existing in the basement of the Silvermaster home. It will be noted hereinafter there appears to be a close interrelationship between White and the other individuals mentioned prominently as active in furthering interests of Russia. An attempt will be made not only to cover the activities of White directly with others named by the primary source of information in this matter, but to also show that White has other contacts which would tend to establish a pattern not in disagree-

Through investigation it has been learned that on Movember 22, Washington, D. C., the wife of Harry M. Edelstein, 3623 Jennifer Street, N.W., of the Interior Department, delivered individuals, presumed to be the Edelsteins, to the home of White. Information was previously available tha Arkansas, an institution which on many occasions has been criticised for it indices of the cooperative Meep Out of War Congress and the Capital City domination and influence. The name of Mrs. Harry M. Edelstein appeared on tion which was later declared subversive by the Attorney General under the provisions of the Hatch Act.

On November 24, 1945, Colonel Bernard Bernstein, 3003 Albernarle Street, N.W. Washington, D. C., visited at White's residence for some period of time. On November 26 and 27, 1945, White proceeded to the home of Colonel Bernstein, 407 Battery Lane, Bethesda, Maryland, where he presumably spent a good portion of both evenings. It will be noted that Lieutenant Colonel Bernstein, prior to the war, was Assistant General Counse of the United States Treasury Department. He has been employed by this

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Department since December, 1933, and on January 27, 1943, was detailed to the War Department where he received a commission of Lieutenant Colonel in and White will be discussed hereinafter.

On November 28, 1945, White, during the evening, visited the residence of Drew Pearson, the well-known columnist, at 2820 Dumbarton Avenue, Washington, D. C. He spent the evening at this address and departed in the company of several individuals who were guests for the evening.

In early December, 1945, White proceeded to New York City for the purpose of having certain dental work done and to make certain contacts. It was reported by a highly confidential source that on December 6, 1945, white was in contact with his wife from New York City, at which time he advised he was staying with Dr. Abraham Wolfson of Newark, New Jersey. It is known that while visiting the Wolfson family White took this opportuncture of view certain real property in New Jersey with a view to its purchase. After his return to Washington, White is known to have stated on a number of reporters.

Later in the investigation, it was learned that Dr. Abraham Wolfson was in Washington, D. C., on December 29, 1945, and that he is a divorced brother-in-law of Mrs. Harry Dexter White. Information was available prior to the present inquiries that Dr. Abraham Wolfson, 31 Lincol: Park, Newark, New Jersey, was listed as a member of the Washington Committee at Odessa, Russia, and is by profession a dentist, practicing at Medical Towers, 31 Lincoln Park, Newark, New Jersey. He has been a practicing dentist for many years.

Dr. Wolfson, in May, 1934, was divorced by his wife, Mrs. Ruth Terry Wolfson, 33 Washington Street, East Orange, New Jersey, an instructor in the Teachers College, Columbia University, New York City. Dr. Wolfson secured his American citizenship through derivation as a consequence of his numerous sources as having his minority. He has been reported by Communists in the State of New Jersey.

In early 1944, a highly confidential source advised that Dr. Wolfso was as of that time a member of the Third Ward Branch of the Communist Party, and that he had been active in Communist Party sotivities for the preceding seven years under the name A. Wilson Street. Further reports allege that Dr. Wolfson has held Communist Party meetings at his office, and that he party and to various Communist front organizations which he is well able to do with his declared earnings of \$21,000 per annum.

On December 13, 1945, it was learned through a highly conficient contact with Mrs. Anne Terry White at which time she requested the latter to write a protest to Lansburgh's Department Store concerning their war after having served them during the war. Mrs. White agreed that she would write this protest. It will be recalled that previously herein White admitted that his wife had contributed to the League of Women Shoppers. On an official list of the Washington League of Women Shoppers, an organication alleged to be a Communist front.

Numerous contacts on the part of White during early Becember were noted between White and Lee Pressman, 4619 Norwood Drive, Bethesda, Maryland, General Counsel for the National Congress of Industrial Organizations (CIO), and Colonel Bernard Bernstein mentioned hereinbefore. Subsequent investigation revealed that White and Pressman alternate in taking each other to work in their personally owned automobiles, their places of employment being in near preximity to each other.

On December 12, 1945, White accompanied an individual to the vicinity of 3210 P Street, N. W., which is the residence of Alger Hiss. Alger Hiss, for some time, has held a high position with the Department of State and was Secretary General to the United Nations Conference on International Organizations held in San Francisco, California, in 1945. He recently attended the UNO Conference in Lendon, England, and he still holds his position with the Department of State.

Reference is made to the Perlo group mentioned under the original charges set out hereinbefore. The same confidential source reported Hies as working for a parallel of Soviet espionage, the details of which she could not furnish. However, it was pointed out that Harold Glasser, who had formerly submitted his information through Perlo to Jacob H. Goles and his successors, later worked under the guidance of Hiss, who subsequently placed Glasser and others working under his supervision in direct contact with the Bussians. As the matter was related, network operating from within the United States Government.

On December 14, 1945, it was learned the Thites invited Nathan Gregory Silvermaster and his wife to their residence on that evening. The December 23, 1945.

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On December 15, 1945, White and his wife visited at the home of Maurice Halperin at 9956 Georgia Avenue, Silver Spring, Maryland. Halperin is an employee of the Office of Strategic Services assigned to the Library of Congress since October 2, 1941. As of January, 1945, Analysis Section of the Office of Strategic Services, which Section has now been transferred to the Department of State. According to the Confidential source making the original charges set out hereinbefore, University. He was a member of the Communist Party, according to this made contacts to re-establish himself with the Communists. In the espionage courier who secured from him information which was passed through Jacob M. Golos and his successors to the Soviet Government.

On December 14, 1945, it was learned through a highly confidential source that Mrs. Helen Witte Silvermaster was in contact with Mrs. White on a purely personal matter. On December 15, 1945, Wathan the former learned that White was ill. The purpose of the relationships existing between the Whites and the Silvermasters enumerated hereinbefore allegations made hereinbefore concerning the acquaintanceship between these two families.

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As early as December 6, 1945, the name of Frank Coe, Assistant Administrator of the Foreign Economic Administration, became apparent in this investigation. At that time White referred his wife to Coe to secure certain personal information incidental to his position. It is known also that White on at least one occasion stopped by the home of Virginius Frank Coe, 2700 - 36th Street on his way to work and picked up individuals at that address.

It has been determined that Coe resided in Toronto, Canada, from 1934 to 1939. Exact details of his employment since the latter date have not yet been revealed by inquiries.

On December 15, 1945, White and his wife visited the home of Maurice Halperin at which time Frank Coe and his wife were also

Information has recently been developed from the source responsible for the original charges herein that Frank Coe was also one of the minor individuals who was supplying information to the Silvermasters and thence through channels to the Soviet Government. The reports which Coe made came to the Silvermasters in Washington, the fall of 1944 Coe was in Latin America. It was the opinion of this source that Coe also sent information to Harry White and gave ually found its way to the Silvermasters. The nature of the material minor figure. In view of Coe's employment with the Foreign Economic in Latin America and necessarily had to make his reports by mail either through White or direct to the Silvermasters.

Mention was made hereinbefore of contacts between White and Lee Pressman, General Counsel, CIO, Washington, D. C. At the outset it should be noted that Pressman has held his position since 1935. He attended Cornell University and Harvard University Law School, graduating from both institutions. From 1929 to 1939 he was employed as an attorney in New York City and entered upon employment with the Federal Government in 1933. He remained with according to confidential sources, was listed in the active indices of the National Federation for Constitutional Liberties and on the mailing list of the Washington Book Shop. His wife, Sophia Pressman, according to these same sources, was listed in the active indices of the Washington Committee for Democratio Action, the National Federation for Constitutional Liberties, the American Peace Mobilization and was serving as Vice Chairman of the American League for Peace and Democracy when it disbanded in 1940. All of the above-mentioned organizations have been reported from substantial sources as being under strong dominance of the Communist Party.

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Through a highly confidential source it was learned in September, 1941, that when Jack Kling came into the Communist Party in Chicago, Illinois, to receive instructions for his assignment to a new job in the Party, he received several letters from local officials for delivery to Communist Party officials in New York, one of which was addressed to Lee Pressman of the CIO. At or about this same time it was also learned from a confidential source that Lee Pressman had sponsored a number of workers of the Anaconda Copper Company, Butte, Montana, for membership in the

From a prévious Communist Party member of some prominence who ceased his activities in 1937, information was received concerning organizations of the Communist Party in the United States Government, Washington, D. C. This organization was organized as an underground group and headed by Harold Ware who established underground headquarters in Washington. This source states definitely that one of the converts of this group was Lee Pressman, then employed in the Agricultural Adjustment Administration and who later went with the CIO on direct advice of the Communist Party inasmuch as it was considered important for him to be John L. Lewis' right-hand man. /

It was further ascertained that Pressman on December 14, 1939, was at the Cook County, Communist Party Headquarters, Chicago, Illinois, waiting to see Morris Child, a well-known Communist Party functionary. On January 5, 1940, Pressman attended a meeting of the Illinois Communist functionaries at Communist Party

On March 22, 1944, through a confidential source it was determined that Pressman conferred with Roy Hudson, National Committee member of the Communist Party, in the latter's private room several times during the National CIO Convention held in Philadelphia in November, 1943. From another source in corroboration of this statement it was reported that Pressman is a member of the Communist Party and he received instructions at the CIO convention in Philadelphia from Roy Hudson and followed these instructions implicitly. (U)

Most recent investigation of White reflects that he attempted to get in contact with Pressnan on December 29, 1945. On the following day White did, in fact, contact Pressman at which time Pressman was asked whether the response had been favorable. The latter indicated in the offirmative but something apparently had gone wrong in White's direction since Snyder had been in contact with Philip Murray, President of the CIO, and wanted to see him Monday. Pressman provised to contact White concerning this whole affair and White invited Pressman and his wife to come to his home that evening.

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On December 31, 1945, White again contacted Pressman at which time the latter stated that Snyder had been in contact with Murray that same day and had agreed to go ahead with the appointment of the panel. To White's question as to whether this was good or bad, Pressman stated that it meant that all efforts at mediation or collective bargaining were stopped. White commented that the recommendation apparently had no effect to which Pressman assented because it meant that the parties concerned appeared before a panel, started calling each other names, raised the whole business of ability to pay and would create the same impression as efforts in connection with General Motors. Pressman then referred to calling on Secretary of Labor Lewis B. Schwellenbach that same day at the Naval Hospital where he was undergoing treatment. Pressman indicated that Schwellenbach tried to find out from him exactly what was going on. White was amused by this and Pressman then added that Schwellenbach knews absolutely nothing. Pressman then continued that he had told Schwellenbach the whole story concerning Snyder's call and the latter indicated that he was going to contact the President and determine if he could have them (apparently labor and industry) hold further action until he, Schwellenbach, got back to see the President.

Reference was then made to an announcement which might be issued the following day which, if it did not appear, was because Schwellenbach had held the matter up. White, during this whole conference, appeared to be very interested in the activities behind the scene concerning negotiations between the CIO and strikes then pending and further from the comments made by Pressman, was obviously in the confidence of the latter.

On January 2, 1946, Pressman informed White that he had received information that the President was calling a conference for the next day which was to include Bowles, Henry W. Wallace, Secretary of Commerce and Snyder on the whole situation and the steel industry in particular. Pressman indicated that he wished there was some way of making Wallace make a real fight for the first time in his life on what had to be done on the situation; further the whole affair seemed to be deteriorating so fast that fact finding was a farce. He continued that the whole strike issue had to be settled with a substantial increase. White inquired as to the time of the prospective meeting which Preseman apparently did not know at that moment. White further inquired of Pressman as to what he had to suggest and the latter indicated that White knew Wallace better and consequently was in the position to answer his own question. Pressman urged that White should try to see Secretary Wallace the next day and point out to him the bad condition of the whole situation and indicate that it was connected with the meatpacking problem which in turn is related to the whole farm bloc. Pressman was apparently very much concerned that the strike situation was getting out of hand. (4) (U) p

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White endeavored to secure from Pressman the subjects for discussion the following day. The latter did not know specific cally but was of the belief that some pressure would be put on Bowles to do something for the steel industry. Pressman indicated that what should be done is this: if the strike runs its course the way it has been outlined, it will be perfectly meaningless because the steel industry will get a small price increase. To get action the administration should call in the top officials and set a deadline for final settlement, taking a strong stand that this settlement should come before January 14. He then pointed out that if the steel industry could be cracked by labor, labor would then be able to run the gamut of cracking every other industry. White inquired of Pressman as to whether it was permissible for him to mention that he had heard anything concerning this matter. Pressman stated this was permissible since it had come through a third party through the Office of Price Administration. This apparently had reference to the prospective price raise on steel

Considerable attention was given during this contact to the possibility of securing a wage increase for the steel industry the steel industry would have to have a price increase and that it would not necessarily follow that all other industries would have to have a price increase also. Pressman was most adamant that it to have a price increase also. Pressman was most adamant that it the automobile industry and other industries since the price of steel has been frozen since 1937, while other steel consuming industries have their price frozen as of 1942. White concluded by stating that he would perhaps try to see Wallace the next morning. Washington, the next morning and White inquired as to whether he was apt to be effective in his program. Pressman was not optimistic unless Wallace called him and added that he thought Wallace would be free to talk with Philip Murray then and go to the White House later. White Philip Murray then and go to the White House

The question was then raised by White as to whether the situation would not in fact mean that a committment, presumably from OPA, should be secured on the price raise on steel without Pressman pointed out that it would have to be a simultaneous affair, that is the settlement of the strike in return for the dicated that if President Truman was going to authorize an increase in the price of steel it doesn't seem reasonable that this would be wages. Pressman continued that the President was under pressure

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from industry and was trying appeasement and further that the amount of the wage increase must be determined as satisfactory to the unions since the price increase will have to be made incident there to, otherwise the administration will find itself with a strike still on its hands. White inquired as to how they would find out the solution and Pressman added only by dealing directly with Philip Murray. He made the gratuitous comment that he had never known of an impasse of this description - where everything was going to the dogs and the White House had not even talked with other heads of the labor unions - not only that, but his assistants neither Steelman nor Snyder, had been in contact with the unions.

Arrangements were made that Pressman would ride to work the following morning with White. It was not apparent during the above contact as to why Pressman was discussing this whole situation on an intimate level with White, Assistant Secretary of the United States Treasury. (4) Upl

There have been several other contacts between Pressman and White but none of particular significance with the possible exception that Pressman contacted White on January 29, 1946, and asked him whether he was aware of the fact that his superior, presumably the Secretary of the Treasury, had seen Fairless, presumably head of United States Steel, the day previous. indicated that this was not known to him and commented "You may find out during the day what happened, if anything." White answered in the affirmative but was noncommittal concerning the supplying of the results of this conference to Pressman.

With fur her reference to Colonel Bernaru Bernstein, it was developed that he was in contact with White on December 17, 1945. developed that he was in contact with white on December 17, 1940.
Colonel Bernstein indicated that he was interested in getting all of the Nazi property away from the Nazis and selling it to desirable people in Germany. To White's question as to what would be done with the cash, Bernstein indicated that it would be held under the control of the United States Treasury - the main thing was to remove from the Nazis the control of property in Germany. Bernstein also indicated he was being released from the Army soon, and there was a vague discussion of a position which he had under consideration with the conclusion that he, Bernstein, would be better off in the Treasury at \$10,000 a year. It was also obvious that White was going to take up the question of Bernstein's status with the Secretary of the Treasury. White again was in contact with Bernstein on December 18, 1945. The latter told White that Donald Hiss, who is the brother of Alger Hiss mentioned hereinbefore, had contacted him and advised the Polish Government was still looking for an adviser. He stated that Ludwig Rajchman of the Polish Mission had been in to see him. Bernstein was interested in the caliber of the individual desired by White indicated that Rajchman needed an individual to do the Raichnan. kind of things Bernstein could do for him and the kind of things that George Silverman was doing for the French. Bernstein was desirous of advice as to which crowd Rajchman represented and White indicated "the crowd that is in." White continued by stating that the Polish Ambassador needed three men - a fellow like Bernstein in many ways could be used and a fellow like Silverman to get the Economic and Purchasing Commission in order. White did not know how much money the Polish Government had to spend and added that he had to see Rajchman in the near future. White also wanted advice as to what the next move by Hiss would be, but Bernste either could not or would not advise on this question.

Bernstein apparently was not interested in the Polish proposition on a full time basis, to which White agreed, saying that if the Pole wanted aid they would have to pay fully because they have a very difficultion. Discussion was then had as to how White and Bernstein could use this proposition to fit in with their other plans and White stated that he would have a definite suggestion along that line the next day. (M)

Various details of the establishment of an office, presumably for Bernstein, were mentioned and White indicated that they, meaning himself and Bernstein, had to have an office anyway because of discussion White was having with Secretary of the Navy Forrestal the following day and that one could not talk without an office. Bernstein indicated that he had received a call previously from Governor Lehman of UNRRA and the Honorable Robert H. Jackson, Associate Justice of the Supreme Court of the United States now on assignment in Germany, and he asked White if the could possibly be interested, presumably in him on a part-time basis. White answered in the negative. White indicated, however, that Bernstein should see Former Governor Lehman and see what he had to offer. White, in conclusion, related that he was going to talk to Secretary of the Treasury Vinson very straight; that he had nothing to lose; he was entitle to it (this may relate to his appointment as a delegate on the Internation

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Monetary Fund under the Bretton Wood Agreement) and would see what Vinson h

On January 1, 1946, Colonel Bernstein again was in contact with hite, at which time reference was made to a commendatory statement which had appeared in the newspaper column of Drew Pearson that morning. Bernstein indicated that he had been in contact with an individual believed to be Congressman Andrew J. Biemiller to get the tempo of those up on the Hill. Bernstein commented that it seemed to him that it ciently well towards crystallizing support on the liberal fight. He made reference to they (apparently Congress) being worried about what was worry whether the CIO Political Action Committee and organizations of that type are going to give them support.

On January 13, 1946, Bernstein was in contact with Mrs. White during White's absence in New York City. He inquired whether White had heard anything definite about his new job from the Secretary of the Treasury. Mrs. White answered in the negative.

White is known to be in contact with David Karr, an employee of Drew Pearson, newspaper columnist, and specifically contacted him on January 1, 1946, expressing appreciation for the salute which had been paid to him in Drew Pearson's column that morning. It will be recalled that Karr's name was mentioned previously hereinbefore as an individual who was in frequent contact with White. Karr was formerly employed with Press and the Office of War Information. Karr also worked for a considerable period for "The Hour," published by Albert Eugene Kahn who is known to have had direct relationships with the Communist Party. Besides 1939, he was the author of an article appearing in the publication "Fight" and Democracy, a reported Communist front organization. The exact length of his service with Drew Pearson is net known.

White home, the following comments by one of his daughters to a friend may be of interest. In a discussion of their aims and likes, Miss White believe in the same political ideas - the same as their family. Further, they have in the house are the ones they can speak freely with and not stated the belief that when one is an adult, he must stick with his understanding of political and religious beliefs and other basic things.

PRIMARY CONTACTS AND COLLABORATORS

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As will be seen in the results of investigation since November 1945, set out hereinbefore, considerable information is set forth concerning the persons with whom White has been in contact. In those incharges set forther hereinbefore, a brief statement was made concerning the identity of the individual involved. However, in those instances where White has been in contact with persons directly related to the incidental to the summary of the investigation. It was thoughtmore desirable to treat each of these persons separately.

Nathan Gregory Silvermaster and Helen Witte Silvermaster, his wife.

The confidential source supplying the original charges set out hereinbefore has advised that in August, 1941, Jacob N. Golos made arran ments for a courier to collect information from the Silvermasters for delivery to him and thence to the Soviet Government. It became increasingly more obvious that although the fiction was first used that this were aware of its ultimate destination, namely, the Silvermasters and Mimas Silvermaster was at that time employed in the Farm Security Administratic and William Ludwig Ullmann was employed in the Treasury Department.

Previous to these arrangements for a courier between the Silver masters and Golos, it was quite obvious that Golos himself had collected the material being gathered. It was through the Silvermasters that Miman was successful, with the aid of White, in securing his position in the United States Treasury Department.

Silvermaster, according to the informant, is of Russian-Jewish he remained until he was about twenty years of age when he migrated to the later taught in an educational institution in that state. The informant when Earl Browder, former Chairman of the Communist Party, USA, was being acquaintance of Silvermaster with Browder up to that time is not known. secured employment with the United States Department of Agriculture. In Treasury Department where he now holds the position of Chief of the States that Silvermaster's position in the States Department of Agriculture. In Treasury Department where he now holds the position of Chief of the States that Silvermaster's position in the Treasury Department was secured for him by White,



Mrs. Silvermaster was also born in Russia and spent her younger years in China, where she had a son by a previous marriage. She-was subsequently divorced in this country, whereupon she married

Prior to the establishment of the courier system, when Golos was collecting the information in Washington himself, the source states the material was delivered to an individual tentatively identified as Gaik Ovakimian, a known Soviet agent who was allowed to depart from this country after having been indicted as an unregistered agent of the Soviet Government. Verbal instructions were delivered to the Silvermasters and Ulimann by the courier which received the information gathered by them. By the fall of 1942, original documents were being received by Ullmann and the Silvermasters secured from Government files to which they had access. It was at this time that Ullmann provided himself with a 95 milimeter camera and became proficient in document photography. Many other details and contacts were reported concerning the Silvermasters; however, they had no direct relationship to White other than to establish the conclusion that this particular parallel

In substantiation of the above statements made by the confidential source, it will be noted that Silvermaster was born in Odessa, Russia, on November 27, 1898. He was naturalized as a United States citizen at San Francisco, California, in 1926. He attended the University of Washington, Seattle, Washington; Stanford University, Santa Clara, California, and the University of California, Berkeley, California. It was further determined that in general the life history of Silvermaster as related by the original source is substantially accurate. Silvermaster has been reported as a member of the American League for Peace and Democracy and the Washington Committee for Democratic Action, both of which were declared subversive organizations under the provisions of the Hatch Act by the Attorney General. There are references to Silvermaster as early as 1922 as a young Communist of the University District in Seattle, Washington. In the interim between then and 1935 when he entered upon Government employment, there are some other references to alleged radical activities and particularly allegations that he associated with known Communists. One report states that in 1935, Silvermaster contacted Sam Darcy, Head of the Communist Party in California, and because of his associations it was concluded that he was an active radical. Silvermaster has a long record of reported associations with known Communists. He has been described as a protege of Pro-fessor Robert Alexander Brady, head Social Economist of the Office of Price Administration and a reported member of the Communist Party from 1932 to 1937. Further, Silvermaster is known to be acquainted with individuals other than those named herein who are strongly sus-

Mrs. Silvermaster was born in White Russia and after the Russian Revolution went to China where she married. After proceeding to the United States, exact date not known, she divorced her first husband and married Silvermaster in 1928 or 1929. There is little information concerning her background; however, this much does

substantiate what the original source had to say in this regard. Helen Silvermaster was one of the leaders in the Washington Book Shop, the American League for Peace and Democracy, the Washington Committee for Aid to China, and probably the National Federation for Constitutional Liberties, according to the confidential source. At the same time the source indicated that her husband represented the OGPU (now the NEVD) in the United States. All of these organizations cited have been reported on numerous occasions by a considerable number of people to be Communist dominated and controlled. She was also listed in the indices of the United American Spanish Aid Committee, League of Womens Shoppers, and known to have attended functions of the Vomens Committee with the Friends of Spanish Democracy, all allegedly Communist front groups.

William Ludwig Ullmann

William Ludwig Ullmann, according to the original source, and as has been related hereinbefore, lives at the residence of the Silvermasters. He participated very closely with the Silvermasters in gathering material which passed through Jacob N. Golos to the Soviet Government. According to the source, Ulimann originally came from a wealthy family in Missouri. He later resided in New York City and finally procured a clerical position in a Government agency in Washington, D. C. After making the acquaintance of the Silvermaster family, who recognized his potentialities, they facilitated his obtaining a job in the United States Treasury Department. Besides the gathering of information, he did much of the photographing and processing of the material precedent to delivery to the courier which brought it into the hands of Golos. In the fall of 1942, the source states that Ullmann's induction into the United States Army became imminent and there was considerable discussion on the part of Silvermaster and Ullmann as to which branch of the service would seem most advantageous. The Navy and the Marine Corps were dismissed since they concluded both branches were anti-Semitic. Realizing that Ullmann could not meet the physical requirements directly, it was decided that he should wait until he was drafted and attempt to be assigned to the Air Corps. This in fact was done, according to the informant, and Ullmann entered the Army as a private. Subsequently, he was promoted to a non-commissioned officer and later recommended for the Officer Candidate School. He was accepted and received his commission. Silvermaster was most anxious for Ullmann to be assigned to the Pentagon Building, and it was through Abraham George Silverman that this assignment was actually effected. Silverman during this period was a civilian employee of the War Department assigned to the United States Army Air Forces and stationed in the Pentagon Building. Both he and Ullmann made available voluminous material from records which came into their possession as a result of their employment.

By investigation, it was determined that Ullmann was born on August 14, 1908, at Springfield, Missouri. He attended elementary school in that state; received his college education from Phillips Exeter Academy, Exeter, New Hampshire, and Harvard University. He resided in New York in 1934 and 1935. The latter year, however, he came to Washington, D. C., and secured his first position with the

United States Fovernment with the NRA Consumers Advisory Board at a salary of \$2,000 a year. It was also learned through the Local Draft Board where Ullmann registered under Selective Service that he received a communication dated November 9, 1940, over the signature of Harry Dexter White, Director of Monetary Research of the United States. Treasury Department, requesting the deferment of Ullmann. finally entered upon service with the United States Army on April 16, 1943, and was separated from the Army on October 14, 1945, with the rank of Major in the Army Air Forces. He was assigned to the Pentagon Building, Room #4-E120. On return to civilian life, Ullmann again entered upon his employment with the United States Treasury Department. It is interesting to note that Ullmann is assigned to the Monetary Research Division of the United States Treasury Department, that Division being headed by White

Schlomer Adler

Schlomer Adler, more commonly known as Sol Adler, according to the original source of information, advised that during the latter part of 1942 and the early part of 1943, his name arose in connection with this Soviet network. Letters were seen in the Silvermaster home written by Adler from Chungking, China, to the United States Treasury Department in Washington, D. C., He, at that time, was the Treasury Department representative in China and the letters observed were of an official character. Presumably, they came into the possession of the Silvermasters through White. The Silvermasters characterized Adler as an opportunist but indicated they would have liked to place him in some strategic location in the United States Government. Adler was described as a dues paying member of the Communist Party.

Investigation determined that Schlomer Adler was born on August 6, 1909, at Leeds, England. His length of employment with the Treasury Department is not known; however, on July 10, 1945, that Department requested his Local Draft Board to permit him to leave the country and travel to China as a representative of the Treasury Department. This request was granted. It was also determined that Adler is a naturalized American citizen and received his final papers in September, 1940. Adler previously had served at the American Embassy in Chungking, China, as a representative of the Treasury Department as early as 1941. In 1931, information was received from a confidential source, who in the past has been reliable, to the effect that Adler, an employee of the United States Treasury Department, had been sending weekly reports to the Communist Party. He was further described as definitely a Communist and a close contact of Alexander Stevens. It was suspected that the Communist Party was playing the stock market and utilizing Adler's information in this connection.

According to the original source of information in this because of his ability to place in the Treasury Department those individuals whom this particular Soviet espionage group desired to have assigned there. Among those so assigned was Sonie Steinman Gold. It desirable to have someone placed as a secretary to White in order to facilitate obtaining information from his office. The name of Sonie D. C., and through arrangements with White, she secured a position in documents from his office which she copied and later delivered the

Further, the source states that in the spring of 1944, Bela Gold also known as Bill Gold, the husband of Sonie Gold, also appeared in this Soviet network. Gold had obtained a position in the Foreign Economic Administration and based on conversations overheard between the Silvermasters and Mlmann, it was determined that he was supplying the internal situation in the Foreign Economic Administration regarding was considered to have done an excellent job in this regard by both of supplying him with a camera in order that he might do his own photographing at home.

As related hereinbefore, investigation determined that Sonie Gold is in fact employed in the United States Treasury Department as a and may still be; however, on December 27, 1945, it is known that she engagement.

Bela Gold was born on January 30, 1915 at Golessvar, Hungary. He is a United States citizen either by naturalization or derivation and married Sonie Gold on July 5, 1938. He attended New York University and Columbia University. As of April 16, 1945, a request for deferment was made to the Local Draft Board of Gold by Kenneth O. Warner, chairman of the Agency Deferment Committee of the Foreign Economic Administration. Gold at that time held the position of advisor on Foreign Development was determined to be in contact with Mrs. Elizabeth Sasuly, who is active Washington, D.C.

HAROLD GLASSER

As it was indicated hereinbefore, the source of the original information in this case mentioned another branch of Soviet espionage headed by Victor Perlo of which Harold Glasser was a member. When this group first came to the attention of this source in early 1944, Glasser was outside of the United States

SFORT in some capacity with the United States Treasury Department but he returned in the early fall of that year. Subsequent to that time he was stationed at the Treasury Department at Washington, D.C. where he was thought to have been an assistant to White or at least rather closely associated with him. Glasser, however, was transferred from the Perlo group to administration by Alger Hiss of the State Depart ment, who was also, according to the informant, supplying information to Soviet Intelligence.

Investigation determined that Harold Glasser was born on November 23, 1904, in Chicago, Illinois. According to Selective Service records, he is employed as Assistant Director, Division of Monetary Research, United States Treasury Department, and his immediate. superior is Harry Dexter White, Assistant Secretary of the Treasury. He attended the University of Chicago and Harvard University. He in fact resided outside the United States, part of the time in Ecuador, as is reflected by a permit in the Selective Service records, issued on January 7, 1943. His first residence abroad appears to have been in Ecuador; however, a passport was issued to him on February 1, 1943, for travel to Africa, Union of South Africa and Egypt where he was to be assigned to the Civil Affairs Section of General Eisenhower's Staff. Further, on February 12, 1944, it was indicated that he was travelling abroad to North Africa, Spain, Portugal and Italy on business for the United States Treasury Department concerning the problems on foreign exchange in the countries enumerated. It is known that he was back in the United States in the fall of 1944. Glasser has been described by numerous sources as a member of the Communist Party and has been associated with many individuals against whom the same charge is made.

IRVING KAPLAN

According to the source of the original information, it is stated that Irving Kaplan was employed with the War Production Board and was giving information which he obtained through his agency to Abraham George Silverman. It was through Silvermaster that it was learned that the material from Kaplan channelled through Silverman, was actually being received by Bilvermaster for passing along to Golos and thence to the Soviet Government. Kaplan was described as a duespaying member of the Communist Party. When last heard of by the source, he was employed with the Foreign Economic Administration.

Irving Kaplan was born on September 23, 1900, in Zdrenciel, Poland. He attended the City College of New York and Columbia University. He was naturalized in New York City on December 18, 1911. In the summer of 1945, he was designated as a representative of the Treasury Department to proceed to Germany and there was assigned to the civilian group. He was requested for duty with the United States Group Control Council in Supreme Headquarters, Allied Expeditionary Forces. One of his references on the application for employment was Abraham George Silverman, mentioned hereinbefore.

Further in the investigation, it was found that the wife of Irving Kaplan, Dorothy Kaplan, had been in contact with the wife of Abraham George Silverman, Mrs. Helen Silvermaster and is acquainted with Nathan Gregory Silvermaster and Ulmans.

During these contacts it was apparent that the man hair cina During these contacts it was apparent that she was bringing

pressure through Ulmann and Silverman to have her husband released from the Army in Europe in order that he might return to his position in the Treasury Department. Irving Kaplan communicated with his wife to the effect that she should contact Frank Coe and advise him that no confirming cable concerning his release had been received as yet but that a person named Nixon had cabled Colonel Bernard Bernstein and White on December 11, 1945, requesting Kaplan's immediate recall on account of urgent matters pending. All of these individuals have been mentioned hereinbefore. Subsequent to the receipt of this cable, Dorothy Kaplan contacted Ulmann and told him that she had been in contact with Frank Coe about the time scheduled for her husband's release. He indicated to her that nothing further could be done since the Treasury Department had already requested the War Department for Kaplan's return to the United States immediately. Mrs. Kaplan was advised by Frank Coe to cable her husband that they were doing everything possible to effect his early return to the United States. will be noted that all of the names figuring in these transactions are of those mentioned as prominently concerned in the Soviet espionage group discussed hereinbefore.

WILLIAM HENRY TAYLOR

It will be recalled as cited hereinbefore that the original source of information charges that White was considered of extreme value to the instant underground Soviet group because of his ability to place individuals in particular positions in the Treasury Department. Mentioned particularly in this category was William Henry Taylor This individual first came to the attention of the source in the latter part of 1942 or the early part of 1943. It is alleged that after securing his position with the Treasury Department with the assistance of White, he was sent as their representative to China and later to Lisbon, Portugal, with the Foreign Economic Administration. He was described as a dues-paying member of the Communist Party. During the interim between his return from China and his departure to Portugal, he was in the Treasury Department in Washington, D. C., and was supplying Silvermaster with written and oral information secured by him in that Department. In addition, he prepared a report on conditions in China which he made available probably to Silverman but possibly to Silvermaster. This report eventually reached the hands of the Russians

Taylor was born in British Columbia on March 30, 1906. He was appointed to the position of principal economic analyst in the Division of Monetary Research on January 9, 1941. This is the division headed by White. He resigned his position on May 21, 1941, to accept an appointment as an alternate American representative of the recently created China Stabilization Board and proceeded to Chungking, China, on official business. He was reinstated in the Division of Monetary Research on September 15, 1942, as principal economic analyst.

SECRE In May, 1944, the Department of State granted Taylor a passport for an official trip to London, England. In connection with another investigation, White on interview advised that Taylor had handled many important assignments for the Treasury Department, including a visit to North Africa on official business shortly after the Invasion and London in connection with official business with regard to the invasion of Europe. As of June, 1945, he could be reached in care of the American Embassy at London, England.

<u>Abraham George Silverman</u>

According to the original source, Abraham George Silverman, a graduate of Harvard University, came to Washington, D. C., in the early 1930's to accept employment with the Railroad Retirement Board. The circumstances of his acquaintanceship with the Silvermasters and Ulmann were not known to the source although during the pertinent period, Silverman was accepted on a very friendly basis in the Silvermaster home. After he was assigned to the Pentagon Building in 1942 or 1943, as a Civilian Specialist, he began bringing documents to the Silvermasters' home.

During this same period, the source learned that White was also supplying information consisting of documents received in the course of his duties in the Treasury Department. These documents were made available to Silvermaster either by Ulmann or Silverman, both of whom were receiving material from White. Silverman also collected information from other individuals which ultimately was passed on through instant channels to the Soviet Government. Both Ulmann and Silverman while assigned to the Pentagon Building were obtaining and photographing data including aircraft production . figures, allocation and deployment of aircraft, results of testing of aircraft, reports on the efficiency of particular types of airplanes, technological developments in aircraft manufacture, statistics regarding high octane aviation gasoline, pertinent developments concerning the planning, construction and completion of the B-29, scheduled date of D-Day, directives issued by General Marshall, and other vital information. Both Silverman and Ulmann were assigned to the United States Airforce and had access to this type of information.

Investigation disclosed that Silverman was born at Preasnysz, Poland, on February 2, 1900. He graduated from Harvard University with a Ph.D. Degree and holds another degree from Leland Stanford University. He was formerly employed as a Chief Production Specialist, Materiel Division, Army Airforces from March 26, 1942, until August 18, 1945, when he left this employment to work for the French Supply Council, a part of the French Government in Washington, D. C. He is known to have been in contact with Nathan Gregory Silvermaster, Mrs. Silvermaster, Dorothy Kaplan, wife of Irving Kaplan, and others mentioned hereinbefore.

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According to the Original source, Donald N. Wheeler was an element of the Perlia Group mentioned hereinbefore, who during the pertinent period, namely in 1944, was employed on the Editorial Board of the Research analysis Settion of the Office of Strategic Services. The material which he submitted was stated to be of considerable value. He submitted material which included "ditto" copies of monthly and semi-monthly reports of the Office of Strategic Services as they concerned political developments throughout the world, some of which were marked "Secret" and "Confidential."

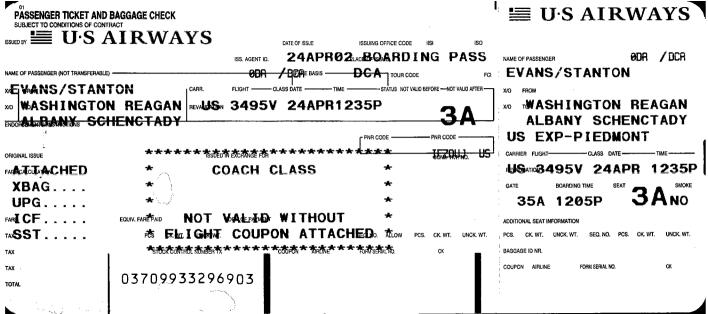
The source states that wheeler is a native born American, a graduate of Tale University and had in the past been a student at Cambridge or Oxford specializing in Economics. He was described as a dues-paying member of the Communist Party. Wheeler is apparently an American who attended Reed College, Portland, Oregon, and Oxford University as a Rhodes Scholar. He also was an instructor at Yale University subsequently entering upon employment in the Division of Conomic analyst in April, 1939. In May, 1940, he was detailed to the Senate Banking and Currency Committee. His immediate supervisor while with the Treasury Department was Harry White, now Assistant Secretary of the Treasury. In September, 1942, Wheeler was employed in the Office of Strategic Services.

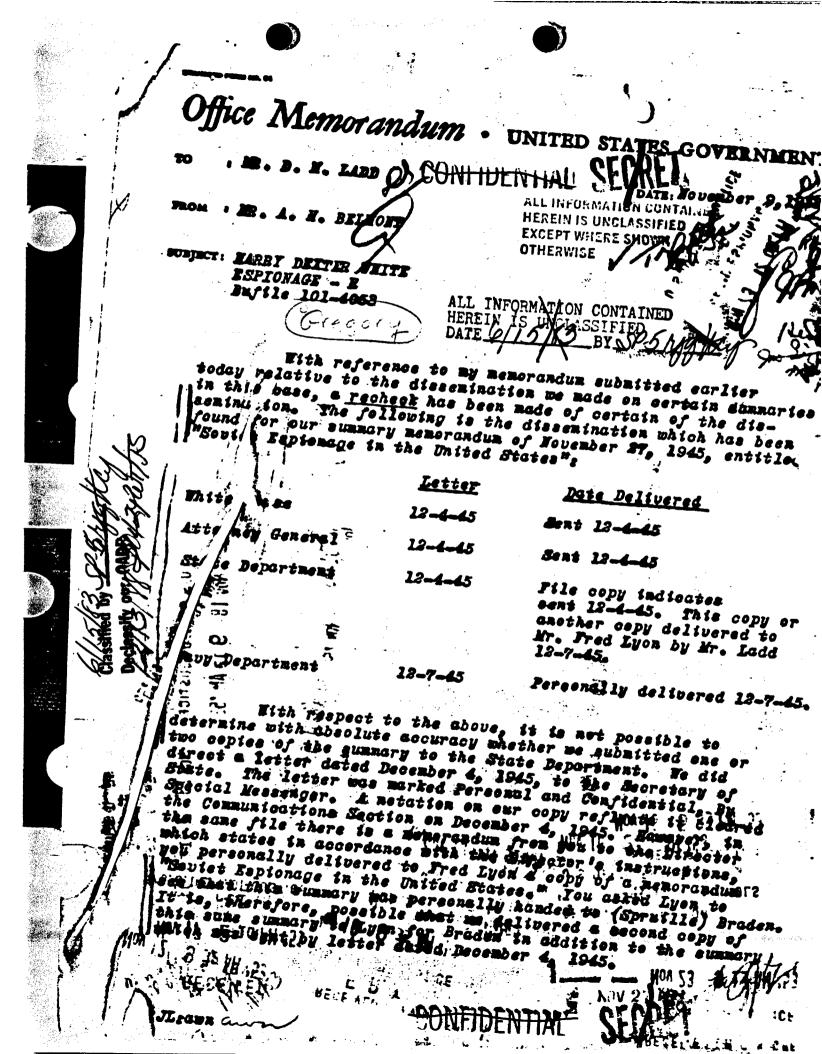
with David Hedley, who is now a Communist Party member in San Francis California. He is described by the individuals who knew him to have fostered Communist fronts while in Connecticut attending the Universiand supported such institutions as the Spanish Aid Committee. On one occasion, according to a confidential source, Wheeler and his wife as known to have attended a Communist Party meeting in New Haven, Connecticut. He was active as an organizer for the Spanish Loyalist cause; is a member of the Washington Book Shop; Washington Committee for Democratic Action; and other alleged Communist front organization

Victor Perlo in the recent past has been in contact with Donald Wheeler and other individuals associated with suspected Sovie agents, have been seen in company with the Wheelers.

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It appears from our review of this matter that we in the November 27, 1945, summary so we prepared a summary containing the same information with only a very small number of minor changes and disseminated it under date of December 12, summaries should be regarded as one from a dissemination standpoint the over-all picture we were presenting. The following is the entitled "Soviet Espionage in the United States":

- · · - · · · · · · · · · · · · · · · ·	-
Letter	Date Delivered
2-20-46	Sent 2-20-46
3-15-46	Sent 3-18-46
2-26-46	Delivered 2-28-48
3-5-46	bl Delivered 3-6-46 (U)
S	Bent 2-21-46
	Sent 2-21-46
	2-20-46 3-15-46 2-26-46

Personally delivered 7-24-46

In addition, our files contain a memorandum from Mr. Coyne to Mr. E. A. Tamm dated July 24, 1946, which reflects the Stewart of the Attorney General's office had returned to the Bureau a series of memoranda regarding Communist and Russian matters and requested that duplicate copies of these memoranda be made available to the Attorney General who wanted to take President. Then we returned the Attorney General's copies of the summaries, we gave her in addition to what she had requested a copy of the December 12, 1945, summary.

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In a memorandum from Mr. Coyne to Mr. E. A. Tama dated July 25, 1946, it was set forth that Mrs. Stewart returned to the Bureau the documents we had previously given to the Department. The copies returned to the Bureau, according to the memorandum, were the Attorney General's copies and the memoranda we had made available on the previous day had been left with the President by the Attorney General on July 24, 1946. It is not indicated on this memorandum whether we then returned the summaries to the Attorney General or not.

The following is the dissemination which was made of the summary memorandum on white dated February 1, 1946, according to the copies of the letters of transmittals which we located:

	Letter	Date Delivered
White House	2-1-46	Delivered 2-4-46
White House Attorney General	2-4-46	Sent 2-6-46
State Department	2-1-46	Delivered 2-4-16
		Delivered 2-4-46

The above dates have been rechecked against Photostats which we made up on the brief that was submitted on this case

The have been unable to locate any additional reference showing further dissemination of the summaries of November 27, 1945 and December 12, 1945. We have also been unable to locate may further dissemination of the summary memorandum on White dated February 1, 1946. However, we have found in checking are widely scattered through our files and appear in numerous which was made on these summaries. We are, however, in connection with the further review of dissemination on White looking for any additional dissemination which may have possibly been made.



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ACTION

The foregoing is for your information in connection with this matters:

well & Notation butine med

November 9, 1953

12/3/1 2012 MEMORANDUM FOR MR. TOLSON
AVI INFORMATION CONTAINED
HEREIX IS DYSINGSIFIED
EATE 15/5/5/8 BY 15/5/5/5/5/1

This morning, the Attorney General asked me to come to his office to comier with him. Departy Attorney General Regers, Assistant Attorney General Conv. and Mr. Mullen. Director of Public Relations, relative to the Harry Denter white matter. It was impossible for me organized at once in view of a phone call which I was taking but I did arrive shortly theresiser. It was apparent that there had been a rather detailed discussion as to the kind of statement which the Attorney General should is sen today.

The Attorney General chowed to one a memorandum dated february 2, 1946, which was addressed to Clark and which was identical in content to the letter of Schruzry 1, 1946, a identical to Content Vaughan, transmitting a copy of the memorandum of Schruzry 1, 1945, upon Parry Content White. The Attorney General inquired as to whether I thought there was any impropriaty in releasing thin particular memorandum to the pressuaday, together with sworm statements of the delivery of the several memoranda to General Yaughan as the White House.

I told the Attorney General : was very much concerned about the developments in this matter in that it had been indicated that there was to be released to the press certain reports of the TDI, or summaries thereof, by the Attorney Ceneral today. I stated that if this was in mind, I thought it was setting a very had precedent which would inevitably rebound against the D partment of Justice, and particularly the FBL. I stated that the principle at stake was the sauctity of the FBI files and its reports. I cited the situation which developed in the Copion case when former Atterney General Clark saw fit to release a report of the UBI in the case over my strong and vigorous protests. I stated that I felt if any reports of the FEI were released in the Harry Boxier white matter, that Tolong Wie could not in the future withstand the Comund for access to our reports by Con-Nichols Tessalunal Committees and that I doubted whether the Alternay Concrets rule Clerk Don't not making reports available in Sederal Courts would stand up. I further Herbo 2011sted evi the as regards the memorandum of December 4, 1965, and the memofucy Expolum of Propriety 4, 1946, that I had had these goes over and the Chroughout Holloman __

his Ganty .

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public, would disclose confidential techniques and the identities of informants. I said that to remove these particular portions from the reports would be quite obvious and would, no doubt, lead to even more intensive inquiries by the press and by Congressional Committees. I stated that I was fundamentally opposed to disclosing at any time the top-secret reports of the FBI in matters affecting the security of the country.

I stated that as regards the issuance of a statement by the Attorney General today, I thought that statement should be upon a very high level if he intended to issue one. I stated I did not think it should be argumentative nor indulge in personalities. I stated that since the Attorney General had seen fit to make the Chicago speech last week, mentioning Harry Dexter White, there had been no question raised as to the accuracy of his statement about White but, as a matter of fact, former President Truman had admitted he did learn in due time that White was disloyal and took steps to dismiss him by resignation. I stated that the only question involved was whether General Vaughan had received the two reports in question and that the records of the FBI showed that both of these reports were delivered to the White House, one through regular mail channels, the one of December 4, 1945, and the February 4, 1946, one, by a notation on the yellow carbon copy of the letter of transmittal in the Bureau files, was personally delivered to General Vaughan on February 4, 1946. I pointed out, however, that Mr. Roach, our Liaison Officer, obviously could not swear to the fact that he personally handed it to General Vaughan in view of the lapse of time but that Mr. Roach has advised that it was his practice, whenever he personally delivered a report to General Vaughan, to make a notation of that fact upon the yellow which went to the files in the FBI. I stated that when Mr. Roach made delivery of such a report to the secretary of General Vaughan, he would make a notation of that fact upon the yellow. I stated, however, I thought that there should be nothing stated at this time as to the mechanics or details of the delivery of the reports as I thought this was getting down to rather technical details. I pointed out that General Vaughan has been subpoensed before the Jenner Committee of the Senate and if at the time of his testimony there are any statement made which would indicate he never received any reports at any time, the matter could then be reevaluated and a decision made as to whether it would be desirable to present to the Senate Committee a memorandum of the procedures of delivery of the two reports in question. I stated that I thought that if there was to be any statement issued today, it should limited solely to the fact that the Attorney General was standing by the state-ef Harry Dexter White, had not been questioned by anyone. The Attorney General Alesethen inquired as to whether I saw any objection to including in the statement today identities and dates of distribution to other parties than Vaughan of the reports becember 4, 1945 and February 4, 1946. I stated that I could see no objection tele Room being done. Mr. Rogers concurred fully with my views and observations Simo as to the handling of the Attorney General's statement to be released today. Mr. Rogers was to prepare the statement and would show it to the Bureau before it was

M. STANTON EVANS 3065 220 - 2ND STREET, S.E., #302 15-5/540 WASHINGTON, DC 20003 Pay to the Town of Ham/tm 210338998 140 3649 700- lund 2017 5 800 1080 1290 2294 18/15 Dollars @ Security details THE NATIONAL CAPITAL BANK OF WASHINGTON WASHINGTON, D.C. 20003 ::054000056::3065 יים ו ססכ פסס והיי

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Mr. Rogers stated he thought there should be nothing said orally or in writing about this matter from now on until it had been specifically cleared with the FBI. The Attorney General concurred in this view.

The Attorney General inquired of me during the course of this conference as to whether I had ever discussed the Harry Dexter White case with the President. I told him that I had not.

I took occasion to advise the Attorney General that on Friday (November 6) and again this morning Mr. John Maragon had called and talked to Miss Gandy, my secretary, indicating that he had noted the General Vaughan statements about not receiving material from the FBI. I stated Maragon had indicated that he had been in Vaughan's office on many occasions and had seen Mr. Nichols and Mr. Nease of this Bureau come in and deliver reports to General Vaughan. He stated furthermore that on occasions General Vaughan had thrown into the wastebasket certain FBI reports after they had been received. I informed the Attorney General that Maragon had further stated that he had himself perused some of the reports which had been left with General Vaughan. I also informed the Attorney General that Maragon had further stated that Miss Ruth Anderson, former secretary of General Vaughan, had been in communication with John Maragon and had indicated that she well recalled some of the aspects of this matter. I informed the Attorney General that Maragon had made some inquiry as to what he should do about his knowledge of this situation and he had been advised by my secretary that whatever action he took would have to be his own decision.

The Attorney General, during the course of the conference, inquired of me as to who one Lyons of the State Department was to whom one of the reports dealing with the subversive activities had been delivered by the Bureau. I told him this was hir. Fred Lyons who I understood was still with the State Department serving in the Foreign Service but who was at that time what might be termed the security officer of the State Department, with whom this Bureau had general contact and to whom reports were made by the Bureau and that was the reason why any report was delivered to Mr. Lyons.

The Aitorney General also inquired about the William Henry Taylor case and wanted to know what the status was. I told him that this was the case of a man employed by the Monetary Commission. I stated there had been some hearings before the House Un-American Activities Committee concerning Taylor and we had also made certain investigations and forwarded reports upon him. I told the Attorney General that even within the last two weeks Mr. Philip Young of the Civil Service Commission, and Mr. Pierce Gerety of the Loyalty Review Board for the United Nations Personnel, had called to see me about certain

and the sales

security cases which were under consideration by Mr. Gerety's committee for the United Nations and that one of these cases was that of Mr. Taylor and, as I understood it from Mr. Gerety, the Gerety Committee had not yet reached a decision as to whether to give Mr. Taylor clearance or not. The Attorney General instructed Mr. Olney to immediately look into the Taylor file and see that proper action was taken.

employed in Government agencies persons who were on our security lists to be picked up. I point: I out to him that I had advised him by memorandum last week that the Acting Secretary of Interior had asked for a list of names of such persons who were employed in the Interior Department and apparently did not know that the Attorney General had previously forwarded such a list to the Secretary of Interior. The Attorney General directed that Mr. Poley in Mr. Olney's office address a communication to each of the Departments to which the previous communications had been addressed asking as to what action had been taken upon the names which the Attorney General had previously furnished.

Very truly yours,

E M.

John Edgar Hoover Director

SENT FROM D. O.

TIME 6:15 PM

DATA 10-9-53

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GOVERNMENT

Mr. Tolson

DATE: Nov. 9, 1953

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L.B. Nichols

IUBIRCE:

DELIVERY OF LETTER NOVEMBER 28, 1945, to GENERAL HARRY H. VAUGHAN

With reference to the Bureau's letter dated November 28, 1945, addressed to Brigadier General Harry Hawkins Vaughan at the White Hours, I wish to advise that an examination of the Bureau's file SECRET BY SPECIAL MESSENGER."

This communication bears the Bureau's Communication Section starp dated November 28, 1945, p.m. This starp was placed on the Bureau's file copy at the time the original was separated and placed in an envelope for delivery. A notation was then entered and in the log maintained in the Communications Section and the communication was delivered by Special Messenger. The special messenger to whom the communication was delivered, the identity of the person Upon returning to the Communications Section, this delivery card log that the letter had been delivered. If for any reason the communication had not been delivered. If for any reason the starp would have been canceled or a notation would have been made

The logs and delivery cards are no longer in existence. A special messenger would, of course, not have known the contents of the letter, but there can be no question but that the letter was file cony.

LL INFORMATION CONTAINED

cc - Mr. Ladd cc - Mr. Belmont

LBN: ptm

DIRECTOR'S NOTATION: "I WANT SWORN STATEMENT RE THIS."

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7.00 T. 3.00 M

Office Memorandum • United States Government

Mr. Tolson

Nov. 9, 1953

L.B. Nichols

SUBJECT:

With reference to the letter dated Febuary 1, 1946, addressed to General Harry Hawkins Vaughan, transmitting a detailed summary on Harry Dexter White, I wish to advise that this communication was delivered to General Vaughan by Special Agent Ralph R. Roach on February 4, 1946. The File cony of the letter is cantioned:

PERSONAL AND CONFIDENTIAL BY SPECIAL MESSENGER

The Bureau's file cony beers the endorsement in the upper right-hand corner under the cartion:

"Personally delivered 2/4/46" Mr. Roach then initialed this "RRR."

Mr. Roach has examined the Bureau's file copy. He states he has no independent recollection of the contents of this particular letter or circumstances regarding its delivery to General Vaughan, but that from the notation appearing on the Pureau's file cony, Mr. Roach advised that it would only have ben placed on the letter after the letter had actually been delivered in person to General Vaughan! Mr. Roach, states that had he delivered it to General Vaughan's secretary, a notation to this effect would

There can be no question about the delivery of the Bureau's letter of February 1, 1946, to General Vaughan on February 4, 1946.

Mr. Belmont

LBN:arm

DIRECTOR'S NOTATION:

ALL INFORMATION CONTAINED

"I WANT WRITTEN SWORN STATEMENT FROM ROACH

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STATE OF THE STATE OF THE STATE OF ec: Mr. Lada Ar. Rosen Wr. Belmont Mr. Aranigan

Mr. Stealey

THE DIRECTOR

Hovember 9, 19.

D. M. LADD

TION CONTAINED WILLIAM HENRY TAYLOR, sks 2111 International Monetary Fund Washington, D. C. LOYALTY OF EMPLOYEES OF THE UNITED MATIONS AND OTHER PUBLIC INTERNATIONAL ORGANIZATIONS - IR

The Washington Dity News olipping dated November 7, 1953, quotes Senator Joseph R. McCarthy as stating that a man is still employed as an Assistant Director of the International Monetary Fund despite FBI reports naming him as a Communist spy. The clipping states that, according to McCarthy, the TBI gave the Truman administration "roughly the same kind of report" on this individual as had been given on Marry Dezter White, once Assistant Secretary of the Freneury. The Director's notation

While McCarthy does not mention this individual by name, it is believed that he is referring to William Henry Taylor, who, according to Bureau files, is Assistant Director, Middle Sast Department, International Monetary Fund. Paylor was identified in Fovember 1945 by Elizabeth Bentley, an admitted former espionage agent, as a member of the Silvernaster spy ring and a close essociate of Marry Dester White.

There is estached a brief which reflects the Bureau's investigation and dissemination of information to the Thite House, Department of Justice and other egenoies and individuals. This does not represent a complete review of all Bureau files concerning Taylor, but sets forth the high lights of information, investigation and dissenination of data concerning Taylor.

In this connection, reference to make to the memorandum from Mr. Belmont to Mr. Ladd dated today reflecting information and dissemination regarding Marry Dester White.

Jurgher file review to being made for may additional dissemination of information relative to Paylor.

ACTION:

For your information.

NOT RECORDED 146 NOV 12 1953

Miss Gasdy _ Attachment CHS:bab:nlh

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WILLIAM HENRY TAYLOR, aka Bill International Monetary Fund Weshington, D. C. LOYALTY OF EMPLOYEES OF THE UNITED NATIONS AND OTHER PUBLIC INTERNATIONAL ORGANIZATIONS - IN

PERSONAL HISTORY

William Henry Taylor was born on March 30, 1906, at Revestoke, British Columbia, Canada. He was naturalized as an American citizen en March 30, 1940, at Renelulu, Ramoit, certificate number 4721376. Taylor received his education at the University of British Columbia and the University of California having received hie Ph.D. degree from the latter thatitution in 1935.

He is a teacher by profession having been employed at the University of Galifornia, University of British Columbia, and the University of Maucit.

He was employed as Assistant Director, Division of Monetary Research, United States Treasury, from September 1942 until December 1946. On December 16, 1946, he was employed as Assistant Director of Operations Department, International Monetary Fund, which position he held until March 20, 1950. He then became Assistant Director of Latin American, Middle Eastern and For East Department, International Monetary Fund, and held this position until May 1950. In May 1953 he was nade Assistant Director, Middle Bast Department, International Monetary Fund, which position he presently holds.

INVESTIGATION CONDUCTED BY BUREAU DISSIMITATION OF INFORMATION

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ALL INFORMATION CONT HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

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ENCIOSURE

Attorney General, was furnished the above information.

By letter dated January 29, 1942, Mr. Adolf A. Berle, Jr., then Assistant Searctary of State, was furnished copies of the above-mentioned Monolulu reports. These reports were furnished to Mr. Berle inasmuch as Taylor, upon resigning his position at the Treasury Department in May, 1941, had gone to China as the alternate American representative on the China Stabilisation Board at Chungking, being employed by the China Chinese government. (81-8965-5)

instructed by letter to advise Harry Dexter White, Assistant Secretary of the Treasury, on a "strictly condidential basis that negative in formation obtained" during a preliminary Hatch Act inquiry concerning Taylor did "not appear to in this connection it is noted that White had asked that he Department was then planning to send Taylor to London on an (61-8965-9)

Allegation Serving As Basis For Espionage Investigation:

On November 8, 1945, Elizabeth Terrill Bentley, a Communist Party member, furnished information which was incorporated in a signed statement on November 30, 1945, so Bureau agents at New York City relating to the Silvermaster conversations she heard in this statement, she said that from conversations she heard in the Silvermaster home, it was apparent that Silvermaster's most valuable asset, so far as his group was concerned, was his ability to place in the Treasury Department those individuals when the group had willian Taylor. Mos Bentley stated that she had heard by Harry White, another member of the Silvermaster group.

It was Bentley's recollection that Taylor was sent as a Treasury Department representative to China and later to Lieben, Portugal, for the Fereign Zoenemie Administration. According to Bentley, Saylor was a Communist Party member who paid his dues to the Silvernasters. During the interim between his return from China and his departure to Liebon, Bentley said that Saylor was in the Treasury Department in Washington, D. C., and was supplying Silvernaster with written and oral information secured by him at that Department. In addition, he prepared a report en conditions in Chine, which eccording to Bentley, he made evailable, probably to Abraham George Silvernan, a subject in the Silvernaster case, but possibly to Silvernaster. Bentley recalled having seen this report among the data given her for dissemination to the Austians. (65-56402-220)

A sunnary menorandum dated Sevenber 27, entitled "Soulet Replenage in the United States" contained the information furnished by Elizabeth Bentley concerning her Espionage activities including information concerning William Taylor, an employee of the Treasury Department, who was listed as a member of the group headed by N. Gregory Silvermaster. This summary was disseminated as follows:

To General Taughan at the White House by letter dated December 4, 1945, which letter cleared the Connunications Section on December 4, 1945. (61-3499-199)

To the Attorney General by memorandum dated December 4, 1945, marked "Personal and Confidential." The Bureau's copy reflects a stamped notation indicating it was sent from the Birector's office on December 4, 1945. (100-7826-39)

So the Secretary of State by letter dated December 4, 1965, The letter was marked "Personal and Confidential - By Special Messenger" and a stanged notation on the Bureau's copy reflects that it elected the Communications Section on Becember 4, 1945. (61-36990190)

A memorandum from Mr. Ladd to the Director dated December 7, 1945, reflects the summary was delivered to Fred Lyon of the State Department by Mr. Ladd personally. Lyon was asked to see And the state of t

that it was personally handed to (Spruille)
Braden (61-3499-196)

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By letter dated December 7, 1945, to James 7. Forrestal, Secretary of the Navy. The letter was marked "Personal and Confidential" and a notation appears on the Eureau's copy reflecting that it was delivered on December 7, 1945, to Matt Correa. (61-3499-197)

A summary dated December 12, 1945, entitled "Soviet Espionage in the United States" is identical with the summary of November 27, 1945, insofar as the ellegations concerning Taylor are concerned. The only difference between the two summaries consists of the deletion of certain terminology. This summary was disseminated as follows:

To Pleet Admiral William D. Leahy, Chief of Staff to the Commander-in-Chief of the Army and Navy, Hoom 5142, New War Department Building, 21st and Virginia, Northwest, Was ington, D. C., by letter dated ebruary 20, 1946. The Bureau's copy contains a stamp reflecting the letter cleared the Communications Section February 20, 1946, and was delivered by Special Messenger. (64-3499-225)

To rederick B. Lyon of the State Department by letter dated March 15, 1946, marked "Personal and Confidential - By Special Messenger." The Bureau's copy reflects that this letter cleared the Communications Section on March 16, 1946, and was sent by Special Messenger. (65-3499-238)

To Lieutenant Colonel Hoyt Vandenberg, Assistant Chief of Staff, 6-2, Var Department, by letter dated February 26, 1946, A notation appears on our copy of this letter delivered to 6-2, February 28, 1946, SWR" (61-3499-229)

Jebruary 21, 1946. (61-3499-224)

cleared the Communications Section on John holds (61-3499-226) (1) U

SECRET

To Honorable Fred M. Vinson, Secretary of the Start Frequery, Rachington, B. C., by letter deted March 8, 1946. The Bureau's copy reflects that this was personally delivered on March 6, 1946. (100-3-1308)

On July 24, 1946, a copy of the summary of December 12, 1945, was made available by J. P. Coyne to Mrs. Stewart of the Attorney General's Office. (61-3499-295)

SECVET

A summary of information concerning Marry Dester White dated February 1, 1948, contained a documentation of William henry Taylor. The documentation consisted of information furnished by Elizabeth T. Bentley, whose identity was concealed, and pointed out that White was considered of extreme value to the Silvermaster Soviet group because of his ability to place individuals in particular positions in the Treasury Department and mentioned particularly in this category Villian Henry Teylor. Taylor was described as a dues paring member of the Communist Party who was supplying filvermaster with written and oral information secured by him in the Treasury Department. In addition it was stated that Taylor prepared a report on conditions in China which he made available probably to Silvernan but possibly to Silvernaster. This report eventually was said to have reached the hands of the Russians. This letter marked "Personal and Confidential, By Special Messenger," was personally delivered on Tebruary 4, 1946, to Brigadier General Harry Hawkins Vaughn, Military Aide to the President, The White House, (65-56402-473) This summary was furnished to the Attorney General by memorandum dated February 4, 1946, which was actually delivered on February 6, 1946. (65-56402-621-11) This memorandum was also sent by letter dated February 1, 1946, to Mr. Frederick B. Lyon, Chief, Division of Foreign Activity Correlation, Department of State, Washington, D. C., which was personally delivered on February 4, 1966. This letter stated in part: "It will be appreciated if you would arrange to have this brought to the attention of Mr. Janes 5. Byrnes, Secretary of State, at your earliest convenience." (65-56409-480)

A summary entitled "Underground Soviet Replonage Organization (NKVD) in Agencies of the United States Government" deted February 21, 1946, contained the information furnished by Elizabeth R. Bentley, whose identity was concealed, concerning Fillian Benry Taylor, This summary was disceninated as follows:

To Attorney General Clark by letter deted February 25, 1946, marked "Personal and Confidential - By Special Messenger." A notation appears on our file copy "Delivered to Alice O'Donnell in AG's Office, Room 5711, 12:20 P.M., 2/26/46, E.F." (65-56402-573)



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A letter dated February 25, 1946, was addressed to General Yaughan at the White Moune, furnishing him with a copy of this summary. The letter was marked, "Personal and Confidential - By Special Messenger." A notation appears on sur copy of the letter, "Belivered to Yaughan, 2/26/46, by B. Roach," and then the initials, "I.F." (65-56402-573)

Gur files also contain the original of the letter deted which Yaughan, in turn, made available to Mr. Gregory, head which Yaughan, in turn, made available to Mr. Gregory, head Messrs. Joseph Carroll and Lee Laughlin, who were, at that time, on lean to the Mar Assets Corporation. The summary was later to the mar Assets Corporation. The summary was later to the head that a notation appears on this original letter is to be noted that a notation appears on this original letter for White House." (65-56402-573, 642)

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To James F. Byrnes, Secretary of State, by letter dated February 25, 1946. A notation appears on our file copy "Delivered to State Department 2/26/46 by R. R. Roach. Z.F." (65-56402-573)

To Rear Admiral Sidney W. Souers, Director, Central Intelligence Group, by letter dated April 2, 1946. The Bureau copy reflects that this letter left the (65-56402-725)

To Frederick B. Lyon of the State Department by memorandum dated March 13, 1946, which was marked "Personal and Confidential, By Special Messenger." A notation appears on our file copy reflecting the memorandum cleared the Communications Section Warch 13, 1946. (65-56402-616)

To Admiral Milliam D. Leahy by memorandum dated March 13, 1946. A notation appears on our file copy reflecting the memorandum cleared the Communications Section on March 14, 1946.

(65-56402-655)

A memorandum from Mr. Ladd to the Director dated be delivered to the Secretary of the Treasury Fred M. Vinson. Reach. (65-56402-329)

The memorandum of March 4, 1946, referred to above, also reflects a copy of this summery was being transmitted 6 65-56402-529)

The memorandum of March 4, 1946, referred to above, also indicated a copy of this summary was being sent to

5 (65-56402-529)

A summary dated July 25, 1946, entitled "Soviet Activities in the United States" was furnished to the Attorney General by memorandum dated July 25, 1946, pursuant to a request of the Attorney General by Clark M. Clifford, Special Counsel to the President. Under the heading "Government Underground" Elizabeth Bentley's allegations were summarized naming principal



persons employed in the U.S. Government who were eaid to Salar have engaged in Soviet espionage. Taylor was included in this group. This summary was for the President's use in connection with the Paris conference on July 29, 1946. (This information was taken from a tickler copy of a memorandum files are being reviewed concerning this matter.)

A summary dated October 21, 1946, entitled "Underground Soviet Espionage Organization (UNVD) in Agencies of the United States Government" (65-56402-1862) contains the allegations concerning Taylor as furnished by Elizabeth Bentley. This summary was disseminated as follows:

To the Attorney General by memorandum dated November 27, 1946, which cleared the Communications Section on the same date. (65-56402-1756)

An additional copy of this summary was furnished to the Attorney General by memorandum dated December 2, 1946, which elected the Communications Section on December 3, 1946. (65-56402-1754)

To George E. Allen, Director, Reconstruction Finance Corporation, Washington, D. C., by memorandum dated December 16, 1946, marked "Personal and Confidential, By Special Messenger," This was personally delivered on December 20, 1946. (65-56402-1817)

To the Secretary of State by letter dated Hovember 25, 1946, which elected the Sommunications Section on Hovember 26, 1946; (45-56402-1836)

To A. Devitt Vancok, Special Assistant to the Attorney Seneral, by memorandum dated December 8, 1946, which elected the Communications Section on December 9, 1946. (65-56402-1837)

To T. Vincent Quinn, Assistant Attorney General, two copies were furnished on July 23, 1947, and an additional copy personally delivered on August 7, 1947. (This information was taken from a tickler

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copy of a memorandum dated September 4, 1948, concerning persons named by Elizabeth Bentley. Bureau files are being reviewed concerning this.)

To Frederick B. Lyon, State Department, by letter dated December 12, 1946, which was personally delivered on December 13, 1946. (65-86402-1859)

To T. Fincent Quinn, Assistant Attorney Seneral for Ed Foley, Treasury Department, by memorandum dated March 6, 1948. (This information was taken from a tickler copy of a memorandum dated September 4, 1948, concerning distribution of information regarding persons named by Elizabeth Bentley. Bureau files are being reviewed concerning this.)

Loyalty of Government Inclovees:

Based on information received from the Washington Field Office by letter dated April 24, 1948, to the effect that Taylor had been recommended by Gregory Silvermaster and had worked under the supervision of Harry Dexter Thite at the Treasury Department, a Loyalty Department employee. This investigation was initiated on Taylor as a Treasury Department employee. This investigation was discontinued on June 16, 1948, on receipt of information that Taylor resigned his position with the Treasury Department. No information was disseminated. (121-7370)

Security Investigation and United Nations Level ty Investigation:

On March 11, 1949, a separate Security Matter - C investigation was initiated on Taylor based on the information furnished by Elizabeth Bentley as set forth previously. This investigation was closed on June 5, 1953, in when of the initiation of an investigation under the United Matters Loyalty Program. The results of the Security Matter - C taylor furnished to the Department of State. (A detailed review is being the reports in this case.)

The UN Loyalty investigation like the Security Matter - C investigation was initiated on the basis of Elizabeth Bentley's allegation that Teylor was an associate of Nathan Gregory Silvermaster and Harry Texter White and was a member of the initiated on May 5, 1953, was by virtue of Taylor's remployment with the International Monetary Fund, an international organization

covered by the UN Legalty Order.

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On recontact during the UN investigation, Bentley said that she had no proof of Taylor's Communist Party membership and did not know him personally, but had been told that he was a Communist by Nathan Silvernester and Ludwig Ullman when she described as Communist Party members as well as members of the Silvernaster Espionage ring.

During the UN Loyalty investigation, Charles Loomis, Executive Secretary, Institute of Pacific Relations, Honolulu, described Taylor as a paid member of the Institute of Pacific Relations in 1937,38 and 39. The American Council, Institute of Pacific Relations, has been cited by the Galifornia Committee on Un-American Activities.

Re was mentioned in hearings outside puring regarding the printing of occupied currency and specifically concerning the turning over of certain currency materials by the United States Government to the Russian government. These hearings reached no conclusion as to the walidity or propriety of this transaction. Information developed in the UN Loyalty investication was furnished the Civil Service Commission by Special Messenger on July 17, 1953, August 11, furnished the Department of Justice and the Department of State by mail and to Special Assistant to the Attorney General Thomas J. Denegan by mail through the New York Office in the same dates.

On October 21, 1953, Bentley testified before the McCarthy Committee (open hearing) that the Seviet underground apparatus was attempting to obtain the money plates for the

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occupation_currency describes ahove.

This information was incorporated in Cutoff of furnished the Civil Service Commission by Special Messenger of the Newton of Special Messenger of the Repartment of Justice by mail and the Special Assistant to Office on the same date. (138-343)

Regarding the UN Loyalty case, the Bureau has received information from the United Nations Loyalty Board that the United Nations case is presently under adjudication by the Board. In connection with this adjudication, Nr. Pierce Gerety, Chairman of the United Nations Loyalty Board, together with Chairman Young of the Civil Service Commission, called at the Director's office on October 19, 1953. Pursuant to Nr. Gerety's conversation with the Sirector, he was contacted by Bureau Liaison agent on October 29, 1953, at which time he expressed the desire that the Eureau interview Flixabeth Fentley. This was done in accordance with his request and the results were furnished the Commission on Neumber 5, 1953. Elizabeth Bentley again refused to testify before the United Nations Loyalty Board over in an informal

The domestic aspects of this investigation are completed. Foreign investigation being conducted by the State Department is extil pending.

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PERSONAL AND CONTINUATION APRIL 15, 1948

THE EFFORMAL COMMANDA

15-56H02-3205

or concurred in this program, it certainly was done without the enculades of the Pederal Bureau of Investigation. As a matter of fact, I desire to point out that the maintenance of Perlo in Severament employment was not continued either at the suggestion of any representative of the Bureau or with the concurrence of the Bureau.

detailed summation of the Gregory Case, including the participation of Treasury employees, was furnished to the Scoretary of the Treasury. At the request of Mr. Lawson Hoyer, of the Personnel Mr. Tolon Indicatigations Section of the Treasury Department, he was furnished to the September 12, 1945, with a general summation of Perlo's Continued activities.

Nr. Glavia

er. Moon ..

Mr. Lynn ..

Mr. Gurnes

Mr. Haibe Mr. Mohr

Mr. Pounlagton

SISTAN CONTROLL VIN ZON

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THE E ZOME

The Atterney General

The Treasury Department received a request in March she position of Treasurer of the Intergovernmental Committee on Refugee. Classer of the Treasury Department recommended Periof of the State Department post without advising the State Department post without advising the State Department of the charges which had been made against Perioferie for the Treasury Department relie. Classer discussed this procedure with Mr. Spingarn of the Ceneral Counsel's Rede against Perio. Fortunately in this regard, the State Land against Periof Department allowances and did not hire him for this post.

Department to attempt to justify their ill-advised and dangerous to confidential, classified and restricted material, after they had learned of his participation in an espionage ring upon a suggestion from or sarried out with the concurrence of the desired dut with the concurrence of the desired desired out with the concurrence of the desired desired leave the Treasury Department for Treasury Department's position. Leter it is noted that Foley date classer with full knowledge of Perlo's espionage activities of removing his from the State Department for the purpose

the entire source of action followed by the Treasury Department was predicated upon their own views and without any reference to any opinion or suggestion exampting from the Department

the Attorney General

I feel, consequently, that the Freneury Department, and the Treasury Department alone, should eccept the responsibility for that was exclusively their ear course of action.

I have set forth these facts in some longth 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.

Glavin

Mr. Ladd

Mr. Rosen

Mr. Tracy Mr. Carson Mr. Egan Mr. Gurnea Mr. Harbo Mr. Mohr

Mr. Pennington

December 8, 1947 6:30 p.m.

MEMORANDUM FOR THE DIRECTOR

Mr. Gus Vanech telephoned to state that the Attorney General had talked to him about the Gregory case with had instructed Vanech to talk to Assistant Secretary Foley who had requested to see the Attorney General to talk about the identity of Treasury Department employees involved in this case.

Vanech stated that in today's talk, Clark apparently had some indication that the Treasury Department was dissatisfied with the action of the Department in the Gregory case. Clark interrogated Vanech as to whether he had seen Foley, what he had told him, etc. Vanech told Clark that upon his instructions several months ago, employees had been "mixed up" in that some employees or former demanded to know who the Bureau's informants were and that Vanech had declined to identify the informants, although he advised Foley they were reliable and that their statements had been corroborated.

Vanech told the Attorney General that Foley was hostile and critical but that Vanech had pointed out to him that the Bureau Treasury Vinson a summarization of the case within a short time after the basic facts had been established. (Our records show that Secretary Vinson on Varch 4, 1946). Vanech told Foley that this further told Foley at the time of the interview with him that the case was still under active investigation. Vanech also told the Department direct about this case many months ago, which fact Vanech stated you had informed him about.

EAT:m1

Edw. A. Tamm

An fine the G. G., Vinson V.

THIS MEMORANDUM IS FOR ADMINISTRATIVE PURPOSES
TO BE DESTROYED AFTER ACTION IS TAKEN AND NOT SENT TO FILES

Bust copy available February 34, 1947 BEGRANDON PAR TO MAIN Decrept to to the state of the determined the second secon and told him that the Attorney General balked to me on this matter last these to me on this external halfs the Attorney General balked to me on this extlined to be the may be proposed to bandle the case and that he, the Attorney General, was of the spinion that, pending his decision, he nere information on this case should be given to the Excit Size Departments. I told Dr. DeGregor that the Attorney General have me the impression that he was going to advise the Attorney General have me the impression that he was going to advise the I advised Mr. Modreger that the Meretary of Preserve called me the following day and that I believed Poley mes with him at the time. The Mearstury asked me if the Atterney Generally had to me on this matter and I advised that he had. Atterney that the Atterney General had not decided what course he would take and that he, the Atterney deserted that persing that all the Atterney deserted that persing the Atterney deserted the Atterney deserted the Atterney deserted that persing the Atterney deserted th General, felt that pending that determination, no further action should be taken by the other government agencies until he makes the decision as to what this Department will do from either the investigative or presecutive angle. I told the Beerstary that, no doubt, the Attorney General Resource people him advised of deval-15 165-26402-2060 I told ir. McGregor that the Secretary dis not mant Toler that I had essured him that insofar as the Department of Justice is concerned, the Attorney General would advise him just as seen us it is ease in his estimation for administrative action to be solen by the partous departments.

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The second second second

MENORANDON FOR MISSAS. TOLSON, TANN, LADD

Joornary 24, 196.

In view of this, Mr. Modregor thought it best not to tell Foley anything and to let the Attorney General inform the Scoretory of Pressury of enything he wente him to know. I pointed out that I was a bit exeptical of their being so anxious to get this information and that I am fearful of the "pipelines" from the Preasury Department to various columnists. I taid the Assistant Attorney General that it was undoubtedly Poley, in colleger with Stephen J. Spingarn, an assistant general counsel for Pressury, who were more concerned about this matter than the Scoretary.

Pery truly yours,

John Edgar Heeser Director

JEH irpk/djk

oc - Mr. Nease Telephone Room

Jebruary 10, 1947 8125PH MENORASPON FOR MR. TOLSON LADD the Secretary of the Treasury, John B. Inyder, delephened me and gated if the Attorney Seneral had talked with me about the Gregory Case. I advised him that he had and that he felt there should be some further inquiry, by grand jury or otherwise, he fore taking any open action, however he had not yet reached a decision. I teld the Secretary that he contemplated bringing in an expert in that type of work and having him analyze these reports before proceeding in the case. I explained that the idea behind this mus to have these various people interviewed by our investigators or have some of them taken before the grand jury for further interrogation without any publicity. I advised that the Attorney General thought there was an inclination on the part of some of the Officials in the Treasury Department to interview these people themselves. The Sparetary said that this was so because they did not want to be surprised by being expect suddenly. I further advised the Becretary that about three weeks age the Atterney Seneral had decided to take no further presentive or investigative action and that at that time I had suggested sending to each of the Departments a summary of what we had in our files. I reminded the Secretary that come of it had already been sent to him. I told him that the Attorney Seneral had then agreed to this but now he feels that there is a need for further investigation by this Sureau or for interviews of these people by attorneys who might later wish to present it to a grand fury. I pointed out that if each is the ease, any interviews by the warious Departments should be deferred until me have disposed of what my must to do on the matter. that before any open action was taken the individual Departments would be advised and assured the decretary that is would keep him informed on this master. Very truly yours agar leever

Do H. Ladd Kovenber 11, **I959** to Es Belmons all information contained HEREIN IS UNCLASSIFIED EXCEPT WHERE SUNG HARRY DESTIE VEITE ESPIONAGE - R OTHERWISE ALI. INFORMATION CONTAINED Charle Original BIBOPSIS: I ar covering in this memorandum two of your requests (1) for any information concerning the fact that the federal Grand Jury in New York was Encensed concerning persons employed by the reasury Department and mented to return a presentaent, but were placed on the Connuntes Party Brief, and (2) informati concerning the action taken by Edward R. Feley, Fr., former Assistant Secretary of the Treasury, and Mareld Glasser, Directo: of the Division of Monetary Research of the Treasury Department, in 1947 in retaining Fictor Perlo for a time in the Treasury Department. These two matters are related and consequently are . b3 Ruli li In the Spring of 2068, the Grand Jary in the Southers District of New York, after hearing the testinony from various Treasury Department officials, was incensed about the situation in the Treasury Department and was considering making a presentment. The Attorney General was opposed to this and Foley 65-56402 Attachment

NOT RECORDED 191 NOV 19 1953 INITIALS ON ORIGINAL

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bus trying to get a somitment from the Attorney General that the Treasury Department had held off from taking administrative action in the case in order to mucid interfering with the investigation. We learned that the Attorney General felt he might have to indicated to the Treasury Department at an earlier date. When we learned of this matter, we directed a memorandum to the Attorney General on April 15, 1948, in which we said we had not been a party to telling the Treasury Department to held off from any action against their employees and if it had happened it had been without our knowledge.

In a memorandum from the Director to Mr. Tolson dated lebruary 19, 1947, the Director set forth that the Secretary of the Treasury, John W. Emyder, had asked the Director whether the Director had discussed the Gregory ease with the Attorney General. The Director edvised Mr. Snyder that about three weeks previous thereto the Attorney General had decided to take no further prosecutive or investigative action and at that time the Director had suggested sending to each of the departments a summary of what was in the IBI files. The Director reminded the Secretary of the Treasury that some of this information had already been sent to him. However, the Attorney General felt there was a need for further investigation by the IBI and that, therefore, it was the Director's understanding that would be advised. The Director assured the Secretary that he would be kept informed on the matter (see Photostat attached).

In a memorandum from the Director to Mr. Velson dated the Attorney Ceneral MeGregor said Foley of the Ameletant to Department wanted more information. The Director pointed out to Mr. No Gregor the Attorney General had said, pending a decision relative to presecution or further investigation, no and the Attorney General would advise him further departments was safe for administrative motion to be taken by the various departments.

Sated December B, 1947, it was set forth that Mr. Yearch had because the Pressury Department wanted more information on to know who the informants were but Mr. Vanech declines to provide this information. Follow was described as hostile and oritical and it was pointed out to Mr. Vanech that we had previously given a summary on the case to Secretary Vinson.

We have not been able to locate any other information in our files which definitely shows the federal Grand Jury in New York which heard the Gregory ease and was so incensed about the reasury Department employees was eldetracked by placing them on the Communist Party Brief. It is a fact that the same grand Jury which heard the Gregory case was placed in recess in April, 1948, reconvened on June 22 and on July 20,

RECOUSINGATION

The foregoing is for your information in connection

The Gregory case was presented to a Tederal Grand Jury in the Southern District of New York Decinning on June 10, 1367, by To Vincent Quinn, Assistant Attorney General in charge of the Criminal Division, and To Jo Benegan, Special Assistant to the Attorney General. The Grand Jury recessed its proceedings en December 3, 1947, and reconvened en January 20, 1948.

b3 Ruk be

lest testimeny of the Grand Jury was heard on April 7, 1948. Thereafter, on its own motion, the Grand Jury agreed to reconvense on April 13, 1948, to discuss the possibility of securing correboration of Bentley's testimeny. Rowever, upon reconvening no action was taken. The Grand Jury met again on May 4, 1948, and again adjourned. The Grand Jury reconvened on June 22 and on July 20, 1948, returned indictments under the Saith Act.



In a memorandum from Mr. Ladd to Mr. Tanz dated Murch Mc, 1940, it was pointed out that Mr. Denegan called and said he and Mr. Quinn had talked to the Grand Jury and had reviewed the law on the Gregory case and that there would be no indictment. The Grand Jury had raised the question of a presentment and Mr. Quinn was opposed to any presentment. He caid come consideration was being given to having the Gregory Grand Jury hear the cuidence on the brief of the Communict Party. (65-56408-3163)

In a memorandum from Mr. Micholo to Mr. Polson dated March 31, 1948, Mr. Micholo raised the question of the advisability of having the Grand Jury make a presentment on the sace. The Director stated: "I was vigorously appeared to abbuitting matter to the Grand Jury originally and so stated to the AG both orally and in writing. I stated then it would end up fust as it has. He chose to disregard my recommendation. There is no use giving any advice now. P. " (65-56402-3158)

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In a memorandum from Er. Fletcher to Mr. Ladd dated with Mr. 1942, it was pointed out that Mr. Belmont had discusse against the Communist Party to the Grand Jury which had been would like to hear the case and inquired as to hew long it would take to present it. (65-56402-3181)

In a memorandum from the Director to Mr. Tolson dated April 1, 1948, it is set forth that the Director had talked to Mr. To Vincent Quian on March 27, 1948, who had pointed out that the Grand Jury was about to escalude its work. Mr. Quian said the Grand Jury was very aroused and incensed at the actions of the participants in the Gregory case and that it wanted to do something about it but there was no wiequate law to variant the bringing of indictments and Mr. Quian doubted the advisability of a presentment. The at the outcome of the matter and had originally, both in writing the Gregory case to a Grand Jury. The Director pointed out to Mr. Quian that he was not at all surprise and orally, expensly urged the Attorney General not to present the Gregory case to a Grand Jury. The Director pointed out to in which he must make the determination.

Wro Quinn brought up the question of submitting the Communist Party Brief to the same Grand Jury and the Director said he felt the brief should be thoroughly reviewed and digester by several "real lawyers" prior to presenting it to a Grand Jury and that it should not be some without a proper preliminary reviewe (65-56409-3179)

April 14, 1948, it was pointed out that Mr. Quinn had called and said that the

general e being put in this entegery but the Attorney General was of the opinion he might have node some much countinents

Wr. Ledd advised Mr. Quinn that insofar as the Bureau was concerned the Treasury Department did not continue to enploy these people at the request of the IBIs that any action which the Treasury Department took was etricily its sun action.

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Attorney General 25, 1948, a mendrandum was directed to the

ND

Communicat espionage ring. The following paragraph appears in

suggestion or concurred in this program, it certainly was done without the knowledge of the Jederal 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 concurrence of the Bureau or with the

Division of Monetary Research, Department of the Treasury, after receiving the IBI information about Perlo in Rovember or December of 1946, advised Perlo that he would have to leave the Treasury Department. Later, Feley of the Treasury Department advised Classer that the Treasury Department had made a mistake allowed to centinue. Later, the Treasury Department and Perlo was a Pequest in March of 1947 from the State Department received recommendation to fill the position of Treasury of the Intergovernmental Committee on Resuges and Classer recommended against Perlo. The State Department of the charges made Perlo Debatround and eid not hire him. (65-56409-3205)

In a memorandum to Mr. Team from Mr. Lead dated

April 16, 1948, it was pointed out Mr. Quinn had east the questic

of the Grand Jury bringing in a presentment was still up in the

air incomuch so the Attorney Seneral was opposed to returning

any presentment, (65-56403-3209)

on April 29, 1948, in a memorandum from the Director to Mr. Toleon it was pointed out that the Director had spoken fact that the Grand Jury had been anxious to return a presentment priticising OS and the Treasury Department for the retention for the failure of the Treasury Department to act upon information that had been submitted to it by the FBI. Mr. Donegan sat desire any such presentment and was considering writing a letter

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to the effect that the retention of subjects in the Gregory case by the Frequery Department was made at his suggestion in effect that the investigation would not be imperiled. The Director pointed out he had heard of this matter and had written a letter to the Attorney General concerning it and that insofar as the FBI was concerned it had at no time directly or indirectly indirected that persons should be retained by the investigation being conducted by the IBIs (68-36403-3284)

Fro Jamm, it was pointed out that Hro Done an had confidentially furnished a proposed statement relative to the way no action was taken by the Frequery Department on persons who were employed takent would be actually introduced but it was proposed to

The statement which relates to Fictor Perlo's being en him was furnished reads as follows:

received representatives of the Treasury Pepartment conferred with representatives of the Treasury Pepartment conferred sequired if they could be given detailed information and the manes of witnesses reparting the alleged disloyalty of representatives were informed that to give such detailed information and witnesses for this purpose would be inequisable.

This is the first I over knew of any such conference or advice being given to the Treasury. E. (65-56603-3226)

Pursuant se a request from it. Nearrich, Supervisor McAndrews of the New York Office telephonically advised on Newhor 10, 1953, that he and Special Agent Thomas Spencer had interviewed it. Donegan to determine whether he has any menting to return a presentment against the Gregory case Nr. Donegan advised that he had no independent recollection of the natter but would shook his files on Revender 12, 1953, and let the Bureau know if he comes up with anything pertinent.

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CONTUENTIAL

Earlier Action Relating To The Treasury Departments

In a menorandum from the Director to Ur. Tolson dated February 19, 1947, the Director set forth that he had talked on the telephone with the Secretary of the Treasury, John F. Snyder. The Director Indicated he had tacked to the Attorney General concerning the Gregory case. The Director informed Mr. Snyder that the Attorney General felt there should be some inquiry by a Grand Jury or otherwise before taking any open action in the case has a final decision had not yet been made. The Director pointed out to Mr. Enyder that about three meets previous therete he had suggested sending to each of the departments a summary of what was in the IBI files and the Director pointed out to the Secretary of the Treasury that some of it had already been sent to the Treasury Department. The Director pointed out the Attorney Concral felt there was a need for further investigation or for interviews with the persons involved by attorneys who might later wish to present th case to a Grand Jury. The Director pointed out if such were the case interviews by the various departments should be deferre The Director further pointed out that it was his understanding that before any open action was taken the individual departments would be advised. The Director essured the Secretary that he would be kept informed on the matter.

In a memorandum from the Director to Mr. Tolson dated February 24, 1947, the Director pointed out that Assistant to the Attorney General McGregor and Foley of the Treasury Department manted more information on the Gregory case. The Director suggested that Foley not be given any information as the Attorney General had stated carlier that no more information on the case should be given to the executive departments. The Director pointed out to Mr. McGregor that the Secretary of Treasury had been in telephonic contact with the Director and had been informed that, eccording to the Director's understanding, the Attorney General felt no further section should be taken by other Government agencies until a decision was made as to what the Department would do from either the investigative or presecutive angle and that the Attorney Semeral would advise him just as been as it was safe for administrative action to be taken by the various departments.

In a memorandum from Mr. E. A. Tann to the Director dated Pecember 8, 1947, It is set forth that Mr. Yenech had indicated the Treasury Department wanted more information on Treasury employees involved in the Gregory case, and Foley

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wanted to know who the informants were but Mr. Tanech declined to provide this information. Foley was described as hostile and critical and it was pointed out to Mr. Tanech that we had previously given a summary to Secretary Vincon. The Director pointed out. "In fact the AC, Vincon and I had lunch in the AC's office at which time the matter was widely discussed."

There are attached Photostats of the memorandum from the Director to Mr. Tolson dated February 10, 1947; the memorandum from the Director to Mr. Tolson dated February 84, 1947; the memorandum from Mr. Tamm to the Director dated December 8, 1947; the memorandum from Mr. Ladd to the Director dated April 14, 1948; and the memorandum to the Attorney General dated April 15, 1948.

Identity of Victor Perles

Victor Perlo was born in East Elmhurst, New York, yay 16, 1912 (Perlo claims, however, that he has always used the birth date May 15, 1912). He was educated at Columbia University. Perlo's employment with the Federal Government began in September, 1933, and continued until March 27, 1947, with the exception of the period October 1, 1937, October 27, 1939. For the period December 27, 1945, to March 27, 1947, he was employed as an economic analyst in the Division of Monetary Research, US Treasury Department. Since leaving the employ of the United States Government, Perlo has been employed as an economic concultant. Perle was reported to have been a Communist Party member as early as 1933 and to have been a member of a cell in Fachington, Do Co, headed by Berold Fare. J. D. Thitteker Chambers advised that he acted to a Connunist courser between J. Peters in New York and a group of Government employees in Vashington, D. C. and that Tictor Perlo was a member of this group. Elimbeth T. Bentley advised that Yieter Perle was the head of a group of Government employees in Tashington, Be Gos who farmished information to her for transmitted by her to her Soulet espienage superior. Fictor Perle and Pequested by the Department of Justice to Pegister under the Jereign Agents Registration Act of 1896, as an analy 30, 1053, refused to register, stating he did not consider himself to be an agent of a foreign principal. He appeared before the House Countities on Un-Incipal Activities on August 9, 1948, and aloised the privilege of the right Amendment.

CONTIDENTIAL

Identity of Fillian E. Foley. Fr. Former Assistant Secretary

Of Treasury:

Teley was born haj 23, 100; at Syracuse, New York, and is a graduate of Fordham University. He has been in the employ of the Federal Government since 1932, having served as an attorney with the Reconstruction Finance Corporation from 1933 to 1939, the Federal Emergency Administration from 1933 to 1937 and the Treasury Department from 1937 to 1948. He resigned to join the United States Army as a Lieutemant Colonel in 1942 and was later promoted to a Colonel. In May Assistant Secretary of the Treasury in charge of the Coast Coordinator, Treasury Emfercement Agencies, Secret Service, Comptroller of the Courrency and Procurement Division.

Tovenber 10, 1946, received an invitation from Mr. and Mrs. Fole; to attend a cocktail parts at their home on Movember 15, 1946, in the honor of the Secretary of the Treasury and Mrs. Snyder.

CONTINENTIAL

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Office Memor wum . United STA 25 G TO WENT

m. Telson

DATE. November 1

FROM

L. B. Nichols

SUBJECT

Gregory

ALL INFORMATION CONTAINED HERE N AS UNLASSIFIED

Rogers. Rogers was concerned chiefly with finding a way to get Velde out of holding any hearings on the Harry Dexter White case. Morris stated that V the approach of the Internal Security Committee is going to be to get back to where they left off in September, sind with suference to Harry Dexter White, he told Rogers that he was going to but into the record the fact that a request had been made of the Department for information on the White memorandum on October 14. This, you will recall, was the request which Jim Walter made of Walter Yeagley. Rogers did not particularly like this. Morris stated he did not protest it.

Morris stated that their approach was going to be to bring out the names of eight individuals, in addition to Harry Dexier White, who got promotions after substantial information was developed on them, which promotions occurred subsequent to 1943. I asked him for a list of the individuals involved. He mentioned the following: Frank Coe, Harold Glasser Irving Kaplan, Maurice Halperin, Alger Hiss, Marry Magdoff, Edward Fitzgerald and Victor Perie.

Morris Stated that he considered that Enryld Classer was the most important of the above-listed individuals since Classer went to Moscow with General Marshall to attend the Foreign Ministers Conference, and subsequently was Adviser to former Secretary of State Achesen. In addition, Classer conspired with Victor Perlo to shift Perlo out of the Treasury Department into the State Department, and he thought that this would be a highlight.

Caudle is going to be one of their key witnesses in these cases.

ec: Mr. Ladd

LBN;arm

ice Memorandum.

MEETING OF THE ASSOCIATION OF OF THE CITY OF NEW YORK

DELTER

Attached is the program entitled "The AFBI and Antitrust Litigation" for a meeting held last night in New York City. About 200 were present. Mr. Jerrold G. Van Cise presided. I was the first speaker and took the very simple isso that the FBI was merely the fact-finder, did not participate in fixing policies of antitrust enforcement and we followed specific instructions as to the scope and extent of antitrust investigations that the FBI was a service agency for those firms who desired to cooperate since our Agents' presence was for the convenience of the company and their counsel to avoid them shipping their numerous records to Boston, Chicago or Los Angeles or other place of venue for grand jury examination. Also that we took up less time of company officials by making our investigations and that our investigations provided the accused another day in court since any documents and any statements which they wanted to produce could be submitted by us to the Antitrust Division for administrative decision as to whether further action is necessary. I discussed instances of Acudulat attempts to conceal information.

After the talk by Mr. Marcus A. Bollabough of the Antitrust Division, who is a former Spectal Agent and a very profound and learned talk by Mr. Ralph M. Carson, an attorney in New York, the meeting was opened for questions and answers.

I received only two series of questions and they were not hostile.

Ur. Carson and Mr. Hollabaugh were both complimentary concerning the objectivity and fairness of the Bureau's work. Former Agent Jerome Doyle was one on the panel of questioners. Former Agent Supervisor Granville of the New York Office, now in private business, was also present.

Whe only points of discord were on legal matters as between Cargon and Hollabaugh, yet it wis a friendly meeting. at least friendlier than anyone expected.

Ex-Agent Doyle asked that his greatings, he extended to the Director Md. to his many friends of Mashington.

Attachment

NOT REMITTIALS ON LOSS WOYL NOV. 18 1993

Former Agent Granville advised that earlier this week there had been a meeting of the Ex-Agents Association in the Waldorf-Astoria when it was learned that former President Truman was about two floors above them so they sent word to him that they were having a meeting and the former President came down to the meeting and very informally and very pleasantly made a little talk. He made several highly complimentary comments concerning the Bureau, the exact details Granwille and nothing unfriendly in tone.

Mr. Van Cise, who presides, told me that Mr. Morris Ernst had made a radio talk the night before and had pointed out that the FBI did not draw conclusions and accuse Harry Dexter White of being a spy and he will so suggested that President the House Committee.

RECOMMENDATION:

None. The above is for information.

30 Ports CONFLOTENTIAL HEREINI EZUNDUKERK 1507 MM INTE EXCERTIMITEME SHOW November 14, 1953 memorandom for Mr. Tolson MA. NICHOL MR. LADD This afternoon the Attorney General called and an see him and upon my arrival the Atterney Ceneral was alone. The Attorney General stated he was working over his idea. for use in the statement which he proposed to prepare to make before the Jennes Committee next Tensday afternoon. He reviewed some of the highlights of the ideas which he had, namely, that he weated to use the letter of transmittal dated February I, 1946 which was delivered to General Vaught on February 4, 1946 with the report attached. It was not the Attorney General's intention to use this report, but he naked me to check over the letter and wanted to know if it might be used in his statement if he saw it! to do so. The Attorney General stated that as he understood the estuation, Attorney General Clark had told me he had talked with the President about the White Case. I informed the Attorney General this was correct as reflected is my memorandum of February 21, 1966 and as reflected in my memorandum of February 25, 1946 wherein it was stated the Attorney General the Secretary of State and the Secretary or the Treasury would see the President in order to brief him as to the three possible lines of action which he might take in the Harry Denter White Case. I also told the Attorney General that on February 24, 1944, Attorney General Clark informed me he had been the Freeident and it was desired the investigations which the Bureau had previously initiated on Harry Deuter White and his associates be carried forth, including surveillances. The Attorney General laquired of me as to whether I had any objection to his making a statement to the above effect before the Jenner Committee. I told him there was none;

> I told the Atterney General that in the discussion of the three alternatives to be taken by the President in the white situation, the third one, which related to the appointment of white to the position in the highest Fund and the parrounding of him by persons who might be loyal, that I had been saked by the then Attorney General Clark whether the hereau could cantinue its investigation and surveillance of White should the Fresident decide to follow that particular alternative. I told the Attorney General that I had interpred former Attorney General Chart that this of course could be do NOT RECORDED

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as the surveillance of White had been initiated in November of 1945 and that there was no reason why it could not be continued. I advised the Attorney General as a matter of fact it was centimed, and was not discontinued until May 16, 1947. I also told him that the physical surveillance was initiated in November, 1945 and was likewise continued on white, off and on, throughout 1945, 1946, 1947 and 1948.

Upon returning to my office I shecked with hir. Ladd as to the use of the letter of February 1, 1946, by the Attorney General and Mr. Ladd stated the reference to Weinstein should be blocked out if used. Mr. Ladd also noted reference to Zubilin which might alest the Soviets that we were investigating Zubilin's contacts, one of which is still in active operation. Mr. Ladd and I both agreed that this might not be particularly latal to the current investigation. Mr. Ladd also called to my attention the fact that this letter if used would be the first efficial statement by the Executive Department that there was espienage being carried on by the Kussian Embassy. Mr. Ladd also called attention to the last paragraph of the letter of February 1, 1946, relative to the fact that the information can: from the Canadian Government. I returned to the Attorney General's Office and brought all these facts to the Attorney General's attention and agreed the letter of February L. 1946 would be used if necessary with Weinstein's name being blocked out. At that time the Attorney General asked whether there was any objection to also using the letter of November 8, 1945 and stace this had been previously cleared with hir, Ladd and hir. Belmont I informed him there was no objection to the use of that letter. As I was leaving the Attorney General's Office, Mr. Olney, who was present apon my second visit along with Mr. Yeagley, asked if I knew anything about the story that a copy of an FBI report dealing with Seviet Espionage had been found in the deak of Silvermaster. I told Mr. Olacy that I did not recall any such incident and I have seked Mr. Ladd to sheck on the same and let me knew.

ON LOUIS YOURS.

SOLO DIRECTOR

THE SISOLAL

DIRECTOR

DIRECTOR

THE SISOLAL

DATE SI-11-52

CONPROENTIAL

Office Memorándum. UNITED STATES GOVERNMENT Mr. Tolson DATE: November 14, 195 L. B. Nichols For record purposes, Mr. Warren Olney requested copies the Director's memorandum of February 21. 1946, the Director's memorand of February 25, 1946, and referred to a memorandum dated February 1. 1949, addressed to the Bureau by Tom Callark acknowledging the Bureau memorandum of January 17, 1949. Mr. Olhev requested a copy of each of these memoranda. Copies have been furnished to him: requested advice as to whether Tom Clark's me of February 1, 1949, had been acknowledged. He was advised that the was not acknowledged. *Copies of the memoranda which were furnished to Mr. Olney cc: Mr. Ladd Mr. Betmont LBN"ME

Office Memorandum · UNITED STATES GOVERNMENT

: D. Y. Ladd

DATE: November 16, 195.

FROM : A. H. Belment

SUBJECT: FARRY DEXTER WHITE ESPICHAGE - R

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 6 20 13 BY 0 2

In connection with the proposed statement which has been prepared for the Director's use in the event he is called upon to testify in this case, the question was raised as to the accuracy of the dates on which we stated information was furnished in connection with Virginius Frank Coe. The dates in question are With virginius Frank coe. The dates in question are February 25, 1946, to the Thite House; February 23, 1946, to the Attorney General; February 25, 1946, to the Attorney General; and March 4, 1946, to the Treasury Department. With the exception of the date February 23, 1946, all of the other dates refer to a summary entitled "Underground Soviet Espionage Organization (AKVD) in Agencies of the United States Government," which was dated February 21, 1946, and was sent to the agencies mentioned above on the dates stated.

with respect to the date February 23, 1946, to the Attorney General, this relates to a short summary entitled "inderground Soviet Espionage Organization (NKVD) in Agencies of the United States Government," which was also date: February 21, 1946, and was sent to the Attorney General or Fe ruary %3, 1946. Information on Coe does appear in be h commaries.

RECOMMENDATION:

For your information..

Office Memorandum • United States Government

TO . WR. D. W. LADD

DATHOUGHD or 16, 1953

FROM : MR. A. H. WELMONT

SUBJECT: HARRY DEITER WHITE

ESPIONAGE - R Bufile 101-4053

On page 13 of the proposed speech which is to be made before the Jenner Committee by the Director, the statement is made "On July 26, 1946, an official of the State Department advised that the State Department was anticipating dismissing a high official who was also a subject in this investigation." The information in the proposed speech is based upon Burner memorandum of Accust 2, 1946, which reveals that on July 16, 1946, Robert Bannerman of the State Department advised the Eureau that the State Department was anticipating dismitsal of Robert Talbett Liller, III, a subject in the Silvermaster case. An addendum to this memorandum indicates that on August 3, pointed out the importance of keeping the Bureau out of any action taken by the State Department. (65-564/2-1447)

A letter from the Washington Field Office dated April 1, 1947, in the Silvermaster case, reflects Robert Talbott Willer, III resigned from the State Department effective December 13, 1946.

RECOMMENDATION

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D. J. Ladu

'ovember 10,

A. H. Belmont

HARRY DUITER WHITE ESPIONAGE - R

The attached draft of a statement by the Attorney General Subcommittee on November 17, 1953, has been read.

I note nothing in this which raises an issue insofar as the FPI is concerned with the exception, of course, that the Attorney General proposes to make public two Bureau letters to General Vaughan, namely, letter of November 8, 1945, and letter of February 1, 1946.

narked Ton ecret and for public consumption it may be advisable to stamp it declassified before publishin it. The letter of stenographer's initials. These should be eliminated. The letter and I understand that it was suggested to the Department that it has been to the Department that it has ever the Director's signature will to publish these two Bureau letters over the Director's signature will to publish these two letters there would be partment has decided picking and choosing certain names to be eliminated from the

has been made and is attached. Department's proposed statement

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Office Memorandum . INITED STATES

VERNMENT

TO ithe Director

DATE: Jouenber 14, 1953

FROM : D. H. Ladd

SUBJECT: HARRY DEXTER WHITE ES PIONAGE - R ALL INFORMATION CONTAINED A HEREIN IS UNCLASSIFIED

Pursuant to your request as to the dates when the Federal Grand Jury in New York considered the Harry Dexter White case and the period of time involved, Bureau files reflect the following informations

The Federal Grand Jury which heard testimony in connection with the Gregory case convened in the Southern District of New York on June 16, 1947. The case was presented to the Grand Jury by T. Fincent Quinn, Assistant Attorney General in Charge of the Criminal Division and T. J. Donegan, Special Assistant to the Attorney General. The Grand Jury, when in session, heard testimony from Tuesday through Thursday of each week from 11:00 A.M. to 1:00 P.M.

convened on September 3, 1947.

On December 3, 1947, the Grand Jury recessed and reconvened on January 20, 1948.

April 13, 1948,

date ne dotion was taken. The Grand Jury met again on May 4, 1948, and adjourned subject to recall. They were informed that there would be no matters for their consideration for at least two months from that date. The Grand Jury recommend on June 24, 1948, and on July 20, 1948, returned indictments in the Shith Act cases. On the same date, the Grand Jury was recessed but was not dismissed. The Grand Jury recomment on or about August 12, 1948, and continued in session partil December 15, 1948, when it returned an indictment against Alger Rise for perjury.

101-4053 FLJ: ene on December 15, 1948, the term of the Grand Jury expired.

(Nemorandum from Mr. Ladd to the Director dated 2-15-49; 65-56402; Gregory summary dated 8-24-48, pgs. 386 through 338)

There is nothing in our files to indicate that the Grand Jury inquired into the case of Harry Dexter White as a separate case. The Grand Jury looked into the activities of White in connection with its over-all inquiry into the Gregory case.

It is to be noted that no indictment or presentment for espionage was returned against any subjects in the Gregory case by this Grand Jury; however, this Grand Jury did return an indictment against Alger Hiss for perjury which was based upon

could be brought against Thits by the Grand Jury since Thite died in August, 1948.

Office Memorandum • UNITED STATES GOVERNMENT

TO . UR. D. M. LADD

PROM : UR. A. H. BELLONZ

SUBJECT: HARRY DEXTER WHITE

ESPIONAGE - R Bufile 101-4053 DATENOUSPIDER 16, 1953

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The question has been raised as to who White's alternate was when White was appointed to the International Monetary Fund by President Truman in January, 1946.

Supervisor Orrin Bartlett contacted Assistant Secretary of the Treasury, Andrew N. Overby at 5:50 Py on November 16, 1953. Ur. Overby said White's alternate was George Luthringer. Overby described Luthringer as an individual who had taught at Princeton and later served the State Department as an economist. Who's Who in America. 1952-1953, reflects George Francis Luthringer was born February 17, 1904, in Petersburg, Illinois. It reflects he was an instructor and assistant professor of economics and finance at Princeton from 1930 to 1938. He was then financial advisor to the Joint Preparedness Committee on PhiLippine Affairs for the State Department in Washington, D.C. From 1937 to 1938, he was Divisional Assistant, Economic Advisory Office of the State Department, from 1938 to 1941. He was Assistant Chief of the Division of Financial Affairs, State Department, from 1941 to 1943. He served as financial expert, Office of High Commissioner to the Philippines, from February, 1943, to May, 1944. He was Chief of the Division of Financial Affairs of the State Department from May, 1944, to May, 1946. From May to July, 1946, he attended the Britton Foods and Savannah Monetary Conferences as technical advisor for the United States. He was a member of the U.S. Delegation of the Allied Commission on Reparations to Moscow in 1945. He was appointed U. S. Alternate Director of the U.S. Monetary Fund in July, 1946. He was Deputy Director of the Research Department in 1948, and Deputy Director of the Far East and Middle East and Latin American Department in 1950. He was a representative at the London Preparatory meeting of the International Conference on Trade and Employment in October and November, 1946. His residence address is given as 4401 Cathedral Avenue, N.W., Washington 16, and his office

RJL:avn a...

CONFORMATION.



as the International Monetary Fund, 1616 H Street, N. V.,

RECOMMENDATION

There are a number of references in our files to Luthringer. These are being checked and a memorandum will be submitted setting forth the results of the review

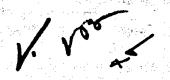
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A connection between Luthringer and White does appear in the Silvermaster Case. veillance on White) reflects on September 23, 1946, (technical sur-Luthringer contacted white and discussed administrative matters dealing with the International Bank. The two men were also in contact, according to the same source, on October 9, 1946, at which time they discussed official business. White was planning to leave washington on that date.

on March 15, 1947, White spoke to Luthringer and they again discussed matters dealing with the International Bank (65-56402-1908 page 156, 159; 2477 page 225)

The other references are being reviewed.



The Director

November 16, 1953

D. H. Ladd

HARRY DEXTER WHITE ESPIONAGE - R

Pursuant to your inquiry concerning the news clipping which would be the basis for Mr. Nichols' talk with Mr. Fred Mullen of the United Press on January 20, 1947, there is attached a clipping of a United Press story captioned "Justice Hones Az for Other Commies, Six or Eight Reported Facing Grand Jury." The attached clipping eppeared on Page 5 of the January 20, 1947, Edition of the Washington News."

ACTI W:

For your information.

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Office Memoradum • United State, GOVERNMENT The Director DATE: November 16, D. W. Lodd 1953 HARRY DEXTER WHITE ESPIONAGE - R In response to your inquiry, "After February 1, Declassify on 1948, and up to April 1, 1947, just what did we get conreview of Bureau files: (V)(V) During this period, the use of physical and technical surveillances indicated White was in contact with other persons who were mentioned by Elizabeth Bentley as having been involved in a Soviet espionage SECTION OTHERWI network in Washington, D. C. From a review of Bureau files, it has not been possible to locate independent information that white was involved in espionage activities In connection with those contacts which corroborate Elizabeth Bentley's information, the following noteds (B)() Virginius Frank Coe (65-56402-1187, p. 190; 2288, p. 270) Abrahan George Silvernan 7-11-46, 9-1-46, 11-4-46, 11-10-46, 11-12-46, 12-22-46 (65-56402-2243, p. 101; 1655, p. 195; 1910, pp. 157, 159, 161; 2288, p. 269) (8)W Charles France 11-25-46 (65-56402-2088, p. 111) Harry Magdeff 11-2-46, 11-10-46, 11-13-48, 11-14-48, NOV 24 1334 (65-56402-1910, pp. 159, 160; 1938, p. 88) cc - Fr. Nichols Classified/ly 101-4053 An OADR JPL:rao me CONPIDENTIAS

William Ludwig Ullman 4-29-46 (65-56402-1187, p. 190)

During this period, White was also in contact with the following persons who were not mentioned by Elizabeth Bentley as having been involved in a Soviet espionage ring:

Edwin S. Smith
of the National Council
of American Soviet Friendship,
4-23-46
(65-56402-1187, p. 189)

Lee Pressman 4-11-46, 11-2-46, 1-1-47 (65-56402-1009, p. 186; 1910, p. 157; 2288, p. 273)

In September, 1946, White and Lee Pressman and the latter's wife met the Russian labor delegation at the Wardman Park Hotel, Washington, D. C. You will recall that Pressman has since admitted CP membership. (101-4053-21) No further information was located relative to White's meeting with the Russian labor delegation, as mentioned herein.

David Rarr
who, at that time, was
an employee of Drew Pearson,
radio broadcaster,
12-5-46
(65-56402-2088, p. 115)

Prom the above, it is noted that the investigation of White during this period developed, for the
most part, information corroborating contacts with
persons named by Elizabeth Bentley.



STATEMENT OF THE ATTORNEY GENERAL,

THE HONORABLE HERBERT BROWNELL, JR.

BEFORE THE INTERNAL SECURITY SUBCOMMITTEE

OF THE SENATE COMMITTEE ON THE JUDICIARY

TUESDAY, NOVEMBER 17, 1953

Beginning in April 1953, this Subcommittee has been holding a series of hearings for the purpose of exposing the plans of Communist agents to infiltrate the Government of the United States. The work of this Subcommittee has documented with great care the result of the very successful Communist espionage penetration in our Government during World War II and thereafter. Later on I will have certain recommendations for legislation which I would like to submit for the consideration of the Subcommittee. I feel confident that as a result of the work of this Subcommittee, much constructive legislation will result.

The Executive Department of the Government which is headed by the President, and of which the Department of Justice is part, has been concerned since we took office with cleaning out the Government. One of the most important and vital problems is to remove all persons of doubtful loyalty and, most important, to prevent any further Communist infiltration into the Government of the United States.

On November 6 in Chicago, I made a speech which was one 2,1953 a number of speeches and magazine articles in which I publicly discussed the problem of Communist infiltration in Government and the steps taken by the Eisenhower Administration to meet that problem. In that speech I referred to the case of Harry Dexter White and the Monner in which it was treated by the prior Administration to illustrate how successful espionage

'A '

agents had been in penetrating our Government at that time and how lax our Government was at that time in meeting such a grave problem. This afternoon I want to discuss the case of Harry Dexter White and the manner in which it was handled by the Truman Administration on the basis of established facts and the records in the Department of Justice.

Before I do that, however, I want to make certain preliminary remarks. An inference has been drawn in some quarters from my speech which I think is unwarranted. By lifting certain sentences out of context it has been said that I implied the possibility that the former President of the United States was disloyal. I intended no such inference to be drawn. In order to point out that I intended no such inference to be drawn, I specifically said that I believed that the disregard of the evidence in the White case was "because of the unwillingness of the non-Communists in responsible positions to face the facts and a persistent delusion that Communism in the Government of the United States was only a red herring." In another part of the speech I also stated: "The manner in which the established facts concerning White's disloyalty were disregarded is typical of the blindness which inflicted the former Administration on this matter."

When I assumed the office of Attorney General, I promised to expose evidence of Communist infiltration in our Government and to expose corruption, with evenhanded justice. I intend to continue to do so. Some people won't like it, but I shall not be deterred from carrying out my duty by personal abuse.

When this Subcommittee completes its investigation, I believe that you will conclude, as I did, that there was an unwillingness on the part of Mr. Truman and others around him to face the facts

and a persistent delusion that Communist espionage in high places in our Government was a red herring. And I believe you will conclude that this attitude, this delusion, may have resulted in great harm to our nation.

The White case seemed to me to be of such vital importance that I believed the public was entitled to know what safeguards were taken - once our Government was alerted to the two spy rings operating within our own Government - to protect the national security.

Of course, if the basic facts of these two spy rings had not been well established by previous court procedures and by Congressional Committees, I would not have proceeded as I did. I fully realize the grave responsibility which I have as chief law enforcement officer of this nation not to use confidential reports in my possession to disclose charges against individuals except through established court procedures. Those of us in the Department of Justice will never violate that basic concept of our American jurisprudence.

But the White case, of course, is not that situation. The basic facts of the two spy rings which existed in the Government at that time have been fully exposed in court and before Congressional Committees. This Subcommittee recently published a very excellent report documenting those facts. The only disclosure which I made from our re-等级 数单语类 cords, and I believe it is the type of thing that the public is entitled to know about, is that the Truman Administration was put on notice at least as early as December 1945, that there were two spy rings operating And the second of the second o within our Government. And, as I see it, now that this fact has been North Company of the established, I believe the public is entitled to know what safeguards the Truman Administration established to protect the national security.

In considering the facts in this case it is well to keep in mind that the matter to be decided in January and February of 1946 did not relate to criminal proceedings. It was not a question whether White could at that time have been formally charged before a Grand Jury with espionage. The matter to be determined by Mr. Truman and his assoc: ates was whether Harry Dexter White should be advanced to a post of light honor, great trust and responsibility and of vital importance to the security of the country. If there was solid evidence at that time establishing that White was engaged in espionage activity, certainly more would contend that sound and proper administration required his concentration of even continuance in Government service simply because a criminal conviction had not yet been obtained.

White entered upon his duties and assumed the office of Executive Director for the United States in the International Monetary Fund on May 1, 1946. What was known at the White House of his espionage activities prior to that date?

On December 4, 1945, the FBI transmitted to Brigadier

General Harry H. Vaughan, Military Aide to the President, a report on

the general subject of "Soviet Espionage in the United States." I referred to this in my speech as the first report. This was a secret and

highly important report of some 71 pages. It covered the entire subject

of Soviet espionage in this country both before, during, and after World

War II. It named many names and described numerous Soviet espionage

organizations. Harry Dexter White and the espionage ring of which he

was a part were among those referred to in this report. The index list

refers to his activities in three different places. This report, as

might be expected from its general character, summarizes White's

espionage activities in abbreviated form, but no reasonable person can deny that that summary, brief though it may be, constituted adequate warning to anyone who read it of the extreme danger to the security of the country in appointing White to the International Monetary Fund or continuing him in Government in any capacity.

As the Subcommittee knows, copies of this report were sent to a number of Cabinet officers and high officials in the Truman Administration including the Attorney General. It would be difficult to understand how under any circumstances a document upon so delicate and dangerous a subject would not have been brought to Mr. Truman's attention by at least one of his associates.

But in addition to that fact, I have here a letter from J. Edgar Hoover to General Vaughan dated November 8, 1945.

As you know, General Vaughan has testified before this Subcommittee that by arrangement with Mr. Truman, when the FBI had information which it deemed important for the President to know about, it sent such information to him. Vaughan testified that he knew that any such report which came to him was delivered to the President.

The letter I bold in my hand is marked "Top Secret." I have declassified it and will make it public because it does not reveal any security information which would now be damaging. Because it was classified "Top Secret," it would have received very special handling that all such documents must receive. If this letter did not come to Mr. Truman's attention, then it would be a most serious dereliction of duty on the part of those who handled it.

It is a document of historical importance and I therefore, with your permission, will quote it in full:

(TEXT TO COME)

It would be difficult to believe under any circumstances that so important a document upon so delicate and dangerous a subject would not have been brought to Mr. Truman's attention by at least one of his associates.

It is a blunt fact from which there is no escape that, in the teeth of the November 8 warning from the FBI, the developing evidence indicated a substantial spy ring operating within the Government and involving Harry Dexter White and the documented report delivered to the White House on December 4, some six weeks later President Truman, on January 23, 1946, publicly announced his nomination of Harry Dexter White for appointment to the International Monetary Fund. I just do not understand this. It still seems completely incredible to me.

But the matter does not end here. Because of this development the FBI compiled a special report devoted exclusively to Harry

Dexter White and his espionage activities and delivered it, together with a covering letter, by special messenger on February 4, 1946, to

General Vaughan for the attention of the President, to the Attorney

General, Tom Clark, and to Secretary of State James Byrnes. This is the

second report mentioned in my speech.

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Secretary of State James P. Byrnes, who received a duplicate report and covering letter on the same day, wrote the President on February 5, 1946, as follows:

"The enclosed letter addressed to Mr. Frederick Lyon of this Department by Mr. J. Edgar Hoover, and the enclosures referring to Harry Dexter White, I deem of such importance that I think you should read them."

I will now read into the record the FBI letter, now officially declassified, transmitting the White report:

Text to come

This second FBI report cannot, as I stated in my Chicago speech, be made public without jeopardizing confidential sources of information and techniques of intelligence operations. That is a firm policy of this Administration. We will never impair the most important work of the FBI by making public FBI reports.

However, the essential facts may be disclosed to this Subcommittee.

At the outset the purpose of the report is stated in the following language:

"The purpose of this memorandum is to relate all of the information available at this time concerning Harry Dexter White, his activities and contacts in order that an over-all picture may be available for review, action or future reference. This information has been received from

numerous confidential sources whose reliability has been established either by inquiry or long-established observation and evaluation. In no instance is any transaction or events related where the reliability of the source of information is questionable. It is with these factors in mind that the following material is set forth."

The report then proceeded to point out that information had come to the attention of the FBI from a confidential source that Harry Dexter White was engaged in espionage activities at least as early as the latter part of 1942 or early in 1943. It was reported that White was supplying information consisting of documents obtained by him in the course of his duties as Assistant Secretary of the United States Treasury Department to Nathan Gregory Silvermaster and to William Ludwig Ullmann who resided at 5515 Thirtieth Street, N.W., Washington, D.C.

The material consisted of reports of a varied nature concerning the financial activities of the United States Government, particularly if they related to foreign commitments. Also various memoranda and reports from other Governmental departments and agencies were made available through these channels. It was reported that these documents had usually been reduced to photographs by the time they were observed but on occasions the original documents themselves were seen.

During the investigation of these charges, it was learned that a complete photographic laboratory did in fact exist in the basement of the Silvermaster home sufficiently well equipped for the copying of documents. This included an enlarger, developing equipment and all the necessary chemicals and other incidentals.

These documents, consisting of notes taken therefrom or verbatim copies, were usually photographed and delivered through channels to Jacob M. Golos, a known Soviet agent. (Jacob M. Golos whose real name is Jacob Raisin pleaded guilty to an indictment along with World Tourists, Inc., charging failure to register as agents of the Soviet Government in March, 1940. He received a fine of \$500 and a jail sentence of four months to one year which was later changed to probation.) The material collected in this particular parallel of Soviet espionage was all channeled through Golos eventually to the Soviet diplomatic establishment in this country. The report pointed out that it could be presumed after arrival at this destination that material of primary interest to the Soviets was forwarded to Moscow, USSR, via diplomatic code and material concerning which there was no urgency reached that destination through the Soviet Diplomatic Pouch.

Subsequent to the death of Golos, the material gathered by the Silvermasters and Ullmann originating with White, according to the information received by the FBI, went through an unknown individual to Anatole Borosovich Gromov, former First Secretary of the Soviet Embassy, Washington, D.C. Suspicions had previously surrounded the activities of Gromov to the effect that he was the successor to Vassili Zubilin, reported head of the EKVD, one of the primary branches of Soviet Intelligence in North America. Zubilin returned to Moscow, USSR, in the late summer of 1944, and Gromov departed from the United States for Moscow, USSR, on December 7, 1945. From all appearances, the position previously held by Gromov to whom this material was transmitted

prior to his departure, was next held by Fedor Alexeevich Garanin, an official of the Soviet Embassy, Washington, D. C.

According to the information received by the FBI, White was considered one of the most valuable assets in this particular parallel of Soviet intelligence. This view was taken since in his capacity as Assistant Secretary of the United States Treasury, those individuals whom this group were anxious to have assigned there considered in the Treasury Department. Among the persons in this capacity were William Ludwig Ullmann, William Henry Taylor and Sonia Stemman Gold.

believed it desirable to have someone placed as a secretary to White in order to facilitate the obtaining of information from his office for delivery to Soviet espionage agents. As a result of these deliberations, Mrs. Helen Witte Silvermaster went to one of the Communist functionaries in Washington, D. C., and from this source secured the name of Sonia Steinman Gold. Eventually, Mrs. Gold, through arrangements with White, obtained a position (as one of the secretaries) in the United States Treasury Department. As a result of this employment, Mrs. Gold obtained documents from White's office, which she copied and made her notes available to Mrs. Helen Witte Silvermaster. The information which Mrs. Gold obtained in a general way concerned principally the Treasury Department's opinions and recommendations concerning applications for loans made by the Chinese and French Governments.

It was also reported that there was in existence another parallel of Soviet Intelligence operating within the United States Government and headed by Victor Perlo. The information gathered from the Perlo group was channeled through Jacob M. Golos and on to the Soviet diplomatic establishment in the same manner as outlined for the operation of the Silvermaster group.

Because of the relationships existing between Golos and the Perlo group, Harold Glasser appeared in the picture. Glasser was rather closely associated with White and was able to supply general information concerning the activities of the United States Treasury Department, particularly where they concerned proposed loans to foreign countries. He also supplied information originating in the Foreign Economic Administration which had been sent to the United States Treasury Department for action or information.

The report states that the Bureau had secured the names of a number of persons described as members of the underground Communist group in Washington, D. C., from another source. Among those names was that of Abraham George Silverman whom the report describes as formerly employed by the Railroad Retirement Board and the United States Army Air Forces and as privately employed by the French Supply Council of the French Government. As incidental to the mention of Silverman the report states that the information received was to the effect that Silverman worked through close friends who were indebted to him, including Harry Dexter White and others. The report points out that this information concerning the relationship between Silverman and White is consistent with the information referred to earlier from the other source.

The section then relates to White's known contacts with Russian officials over the years and, therefore, cannot be declassified. It should be said here that these contacts were not inconsistent with the regular performance of White's duties and considered by themselves are not incriminating.

In July, 1945, a clerical employee of the Passport Division of the Department of State, who formerly was employed as a clerk by the Soviet Government Purchasing Commission, was allegedly stealing certain information from the official records of the Department of State for transmittal to unknown persons. This individual apparently admitted that he had collected this information in the course of his employment and knew a man who would pay him \$1,000 for it. In his application for employment with the Department of State this individual who stole this information had listed Harry Dexter White as a reference and White had recommended him highly. The report added that this circumstance was being set forth in view of the allegations to the effect that White was considered of extreme value because of his influence in securing positions for persons who could be of assistance to Soviet espionage.

The report mentions that White was interviewed by the FBI in connection with the Amerasia case, particularly concerning Irving S..

Friedman, who, according to the report, was known to be one of the sources in the Treasury Department Section on Far Eastern Affairs that had been furnishing documents to Philip Jacob Jaffe, editor of Amerasia. White told the FBI that Friedman was an employee in the Treasury Department handling matters dealing with monetary affairs in the Far East, and d-mitted that he had brought Friedman to the Treasury Department five or we six years earlier.

The report contains much corroborative evidence which cannot be made public either because it would disclose investigative techniques of the FBI or because it might be harmful to the national interest. It can be pointed out, however, that over a period of three months beginning in November of 1945 the activities of Harry Dexter White were entirely consistent with all the previous information contained in the report.

White was in frequent close personal contact with nearly every one of the persons named as his associates in the spy ring. These include Nathan Gregory Silvermaster and his wife, William Ullman, Sonia Gold, Harold Glasser, Abraham Silverman and others.

The report referred to a trip made by White to visit Dr.

Abraham Wolfson of Newark, New Jersey. Wolfson had been reported by
numerous sources as having had frequent and close contacts with numerous

Communists in the State of New Jersey. The report pointed out that

Dr. Wolfson in 1944 was a member of the Third Ward Branch of the Communist

Party and that he had been active in Communist Party activities for the

preceding seven years under the name of A. Wilson Street. It was also

pointed out in the report that Wolfson held Communist Party meetings in

his office.

The report stated that in December of 1945 White was seen at 3210 P Street, N.W., in Washington, which at that time was the home of Alger Hiss and pointed out that from other sources Hiss was reported working for another parallel of Soviet espionage.

In December of 1945 White and his wife visited the home of Maurice Halperin who was employed by the Office of Strategic Services.

The report pointed out that Halperin was a member of the Communist Party and beginning in 1942 he passed on information to an espionage courier.

The report refers to the close personal relationship in 1945 between White and Frank Coe who was also one of the individuals supplying information to the Silvermasters and thence through channels to the Soviet Government.

The report points out in considerable detail the contacts between White and Lee Pressman. The report points out that Lee Pressman was a member of an underground group headed by Harold Ware, which had its headquarters in Washington. The report points out many of Pressman's activities as a Communist.

The report points out that Silvermester's position in the Treasury Department was secured for him by White. The report points out that the Bureau's informant had identified Silvermester as the head spy in the espionage ring with which White was worker. At that Silvermester has a long record of reported association with known semimists. The report also points out that other sources of information had established that Silvermester was acquainted with many other individuals who were strongly suspected of Soviet espionage. The report also points out that Mrs. Silvermester has a long history of association with Communist Front groups. It is stated in the report that in addition to the many contacts between White and Ullman which were disclosed, White wrote a letter in November 1940 on the stationery of Director of Monetary Research of the United States Treasury Department requesting the deferment of Ullman. After Ullman left the Army and entered the Treasury Department he worked in the Division headed by White.

The report pointed out that Harold Glasser was in another branch of Soviet espionage headed by Victor Perlo. Glasser was an assistant to White in the Treasury Department. It was reported that

Glasser was described by numerous sources as a member of the Communist Party. In addition to this information, the report points out a great many other connections and contacts among the members of the espionage ring, all of which supported and were consistent with the earlier portions of the report.

It is interesting to note how accurate this information was that the FBI supplied at that time. Following is a list of White's close associates referred to in the FBI reports who were members of the espionage ring who have claimed their privilege not to answer questions on the grounds that it would incriminate them:

Silvermaster

Perlo

Glasser

Coe

Ullmann

Silverman

Halperin

Both Golds

Kaplan

Also there is Lee Pressman who admitted membership in the Communist Party and Alger Hiss who has since been convicted.

Of course, no one could, with any validity, suggest today that there is doubt that White was in this espionage ring. Some of White's original espionage reports, written by him in his own handwriting for delivery to agents of the Red Army Intelligence, were recovered in the fall of 1948 and are now in the possession of the Department of Justice. I have photostatic copies of them here and I offer the copies as part of the record of my testimony. The information contained in these reports was, as the Subcommittee knows, of great importance at the time White wrote them, although with the lapse of time the necessity for secrecy on these subjects has disappeared.

But the record which was available to the Truman Administration in December 1945 and thereafter should have been sufficient to convince anyone that White was a hazard to our Government.

The question which had to be decided at that time was not whether white could have been convicted of treason. There was ample evidence that he was not loyal to the interests of our country. That was enough. Government employment is a privilege, not a right, and we don't have to wait until a man is convicted of treason before we can remove himfrom a position of trust and confidence.

When I was first invited to appear before this Subcommittee, I thoughtfrom what I had read in the newspapers that there was some issue of fact involved on the question of whether Mr. Truman knew about Harry Dexter White's espionage activities at the time he appointed him as Executive Director for the United States of the International Monetary Fund. I read in

the newspaper that after being advised of my speech in Chicago Mr. Truman stated to the press that he had never read any of the derogatory reports concerning Harry Dexter White to which I referred. I read later that Mr. Truman said that he fired White as soon as he discovered he was disloyal. On the basis of these statements I thought that the accuracy of what I had said in Chicago was being challenged.

However, it now seems in the light of Mr. Truman's television speech of last night that it is conceded that on February 6, 1946, the day on which White's appointment was confirmed by the Senate, Mr. Truman did read the most important of the reports to which I referred, and that he thereafter, even though he had a legal right to ask that the nomination be withdrawn, signed White's commission and permitted him to take office on the first of May with full knowledge of the facts reported by the FBI.

It is, of course, extraordinary to learn from Mr. Truman, in view of his earlier statements, that he signed Mr. White's commission with the thought that it might help to catch him. I would think that the commissioning of a suspected spy to an office of such great importance would not be easily forgotten. It seems to me even more extraordinary to learn that Mr. Truman was aware as early as 1946 that a Communist spy ring was operating within his own administration when for so many years since that time he has been telling the American people exactly the opposite. Indeed, it seems to me that this explanation of White's appointment — that is, that he was appointed and allowed to remain in office for more than a year in order to help the FBI trap him as a spy — raises more questions than it answers.

While under suspicion and surveillance White was, we are told, appointed as the first United States Executive Director of the Fund. He was also its chief architect. The opportunities afforded him in that capacity for betraying the country were very great.

There were matters of great importance to the United States which were handled by the Executive Directors while White was a member. A first order of business was to plan the general organization of the Staff. It was agreed to divide the Staff into five primary departments and offices. Each of these departments and offices has a director. One of these five primary departments was called the Office of the Secretary. Now who received the position of Head of the Office of Secretary? It was Frank Coe, named in the FBI report as a member of the espionage ring, and at a salary of \$20,000 a year.

Recently this Subcommittee had occasion to inquire of Mr. Coe whether he was presently engaged in subversive activities. Mr. Coe replied "Mr. Chairman, under the protection afforded me by the Fifth Amendment, I respectfully decline to answer that question." Coe continued in the employ of the Fund until as recently as December 3, 1952, when he was finally dismissed.

Who received the position of adviser to the United States member of the Board? It was Harold Glasser, also named as a member of the espionage ring.

Glasser was subpoensed by the Senate Subcommittee on April 14, 1953, and when asked about his relationships with members of the Communist

underground, he invoked his privilege against self-incrimination. He also refused under privilege to tell the Subcommittee the circumstances surrounding his Government assignments within the United States or abroad.

It has now been said that White's promotion to the post of Director of the International Monetary Fund was permitted to go through so that he might better be kept under surveillance, and so the investigation of the other members of the ring might continue unimpaired. It is suggested that permitting White to continue his espionage operations might enable the Truman Administration to entrap not only White, but the whole Soviet espionage ring working within our Government.

To accomplish such an end would require infinite and detailed care if the national interest was to be at all protected.

In the first place, arrangements would have to be made to insure absolute control of the subjects and the situation. Some time limit would have to be established.

If the national interest were to be protected, measures would have had to be designed to prevent classified material with a significant bearing on national security from reaching White and the others. Top responsible officials of the United States Government, whose duties brought them in contact with White and the other members of the ring, would have had to be forewarned. Great care would have to be taken to make certain that these spies did not affect the decisions of our Government.

The records fail to indicate that any of these minimum precautions were taken. The records fail to show that anything was done which interfered with the continued functioning of the espionage ring of which White was a part.

And if we apply simple and reasonable tests to how other members of the espionage ring named in the FBI report were treated, there is considerable doubt that anything was done to protect the national interest. Let me offer you a few examples.

Harold Glasser, a close subordinate and associate of
White, was described in the FBI report as an active member of the
espionage ring. What controls were established over the movement
of Harold Glasser? In July 1946 Glasser attended an UNRRA conference
in Geneva, Switzerland, as a member of the United States delegation.
In January 1947 Glasser went to Trieste as a United States member
of a four-power commission to study the economic aspects of the
Trieste problem. At the special request of the State Department in
March and April of 1947 Glasser attended the Moscow meeting of the
Council of Foreign Ministers as an adviser to the United States
Secretary of State.

How was Glasser's access to classified materials limited?
As far as we have been able to determine, it was not. Records in the

Department indicate that late in 1946 Glasser, described as a member of the espionage ring, received a copy of the FBI report on Victor Perlo which described him as a member of the Soviet espionage ring. Perlo stayed on in the Treasury Department until March 27, 1947, and then left to accept the post of Treasurer of the Intergovernmental Committee on Refugees.

Nathan Gregory Silvermaster in March 1946 was promoted to become the Chief Economist of the War Assets Administration's Division of Economic and Market Research. After the report was made, William Ullmenn and Irving Kaplan stayed on with the Department of the Treasury without any restrictions being placed on them or their activities as far as we can determine.

This Subcommittee, I am sure, will want to examine with great care the claim that there was a plan to keep White and others in the espionage ring in Government employment in the hope of catching them. You will also want to investigate, I believe, what care was used to protect the national security. These are grave questions to which the public is entitled to complete answers.

As members of this Subcommittee know, this Administration is trying an entirely different approach to security problems.

Despite difficulties stemming from past laxity, 1,456 employees have actually been separated from Federal Government payrolls since January 1953 on the grounds that they are security risks. Many cases are still under examination.

Our work to date has clearly shown the need for at least two new laws to help the Government in the prosecution of espionage cases. I hope that these proposed laws will be considered by Congress at its session starting in January. The first would allow the Government to use wire-tap evidence to prove its espionage cases. At the present time information received by tapping wires cannot be used as evidence in the federal courts. There are cases of espionage presently in the Department of Justice, but since some of the important evidence was obtained by wiretapping, the cases cannot be proved in court and therefore there will be no prosecution so long as the law remains in its present state. The second proposed law would allow proper authorities in Government to grant immunity to witnesses who are suspected of espionage or Communist activities, but who refuse to testify under the Fifth Amendment on the ground that their testimony might incriminate them. As I stated before a number of persons who worked with

Harry Dexter White in his important Government assignments, have refused to testify on this ground. If the Government, under proper safeguards, is authorized to grant immunity to such persons, we believe we can obtain testimony which will assist in tracking down the higher-ups engaged in conspiracy to overthrow our Government by force and violence.

The White case illustrates that it is not enough for men in high Government positions to be loyal. They must also be vigilant to combat the dangers to our Government and to our free institutions.

I thank the Subcommittee for this opportunity to set forth these facts in the case of Harry Dexter White.

From Post-Hall Syndic. . Inc.
342 Madison Avenue, New York 17, New York
FOR RELEASE ON RECEIPT

INSIDE LABOR

By Victor Riesel

Mr. Tolson.

Many of those who have refused under oath to deny that they were in Soviet Frank Mr. H. Hours and the Supreme Country Gandy in fact.

This does not at all mean that there are, or have been, subversives on the high bench. It does mean that even our greatest judicial minds were incapable of coping with the subtleties and camouflage of the Soviet rings.

There are several justices who are in a position to help us put together the clues to the network which exploited them. To be specific, there is Justice Tom Clark. He could tell us about the little known, 18-inch-thick file which was hidden under the code name of "Gregory" in the Justice Dept. when Mr. Clark was U.S. Attorne General.

The Justice knows, of course, that the "Gregory File" had all the data necessary to indict Alger Hiss as a spy. The statute of limitations had not yet run out on the debonair comrade from Baltimore. Hiss could then still have been indicted and tried for betraying his country.

Yet the then Attorney General resisted the urging of his criminal division. Clark did not move for Hiss' indictment. Years later, Alger Hiss was tried—for perjury. As Attorney General, Mr. Clark took his orders from the White House. He had every bit of evidence he needed. Why did he not move to try Hiss as a spy? What higher forces restrained this cabinet member? Who sabotaged this prosecution? Was it Clark himself? Or a higher-up?

There is another Supreme Court Justice who may be embarrassed to learn that he was used by a friend of Alger Hiss. This is Justice Robert Jackson. He may recall, now that I make mention of the incident, that when he was Attorney General of the U.S., he was asked by the late Sidney Hillman to recommend NOTAREGORDED The CIO's Amalgamated Clothing Workers Union.

20 NOV 25 1953

NFORMATION CONTA

To what more unimpeachable source cay you go than to the head of the Justice Dept? Well, Mr. Jackson recommended a very sophisticated gentleman by name of John Abt. Good, hearty character reference, too, So Mr. Abt was hired. Later it developed that John Abt was married to Jessica Smith, widow of Harold Ware. Comrade Ware, a confidant in his day of the highest Soviet leaders from Stalin down, or up as you'd have it, was the suave fellow who planted the first important Communistespionage cell inside our government. From that commis acorn, big espionage networks grew.

Mr. Abt's sister, Marion Bachrach, handled publicity for the Communist Party. May still be doing so. I wouldn't know. They aren't exactly among my best informants And now, you may ask, what about Mr. Abt himself? Well, let me report to you what he was asked by a Congressional probing committee;

"Mr. Abt, in connection with your home, Whi Central Park West, did a meeting take place there some time during the war at which were present Victor Perlo, Elizabeth Bentley and several other individuals, the purpose of which was to make arrangements for people working in government to transmit confidential information to Elizabeth Bentley, who was then the head of an espionage ring in Washington."

John Abt, who rose high in labor circles because of his original endorsement by an Attorney General of the U.S., refused to answer this question on the ground that it was his right under the Fifth Amendment to not incriminate himself.

In other words, he refused to deny that his home had been used as an espionage To put some big, bold black emphasizing lines under this last question, here is what can be found in several Congressional records:

"The head of the most important group of Soviet espionage agents with which Bentley has maintained liaison was Victor Perlo, of the War Production Board.

"Members of this group were introduced to Bentley early in 1944 at the apartment of John Abt. ...

Now, why don't Supreme Court Justices Clark and Jackson tell us just who betrayed them? Who forced Clark to ignore the "Gregory File"? Who first introduce Abt to Jackson?

Let's take all this out of politics. Let's start tracking down the Kremlin crowd. And their sponsors in government.

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Office Memorandum. UNITED STATES GOVERNMENT

MR. D. M. LADD

DATE November 17, 1953

UR. A.-H. BELLOW

SUBJECT: HARRY DEXTER THITE

ESPIONAGE - R Bufile 101-4053

ALL INFORMATION CONTAINED

Reference is made to the memorandum from Mr. Nichols to Mr. Tolson dated November 13, 1953, regarding the conversation between Mr. Nichols and Ur. Olney concerning charts.

of November 16, 1953, that he believe the common the election of Department which was prepared during the even of the common to appearances and secto in the Silvernaster cases We have also received a come of this same chart: from the ism York Office by memorandum dated November 13, 1953, and chart is being attached Rereto.

A review of our files also reflects that by memorandum dated December 13, 1945, from Mr. Ladd to the Director, a chart was brought to the Director's attention which had been prepared by the New York Office showing the channels of transmission of espionage information by individuals named up to that date by Elizabeth Bentley. A Phatostat of the memorandum of Hovember 13, 1945, and the chart are being attached hereto.

In view of the fact that Mr. Donegan has furnished to the Department a chart, it would appear that no further action is necessary by the Bureau in connection with this

In the conversation between Mr. Olney and Mr. Nichole, Mr. Olney also raised the question as to whether the 39 page summary dated July 25, 1946, entitled "Soviet Activities in the United States," was the summary which had been prepared for the Attorney General in order that it might be transmitted to Clark Clifford for the possible use of the President at the Monetary Conference in Paris. Mrs. Viahole advised

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RJL sown a Attachmente Mr. Olney that the answer to the foregoing should be in the files of the Department and "left this up in the air."

Mr. Nichols recommended that we check on this matter. The summary referred to by Mr. Olney dated July 25, 1946, is the summary which we prepared pursuant to a request from the Attorney General, and we did direct a memorandum to the Attorney General under date of July 25, 1946, transmitting the summary entitled "Soviet Activities in the United States." (100-345686-1)

RECOMMENDATION

The foregoing is for your information. We are preparing a Photostat of the July 25, 1846, summary for transmittal to Ur. Olney pursuant to his written request of November 12, 1953.

HBAT 177

ifice Nemorandum • Unitel Status ... Bernhent H. BRIMCHT DATE: Fovember MAI LOVENTHAL; INFORMATION CONCERNING John F. Bullivan advised that he had received word that the McCarthy Committee would next open its hearings into the loan of printing plates for printing script by the United States to the Russians. The Army had anticipated that it would be ealled upon to explain its part in the transaction. Colonel Perry furnished this information purely for information purposes. Sullivan followed with G-2 on this to see if there JTS: Ak

Memorandum for Mr. Belmont, 11/17/53

RECOMMENDATION:

That the above information be brought to the attention of Mr. Michols.

r. Ladd r. Hichels r. Bleont Mr. J. Sullivan Room 7644

SAC, Washington Field (65-51,28)

November 17. 1973

Director, FBI (101-40~3)

HAR Y DEXTER WHITE ESPIONAGE - R PROBLEM

For your assistance in the preparation of your report in this matter you are being furnished the following material pertaining to hearings before the Senate Permanent Subcommittee on Investigations, Committee of Sovernment Operations, heard on October 19-21, 1953, at Washington, ...

- (1) Volume 1144, October 19, 1953, executive session testimony.
- (2) Volume 1164, October 21, 1953, executive session testimony.
- (3) Volume 139, October 20, 1953, public session testimony.
- (h) Volume 1h0, October 21, 1953, hublic session testimony.

Volumes 114A and 116A contain executive session testimony and cannot be designated outside the fureau.

outside purview of FOM

Volumes 139 and 140 contain results of the rublic session testimony and pertinent portions thereof should be included in your report. The public session testimony pertains to transfer of allied military mark money plates to the Russians and transfer of Allied money plates to the Russians.

Attachment

RGJ: blb

The information furnished by Elizabeth Bentley in her testimony revealing Whitees involvement in connection with Allied military marks and currency ristes was not reviously furnished the Burea. The necessary action has been taken in connection with this informatically has been reinterviewed for details. *Copies of the testimony as sisted in letter have been made and forwarded to WFC for assistance.

62 NOV 24 1953

NOT RECORDED 191 NOV 19 1953 Office Memorandum. UNITED STATES GOVERNMENT MR. D. M. LADD DATE: November 12. SUNE () NATHAN GREGORY SILVERMASTER, WAS.; ET AL ESPIONAGE - R Declassify For your information, a technical surveillance was authorized by the Attorney General on November 20, 1945, on the residence of Harry Dexter White, 6810 Fairfax Road, Edgemoor, Bethesda, Maryland; telephone, Wisconsin 6896. -The records on technical surveillances maintained by the Domestic Intelligence Division and the actual logs of this surveillance in the Washington Field Division were checked and indicated that the surveillance was installed lat 10:00 A.M., November 27, 1945, and assigned symbol number (B) 2 62 67D The first call was monitored at 7:34 P.M. on November 27, 1945. According to the logs, the last call received at the above address was on June 27, 1946, and it was indicated that White was moving to Apartment 114-B, Westchester Apartments, 4000 Cathedral Avenue, N.W., Washington, D. C., and the technical surveillance was transferred to the new location. The next call was received on July 12, 1946, and the surveillance was continued until May 16, 1947, when it was terminated. JDD: DE

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director

FROM : D. M. Ladd

DATE: November 18, 1953

SUBJECT:

GREGORY CASE

Tom Donegan called me from New York this afternoon and advised that he had learned that about a week ago one too. No case had been contacted by an individual named David Chaffee, who claimed to be with the United States Attorney's he wanted to talk to this Grand Juror.

Mr. Donegan states that Chaffee is not a regular employee of the United States Attorney's Office in the Southern District of New York but has apparently been recently employed there. He thought that the Bureau would be interested in view of the fact that it appears the United States Attorney's Office may be making some inquiry concerning the Grand Jury.

I asked Donegan to keep the Bureau advised of anything

DML: WMJ

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Office Memorandum. UNITED STATES GOVERNA Mr. Tolson L. B. Nicho SUBJECT: HARRY DEXTER WHITE Gregory For record purposes, at 3:35 P.M. yesterday, Lee Garrett of the Associated Press called Wick in my office and asked whether we could supply him with the current Access of Julius Joseph, who was named by Attorney General Brownell in the Committee hearings 11-17-53. As you know, Joseph was named by Bentley as one of her contacts starting in 1942, in the Office of Strategic Services during the war. He later went with UNRRA ACTION TAKEN: Garrett was advised we could not be of assistance to He said he would check with Mr. Mullen in the Department. Directors NOTATION cc - Mr. Ladd cc - Mr. Belmont REW: Ds

Office Memorandum • UNITED STATES GOVERNMENT

TO . Mr. Tolson

DATE: NOV. 19, 1953

TROM . 2. 3. Nichola

HARRY S. BARGER
318 SHOREHAM BUILDING
WASHINGTON D. C.

ALL INFORMATION CONTAINED
HERE IN IS INSTASSIFIED
DATE

DATE

ALL INFORMATION CONTAINED

ALL INFORMATI

Wick in my office talked on the telephone with Harry S. Barger, 318 Shoreham Building, Washington; B. C. (telephone NAtional 8-5756).

information, but he felt obliged to call it to the Director's attention since he felt it had a bearing on the Director's testimony in the Harry Dexter White Case on the Mill 11-17-53. He said the State Department issued an official publication number 3580 entitled "Post War Poreign Policy Formulation." Released in February, 1950, the publication purports to set out our post war foreign policy formulation and states it was conducted in secrecy. Barger said has determined that among those responsible for our foreign policy men named by Attorney General Brownell in his disclosures 11-17-53 at said although he had called the same information to the attention of the latter might not come into possession of the information and, therefore, wanted to call it to the attention of the refore, wanted to call it to the attention of the Director.

RECOMMENDATION:

Division for its information and consideration in the event the State
Department document 3580 has not been previously called to our attention

CC _ W BOTOMAN

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REW: per

SEE STANKS V

DRIGINA

Office Memorandum . United States Government

TO

Mr. Tolson

DATE: November 20, 195

TROM

L. B. Nichols

ALL INFORMATION CONTAINED HEREIL IS INVLASSIFIED.

DATE

EDDJECT

Scottie Reston of the New York Times called. He wondering if he could talk to me or somebody about some problems that have come up in his mind. He has been going back through the documents and published material on Elizabeth Bentley and the characters concerning whom she made accusations. He stated numerou questions come up in his mind and the has a desire to be objective and knows of no other source but to come to the Bureau for the answers. He asked such questions as the following. He has checked the background on Golos who ran the World Tourist and it appears he was known to the FBI at least five years before Bentley testified regarding Harry Dexter White; that Bentley, concerning whom the Director lauded as to veracity. stated she sent to the Silvermaster basement where she saw documents and received documents. He therefore wonders why Silvermaster has not been brought into the situation and why Silvermaster was left alone; that according to the Bentley testimony, there was enough to hang the guy exclusive of my wiretap evidence or any other evidence; that as a reporter he does not like to raise questions and be argumentive with the FBI as there is no percentage in that and he does not see any point in starting an argument in print and the only way he knows is to go to the source.

I told him with reference to the question he had just raised that that had to do with action and was not within the purview of the Bureau and this was not a proper question for us to discuss. He then stated he had several other questions. For example, In the Judith Goplon case? The is informed she was kept in the government so she could be watched and it was quite clear there was informationconcerning her; that how deep this square with the Director's statement on the Harry Dexter. White case, particularly since he has been magained she stayed in the government shall our explicit approval; that furthermore; the Director testified in 1950 that in espionage cases the thing hadding to worth the spins. Find our who they are, what they are fand what their tentacts are.

cc: Mr. Ladd

Mr. Belmont

LBN:MP

NOV 25 195

I asked him if there was anything in that testimony that referred to spies in the government. He hemmed and hawed. I asked specifically what testimony he was talking about. He said it was the testimony before the appropriations committee and the appropriations for State. Commerce and Justice. It told him it appeared to me the questions he was raising were self within our purities and I did not see how we could help him. He there stated he needed guidance badly; that he would appreciate it if he rould sit down with somebody and go over his questions; that the person to whom he is self would not be quoted and nothing would be attributed to the Bureau; that we knows nothing about this subject and does not want to do anything other than an honest, objective job.

I told him I was sorry, that we could not help him; that this was a matter for him to take up with the Department. He then stated suppose he goes to Mullen and Mullen says the same thing, where does that leave him. I told him, I of course, and not speak for the Department. Reston then stated tokay, at least wave tried. I again told him I was sorry we could be set to assistant to him.

MR. NICH

Mov. 20, 1953

HARRY DEXTER WHITE

Pursuant to your request, the enclosed statements of the Director and Attorney General Herbert Brownell, Jr. before the Subcommittee to Investigate the Administration of the Internal Security Act and Other Internal Security Laws, on November 17, 1953, are being fully indexed and placed in file.

GREGORY

Enclosures (2)

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UNITED STATES DEPARTMENT OF JUSTICE FEDERAL BUREAU OF INVESTIGATION Washington 25, D. C.

STATEMENT OF J. EDGAR HOOVER, DIRECTOR FEDERAL BUREAU OF INVESTIGATION, BEFORE THE SUBCOMMITTEE TO INVESTIGATE THE ADMINISTRATION OF THE INTERNAL SECURITY ACT AND OTHER INTERNAL SECURITY LAWS 2:30 p.m., November 17, 1953

HARRY DEXTER WHITE CASE

As the members of this committee know, the Federal Bureau of Investigation is a service agency. It does not make policy; it does not evaluate; it secures facts upon which determinations can be made by those officials of the U.S. Government who have the responsibility for taking whatever action is indicated. We do not inject ourselves into legislative matters. We do not express opinions or draw conclusions in our investigative reports. We have welldefined channels of official distribution through which we direct the results of our investigations.

Since we are not an agency for decision as to action, we are legally, morally and in good conscience obligated to relay all information and facts we secure to the responsible officials and agencies of government.

It is my duty to report to the Attorney General those matters in which he has a responsibility. It is likewise my duty, at the specific direction of the President, to report matters coming to our attention which are of pertinent interest to the President.

ALL INFORMAT

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I mention these basic principles governing our operations since they have come into the public interest in connection with recent events and disclosures.

There is more involved here than the charges against one man. This situation has a background of some thirty-five years of infiltration of an alien way of life into what we have been proud to call our Constitutional Republic. Our American way of life, which has flourished under our republic and has nurtured the blessings of a democracy, has been brought into conflict with the Godless forces of Communism. These Red Fascists distort, conceal, misrepresent and lie to gain their point. Deceit is their very essence. This can never be understood until we face the realization that to a Communist there are no morals except those which further the world revolution directed by Moscow.

The Harry Dexter White and related cases are in point.

White was only one person on whom self-confessed Communist

espionage agents informed -- there were others. In this case, the

sources who gave the information were co-conspirators and either

became inactive or their identities must for the time being

remain undisclosed. Corroboration in each instance was most

difficult to secure, because the actual facts were known only to

a limited group whose personal interests dictated concealment

and who conveniently had the Fifth Amendment as a refuge.

Coverage from an intelligence standpoint and an all-out open investigation looking toward eventual prosecution, are entirely different things. It must be remembered that the acts occurring in the pre-war years occurred while we were at peace. In the pertinent time period, our national climate was one conducive to the so-called "united front." Communist front organizations flourished to the point where it appeared that to belong, in certain circles, was to be stylish.

Even today, the feeling is rife in some quarters that the FBI should not even be investigating the loyalty of Government employees. Over the years, the FBI has been the target of attack from persons both in and out of Government because of its investigations of subversive activities. Even Harry Dexter White, when we interviewed him in March, 1942, spent more time in denouncing investigations of Government employees growing out of charges made in Congress reflecting on the loyalty of Federal employees, than he did in furnishing facts. He observed that if the chairman of one Congressional Committee "was one-tenth as patriotic as I am, it would be a much better country."

The care, caution and delicate approach necessary in such FBI investigations made it difficult to develop full facts, particularly when those in possession of them declined to make full disclosures.

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The responsibilities for internal security assigned the FBI in 1939 by Presidential Directive were directed toward the times of emergency rather than periods of peace. That is the situation today. It is still legal for Communists to exercise the right of assembly, free speech and free thought.

On November 7, 1945, Miss Elizabeth Bentley advised Special Agents of the FBI in considerable detail of her own career as an espionage agent. On November 8, 1945, a letter bearing that date was delivered to Brigadier General Harry H. Vaughan, wherein it was stated:

"The Bureau's information at this time indicates that the following persons were participants in this operation or were utilized by principals in this ring for the purpose of obtaining data in which the Soviet is interested."

The name of Harry Dexter White was the second name mentioned in the list of names furnished. The concluding paragraph of this three-page letter stated:

"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."

This communication was sent to General Vaughan in line with instructions conveyed to me by President Truman to call such matters in which he would have an interest to his attention through General Vaughan. I might add that the same practice so far as the FBI is concerned was followed during the administration of the late President Franklin D. Roosevelt. In fact, this same procedure was followed during the administration of former President Herbert Hoover.

In the meantime, our investigation of White and others mentioned by Miss Bentley and Whittaker Chambers, as well as those individuals on whom we had adverse information from equally reliable sources, continued.

A detailed summary memorandum was then prepared consisting of seventy-one pages, exclusive of the index, setting forth the highlights of Soviet espionage in the United States. This memorandum, dated November 27, 1945, was delivered to General Vaughan by a special messenger on December 4, 1945. Copies of this memorandum were furnished to the Attorney General and certain other interested heads of government agencies. This memorandum included information on Harry Dexter White.

When we learned that Harry Dexter White's name had been sent to the Senate for confirmation of his appointment as a U. S. delegate on the International Monetary Fund, we then consolidated the information in our files, secured from sources "whose reliability has been established either by inquiry or long-established observation and evaluation," in a 28-page summary dated February 1, 1946, which was delivered to General Vaughan on February 4, 1946. The two-page cover letter of transmittal opened with this sentence:

"As of interest to the President and you, I am attaching a detailed memorandum hereto concerning Harry Dexter White, Assistant Secretary of the United States Treasury Department."

The observation was made in this letter, "As will be observed, information has come to the attention of this Bureau charging White as being a valuable adjunct to an underground Soviet espionage organization operating in Washington, D. C."

From November 8, 1945, until July 24, 1946, seven communications went to the White House bearing on espionage activities, wherein Harry Dexter White's name was specifically mentioned.

During that same period, two summaries on Soviet espionage activities went to the Treasury Department and six summaries went to the Attorney General on the same subject matter.

The handling and reporting on the White case followed the Bureau's traditional practice of reporting all facts and information which had come to our attention, without evaluation or conclusions. I would like here to state that an FBI report is the presentation of information for evaluation by those who perform administrative duties and have executive responsibilities.

The FBI, of course, has a duty to evaluate its sources of information. In the 28-page summary concerning White, dated February 1, 1946, delivered to General Vaughan on February 4, 1946, the information contained therein came from a total of thirty sources, the reliability of which had previously been established.

In connection with the sources, I would like to mention one in particular, Miss Elizabeth Bentley. From the very outset, we established that she had been in a position to report the facts relative to Soviet espionage which she has done. We knew she was in contact with a top-ranking Soviet espionage agent, Anatoli Gromov, the First Secretary of the Soviet Embassy in Washington, as late as November 21, 1945, in New York City. At a previous meeting on October 17, 1945, he had given her \$2000.

All information furnished by Miss Bentley, which was susceptible to check, has proven to be correct. She has been subjected to the most searching of cross-examinations; her testimony has been evaluated by juries and reviewed by the courts and has been found to be accurate.

Miss Bentley's account of White's activities was later corroborated by Whittaker Chambers and the documents in White's own handwriting concerning which there can be no dispute, lend credibility to the information previously reported on White.

Subsequent to White's death on August 16, 1948, events transpired which produced facts of an uncontradictable nature which clearly established the reliability of the information furnished in 1945 and 1946.

It must be remembered that in the period from November 8, 1945, to February 22, 1946, our first concern was to safeguard the government from infiltration by subversive elements, and in this approach, the objective of pointing attention to security risks must not be confused with prosecutive action. During this period the FBI was concerned with protecting the government's secrets and

preventing such infiltration. In fact, I took a strong stand because of premature disclosures that would result if prosecution were initiated, for the following reasons:

- 1. The evidence necessary to sustain convictions in indictments for law violation is entirely different from that necessary to establish the existence of security risks in sensitive posts in the government.
- Some of the evidence, while of an irrefutable nature, was not admissible in a court of law.

Now to return to Harry Dexter White. In a conversation on February 21, 1946, the Attorney General informed me that he had spoken with the then Secretary of the Treasury, the late Chief Justice Fred Vinson, and the President, about White. The Attorney General stated he felt the President should personally tell White that it would be best for him not to serve. I told the Attorney General I felt it was unwise for White to serve. The Attorney General then stated he would like to confer with Judge Vinson and me on the following day, February 22, 1946.

I had luncheon on February 22, 1946, in the Attorney General's office with Judge Vinson and the Attorney General, at which time there was a lengthy conference. I was told that the problem was what could be done to prevent White from taking his cath of office. Judge Vinson did not want Mr. White to serve as a U. S. delegate on the International Monetary Fund and, in fact, did not want him to continue as Assistant Secretary of the Treasury.

On the other hand, Judge Vinson stated that the President could be forced to sign the commission since the Senate had confirmed White's appointment. I advised Judge Vinson and the Attorney General that the character of the evidence was such that it should not be publicly disclosed at that time in view of the confidential sources involved.

It was the opinion of Judge Vinson and the Attorney General that the Secretary of State, the Secretary of the Treasury and the Attorney General would arrange to see the President as soon as possible, outline to him exactly what the situation was and they would suggest to the President that there were three alternatives: one, the President could dismiss White and make no statement; two, the President could send for White and tell him he had changed his mind and that he desired White to resign and not serve; three, the President could sign the commission, instruct the Attorney General to continue the investigation vigorously and instruct the Secretary of the Treasury that he, as Governor of the National Advisory Council on International Monetary and Financial Problems and of the International Bank, should take steps to see that any persons selected for appointment should not be appointed except with approval of the Governor. It was realized, of course, that should the President follow the second alternative and White should refuse to resign, the President might then sign the commission and take the same action as considered in the third alternative.

I did not enter into any agreement to shift White from his position in the Treasury Department to the International Monetary Fund. This was not within my purview. I was at the meeting to furnish facts, which I did. There was no agreement while I was present between the Attorney General and Judge Vinson, other than that they should see the President with the Secretary of State and suggest the three alternatives mentioned above. I was not present in any discussions with the President concerning this matter.

I was advised on February 26, 1946, by the Attorney General that he had seen the President and that an effort would be made to remove Harry Dexter White, although the Attorney General expressed doubt that this would work out.

The Attorney General further stated to me on February 26, 1946, that we felt that White would go into the job and then would be surrounded with persons who were especially selected and were not security risks. He further stated that the President was interested in continuing the surveillance. I stated if that was the desire, we would continue the investigation.

At no time was the FBI a party to an agreement to promote Harry Dexter White and at no time did the FBI give its approval to such an agreement. Such an agreement on the part of the FBI would be inconceivable. If this principle were applied to White, it would, of necessity, have applied to others who had similarly been involved in this particular investigation, who were dismissed from government service when their subversive activities were discovered.

At no time did the FBI interpose objections to such dismissals. No restrictions were placed upon the agencies wherein action was taken. All that we asked was that sources of information be protected.

Had it been the intent of the FBI to handle the Harry Dexter White and other related cases solely as an intelligence operation, the widespread dissemination of information that was furnished to various branches of the government by the FBI would not have been undertaken.

Under date of February 26, 1946, I advised the Attorney General by telephone and subsequently by memorandum, of the receipt of information from a confidential source reflecting the possibility that Harry Dexter White might have received some notice of either the cancellation or impending cancellation of his appointment as a U.S. delegate to the International Monetary Fund. I did not know whether anything had been said to White or whether any action had been taken to cancel his appointment.

The decision to retain White was made by a higher government authority. Obviously, if a higher authority elected to shift a man rather than fire him, if he was suspect, then it would go without saying that we would continue our investigation as best we could.

If in fact there was any agreement to move White from the Treasury Department to the International Monetary Fund to aid in the FBI investigation and to surround him with persons who were not

security risks, then the agreement would have been broken very early because Mr. Virginius Frank Coe, a close associate of Harry Dexter White, became the Secretary of the International Monetary Fund in June, 1946, which position he held until December 3, 1952, when he was dismissed after invoking the Fifth Amendment in an appearance before this committee last December. It is particularly significant that he declined to answer questions regarding his relationship with White. Information on Coe had been furnished to the White House as early as February 25, 1946; to the Attorney General, February 23, 1946, and February 25, 1946, and to the Treasury Department as early as March 4, 1946.

From the foregoing, it is clear that the FBI called to the attention of the appropriate authorities the facts, as alleged by reliable sources, which were substantial in pointing to a security risk, as they occurred. It is equally clear that the FBI did not depart from its traditional position of making no evaluation, and was not a party to any agreement to keep White in public service.

March Co.

STATEMENT OF THE ATTORNEY GENERAL,
THE HONORABLE HERBERT BROWNELL, JR.
BEFORE THE INTERNAL SECURITY SUBCOMMITTEE
OF THE SENATE COMMITTEE ON THE JUDICIARY
TUESDAY, NOVEMBER 17, 1953

Beginning in April 1953, this Subcommittee has been holding a series of hearings for the purpose of exposing the plans of Communist agents to infiltrate the Government of the United States. The work of this Subcommittee has documented with great care the result of the very successful Communist espionage penetration in our Government during World War II and thereafter. Later on I will have certain recommendations for legislation which I would like to submit for the consideration of the Subcommittee. I feel confident that as a result of the work of this Subcommittee, much constructive legislation will result.

The Executive Department of the Government which is headed by the President, and of which the Department of Justice is part, has been concerned since we took office with cleaning out the Government. One of the most important and vital problems is to remove all persons of doubtful loyalty and, most important, to prevent any further Communist infiltration into the Government of the United States.

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On November 6 in Chicago, I made a speech which was one of a number of speeches and magazine articles in which I publicly discussed the problem of Communist infiltration in Government and the steps taken by the Eisenhower Administration to meet that problem. In that speech I referred to the case of Harry Dexter White and the manner in which it was treated by the prior Administration to illustrate how successful espionage

agents had been in senetrating our Government at that time and how lax our Government was at that time in meeting such a grave problem. This afternoon I want to discuss the case of Harry Dexter White and the manner in which it was handled by the Truman Administration on the basis of established facts and the records in the Department of Justice.

Before I do that, however, I want to make certain preliminary remarks. An inference has been drawn in some quarters from my speech which I think is unwarranted. By lifting certain sentences out of context it has been said that I implied the possibility that the former President of the United States was disloyal. I intended no such inference to be drawn. In order to point out that I intended no such inference to be drawn, I specifically said that I believed that the disregard of the evidence in the White case was "because of the unwillingness of the non-Communists in responsible positions to face the facts and a persistent delusion that Communism in the Government of the United States was only a red herring." In another part of the speech I also stated: "The manner in which the established facts concerning White's disloyalty were disregarded is typical of the blindness which inflicted the former Administration on this matter."

When I assumed the office of Attorney General, I promised to expose evidence of Communist infiltration in our Government and to expose corruption, with evenhanded justice. I intend to continue to do so. Some people won't like it, but I shall not be deterred from carrying out my duty by personal abuse.

When this Subcommittee completes its investigation, I believe that you will conclude, as I did, that there was an unwillingness on the part of Mr. Truman and others around him to face the facts

and a persent decusion that Communist especiage in nigh places in our Government was a red herring. And I believe you will conclude that this attitude, this delusion, may have resulted in great harm to our nation.

The White case seemed to me to be of such vital importance that I believed the public was entitled to know what safeguards were taken - once our Government was alerted to the two spy rings operating within our own Government - to protect the national security.

Of course, if the basic facts of these two spy rings had not been well established by previous court procedures and by Congressional Committees, I would not have proceeded as I did. I fully realize the grave responsibility which I have as chief law enforcement officer of this nation not to use confidential reports in my possession to disclose charges against individuals except through established court procedures. Those of us in the Department of Justice will never violate that basic concept of our American jurisprudence.

But the White case, of course, is not that situation. The basic facts of the two spy rings which existed in the Government at that time have been fully exposed in court and before Congressional Committees. This Subcommittee recently published a very excellent report documenting those facts. The only disclosure which I made from our records, and I believe it is the type of thing that the public is entitled to know about, is that the Truman Administration was put on notice at least as early as December 1945, that there were two spy rings operating within our Government. And, as I see it, now that this fact has been established, I believe the public is entitled to know what safeguards the Truman Administration established to protect the national security.

In considering the facts in this case it is well to keep in mind that the matter to be decided in January and February of 1946 did not relate to criminal proceedings. It was not a question whether White could at that time have been formally charged before a Grand Jury with espionage. The matter to be determined by Mr. Truman and his associates was whether Harry Dexter White should be advanced to a post of high honor, great trust and responsibility and of vital importance to the security of the country. If there was solid evidence at that time establishing that White was engaged in espionage activity, certainly no one would contend that sound and proper administration required his advancement or even continuance in Government service simply because a criminal conviction had not yet been obtained.

White entered upon his duties and assumed the office of Executive Director for the United States in the International Monetary Fund on May 1, 1946. What was known at the White House of his espionage activities prior to that date?

On December 4, 1945, the FBI transmitted to Brigadier

General Harry H. Vaughan, Military Aide to the President, a report on
the general subject of "Soviet Espionage in the United States." I referred to this in my speech as the first report. This was a secret and
highly important report of some 71 pages. It covered the entire subject
of Soviet espionage in this country both before, during, and after World
War II. It named many names and described mumerous Soviet espionage
organizations. Harry Dexter White and the espionage ring of which he
was a part were among those referred to in this report. The index list
refers to his activities in three different places. This report, as
might be expected from its general character, summarizes White's

espionage activities in abbreviated form, but no reasonable person can deny that that summary, brief though it may be, constituted adequate warning to anyone who read it of the extreme danger to the security of the country in appointing White to the International Monetary Fund or continuing him in Government in any capacity.

As the Subcommittee knows, copies of this report were sent to a number of Cabinet officers and high officials in the Truman Administration including the Attorney General. It would be difficult to understand how under any circumstances a document upon so delicate and dangerous a subject would not have been brought to Mr. Truman's attention by at least one of his associates.

But in addition to that fact, I have here a letter from J. Edgar Hoover to General Vaughan dated November 8, 1945.

As you know, General Vaughan has testified before this Subcommittee that by arrangement with Mr. Truman, when the FBI had information which it deemed important for the President to know about, it sent such information to him. Vaughan testified that he knew that any such report which came to him was delivered to the President.

The letter I hold in my hand is marked "Top Secret." I have declassified it and will make it public because it does not reveal any security information which would now be damaging. Because it was classified "Top Secret," it would have received very special handling that all such documents must receive. If this letter did not come to Mr. Truman's attention, then if would be a most serious dereliction of duty on the part of those who handled it.

It is a document of historical importance and I therefore, with your permission, will quote it in full:

(TEXT TO COME)

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It would be difficult to believe under any circumstances that so important a document upon so delicate and dangerous a subject would not have been brought to Mr. Truman's attention by at least one of his associates.

It is a blunt fact from which there is no escape that, in the teeth of the November 8 warning from the FBI, the developing evidence indicated a substantial spy ring operating within the Government and involving Harry Dexter White and the documented report delivered to the White House on December 4, some six weeks later President Truman, on January 23, 1946, publicly announced his nomination of Harry Dexter White for appointment to the International Monetary Fund. I just do not understand this. It still seems completely incredible to me.

But the matter does not end here. Because of this development the FBI compiled a special report devoted exclusively to Harry

Dexter White and his espionage activities and delivered it, together

with a covering letter, by special messenger on February 4, 1946, to

General Vaughan for the attention of the President, to the Attorney

General, Tom Clark, and to Secretary of State James Byrnes. This is the

second report mentioned in my speech.

Secretary of State James F. Byrnes, who received a duplicate report and covering letter on the same day, wrote the President on February 5, 1946, as follows:

"The enclosed letter addressed to Mr. Frederick Lyon of this
Department by Mr. J. Edgar Hoover, and the enclosures referring to Harry
Dexter White, I deem of such importance that I think you should read them."

I will now read into the record the FBI letter, now officially declassified, transmitting the White report:

Text to come

This second FBI report cannot, as I stated in my Chicago speech, be made public without jeopardizing confidential sources of information and techniques of intelligence operations. That is a firm policy of this Administration. We will never impair the most important work of the FBI by making public FBI reports.

However, the essential facts may be disclosed to this Subcommittee.

At the outset the purpose of the report is stated in the following language:

"The purpose of this memorandum is to relate all of the information available at this time concerning

Harry Dexter White, his activities and contacts in order that an over-all picture may be available for review, action or future reference. This information has been received from

numerous confidential sources whose reliability has been established either by inquiry or long-established observation and evaluation. In no instance is any transaction or events related where the reliability of the source of information is questionable. It is with these factors in mind that the following material is set forth."

The report then proceeded to point out that information had come to the attention of the FBI from a confidential source that Harry Dexter White was engaged in espionage activities at least as early as the latter part of 1942 or early in 1943. It was reported that White was supplying information consisting of documents obtained by him in the course of his duties as Assistant Secretary of the United States Treasury Department to Nathan Gregory Silvermaster and to William Ludwig Ullmann who resided at 5515 Thirtieth Street, N.W., Washington, D.C.

The material consisted of reports of a varied nature concerning the financial activities of the United States Government, particularly if they related to foreign commitments. Also various memoranda and reports from other Governmental departments and agencies were made available through these channels. It was reported that these documents had usually been reduced to photographs by the time they were observed but on occasions the original documents themselves were seen.

During the investigation of these charges, it was learned that a complete photographic laboratory did in fact exist in the basement of the Silvermaster home sufficiently well equipped for the copying of documents. This included an enlarger, developing equipment and all the necessary chemicals and other incidentals.

These documents, consisting of notes taken therefrom or verbatim copies, were usually photographed and delivered through channels to Jacob M. Golos, a known Soviet agent. (Jacob M. Golos whose real name is Jacob Raisin pleaded guilty to an indictment along with World Tourists, Inc., charging failure to register as agents of the Soviet Government in March, 1940. He received a fine of \$500 and a Jail sentence of four months to one year which was later changed to probation.) The material collected in this particular parallel of Soviet espionage was all channeled through Golos eventually to the Soviet diplomatic establishment in this country. The report pointed out that it could be presumed after arrival at this destination that material of primary interest to the Soviets was forwarded to Moscow, USSR, via diplomatic code and material concerning which there was no urgency reached that destination through the Soviet Diplomatic Pouch.

Subsequent to the death of Golos, the material gathered by the Silvermasters and Ullmann originating with White, according to the information received by the FBI, went through an unknown individual to Anatole Borosovich Gromov, former First Secretary of the Soviet Embassy, Washington, D.C. Suspicions had previously surrounded the activities of Gromov to the effect that he was the successor to Vassili Zubilin, reported head of the NKVD, one of the primary branches of Soviet Intelligence in North America. Zubilin returned to Moscow, USSR, in the late summer of 1944, and Gromov departed from the United States for Moscow, USSR, on December 7, 1945. From all appearances, the position previously held by Gromov to whom this material was transmitted

prior to his departure, was next held by Fedor Alexeevich Garanin, an official of the Soviet Embassy, Washington, D. C.

According to the information received by the FBI, White was considered one of the most valuable assets in this particular parallel of Soviet intelligence. This view was taken since in his capacity as Assistant Secretary of the United States Treasury, those individuals whom this group were amxious to have assigned there could be placed in the Treasury Department. Among the persons in this category were William Ludwig Ullmann, William Henry Taylor and Sonia Steinman Gold.

Sometime in the summer or fall of 1943, the Silvermasters believed it desirable to have someone placed as a secretary to White in order to facilitate the obtaining of information from his office for delivery to Soviet espionage agents. As a result of these deliberations, Mrs. Helen Witte Silvermaster went to one of the Communist functionaries in Washington, D. C., and from this source secured the name of Sonia Steinman Gold. Eventually, Mrs. Gold, through arrangements with White, obtained a position (as one of the secretaries) in the United States Treasury Department. As a result of this employment, Mrs. Gold obtained documents from White's office, which she copied and made her notes available to Mrs. Helen Witte Silvermaster. The information which Mrs. Gold obtained in a general way concerned principally the Treasury Department's opinions and recommendations concerning applications for loans made by the Chinese and French Governments.

It was also reported that there was in existence another parallel of Soviet Intelligence operating within the United States Government and headed by Victor Perlo. The information gathered from the Perlo group was channeled through Jacob M. Golos and on to the Soviet diplomatic establishment in the same manner as outlined for the operation of the Silvermaster group.

Because of the relationships existing between Golos and the Perlo group, Harold Glasser appeared in the picture. Glasser was rather closely associated with White and was able to supply general information concerning the activities of the United States Treasury Department, particularly where they concerned proposed loans to foreign countries. He also supplied information originating in the Foreign Economic Administration which had been sent to the United States Treasury Department for action or information.

The report states that the Bureau had secured the names of a number of persons described as members of the underground Communist group in Washington, D. C., from another source. Among those names was that of Abraham George Silverman whom the report describes as formerly employed by the Railroad Retirement Board and the United States Army Air Forces and as privately employed by the French Supply Council of the French Government. As incidental to the mention of Silverman the report states that the information received was to the effect that Silverman worked through close friends who were indebted to him, including Harry Dexter White and others. The report points out that this information concerning the relationship between Silverman and White is consistent with the information referred to earlier from the other source.

The section then relates to White's known contacts with Russian officials over the years and, therefore, cannot be declassified, It should be said here that these contacts were not inconsistent with the regular performance of White's duties and considered by themselves are not incriminating.

In July, 1945, a clerical employee of the Passport Division of the Department of State, who formerly was employed as a clerk by the Soviet Government Purchasing Commission, was allegedly stealing certain information from the official records of the Department of State for transmittal to unknown persons. This individual apparently admitted that he had collected this information in the course of his employment and knew a man who would pay him \$1,000 for it. In his application for employment with the Department of State this individual who stole this information had listed Harry Dexter White as a reference and White had recommended him highly. The report added that this circumstance was being set forth in view of the allegations to the effect that White was considered of extreme value because of his influence in securing positions for persons who could be of assistance to Soviet espionage.

The report mentions that White was interviewed by the FBI in connection with the Amerasia case, particularly concerning Irving S.

Friedman, who, according to the report, was known to be one of the sources in the Treasury Department Section on Far Eastern Affairs that had been furnishing documents to Philip Jacob Jaffe, editor of Amerasia. White told the FBI that Friedman was an employee in the Treasury Department handling matters dealing with monetary affairs in the Far East, and admitted that he had brought Friedman to the Treasury Department five or six years earlier.

The report contains much corroborative evidence which cannot be made public either because it would disclose investigative techniques of the FBI or because it might be harmful to the national interest. It can be pointed out, however, that over a period of three months beginning in November of 1945 the activities of Harry Dexter White were entirely consistent with all the previous information contained in the report.

White was in frequent close personal contact with nearly every one of the persons named as his associates in the spy ring. These include Nathan Gregory Silvermaster and his wife, William Ullman, Sonia Gold, Harold Glasser, Abraham Silverman and others.

The report referred to a trip made by White to visit Dr.

Abraham Wolfson of Newark, New Jersey. Wolfson had been reported by
numerous sources as having had frequent and close contacts with numerous
Communists in the State of New Jersey. The report pointed out that
Dr. Wolfson in 1944 was a member of the Third Ward Branch of the Communist
Party and that he had been active in Communist Party activities for the
preceding seven years under the name of A. Wilson Street. It was also
pointed out in the report that Wolfson held Communist Party meetings in
his office.

The report stated that in December of 1945 White was seen at 3210 P Street, N.W., in Washington, which at that time was the home of Alger Hiss and pointed out that from other sources Hiss was reported working for another parallel of Soviet espionage.

In December of 1945 White and his wife visited the home of Maurice Halperin who was employed by the Office of Strategic Services.

The report pointed out that Halperin was a member of the Communist Party and beginning in 1942 he passed on information to an espionage courier.

The report refers to the close personal relationship in 1945 between White and Frank Coe who was also one of the individuals supplying information to the Silvermasters and thence through channels to the Soviet Government.

The report points out in considerable detail the contacts between White and Lee Pressman. The report points out that Lee Pressman was a member of an underground group headed by Harold Ware, which had its headquarters in Washington. The report points out many of Pressman's activities as a Communist.

The report points out that Silvermaster's position in the Treasury Department was secured for him by White. The report points out that the Bureau's informant had identified Silvermaster as the head spy in the espionage ring with which White was working and that Silvermaster has a long record of reported association with known Communists. The report also points out that other sources of information had established that Silvermaster was acquainted with many other individuals who were strongly suspected of Soviet espionage. The report also points out that Mrs. Silvermaster has a long history of association with Communist Front groups. It is stated in the report that in addition to the many contacts between White and Ullman which were disclosed, White wrote a letter in November 1940 on the stationery of Director of Monetary Research of the United States Treasury Department requesting the deferment of Ullman. After Ullman left the Army and entered the Treasury Department he worked in the Division headed by White.

The report pointed out that Harold Glasser was in another branch of Soviet espionage headed by Victor Perlo. Glasser was an assistant to White in the Treasury Department. It was reported that

Glasser was described by numerous sources as a member of the Communist Party. In addition to this information, the report points out a great many other connections and contacts among the members of the espionage ring, all of which supported and were consistent with the earlier portions of the report.

It is interesting to note how accurate this information was that the FBI supplied at that time. Following is a list of White's close associates referred to in the FBI reports who were members of the espionage ring who have claimed their privilege not to answer questions on the grounds that it would incriminate them:

Silvermaster

Perlo

Glasser

Coe

Ullmann

Silverman

Halperin

Both Golds

Kaplan

Also there is Lee Pressman who admitted membership in the Communist Party and Alger Hiss who has since been convicted.

Of course, no one could, with any validity, suggest today that there is doubt that White was in this espionage ring. Some of White's original espionage reports, written by him in his own handwriting for delivery to agents of the Red Army Intelligence, were recovered in the fall of 1948 and are now in the possession of the Department of Justice. I have photostatic copies of them here and I offer the copies as part of the record of my testimony. The information contained in these reports was, as the Subcommittee knows, of great importance at the time White wrote them, although with the lapse of time the necessity for secrecy on these subjects has disappeared.

But the record which was available to the Truman Administration in December 1945 and thereafter should have been sufficient to convince anyone that White was a hazard to our Government.

The question which had to be decided at that time was not whether White could have been convicted of treason. There was ample evidence that he was not loyal to the interests of our country. That was enough. Government employment is a privilege, not a right, and we don't have to wait until a man is convicted of treason before we can remove himfrom a position of trust and confidence.

When I was first invited to appear before this Subcommittee, I thoughtfrom what I had read in the newspapers that there was some issue of fact involved on the question of whether Mr. Truman knew about Harry Dexter White's espionage activities at the time he appointed him as Executive Director for the United States of the International Monetary Fund. I read in

the newspaper that after being advised of my speech in Chicago Mr. Trumen stated to the press that he had never read any of the derogatory reports concerning Harry Dexter White to which I referred. I read later that Mr. Truman said that he fired White as soon as he discovered he was disloyal. On the basis of these statements I thought that the accuracy of what I had said in Chicago was being challenged.

However, it now seems in the light of Mr. Truman's television speech of last night that it is conceded that on February 6, 1946, the day on which White's appointment was confirmed by the Senate, Mr. Truman did read the most important of the reports to which I referred, and that he thereafter, even though he had a legal right to ask that the nomination be withdrawn, signed White's commission and permitted him to take office on the first of May with full knowledge of the facts reported by the FBI.

It is, of course, extraordinary to learn from Mr. Truman, in view of his earlier statements, that he signed Mr. White's commission with the thought that it might help to catch him. I would think that the commissioning of a suspected spy to an office of such great importance would not be easily forgotten. It seems to me even more extraordinary to learn that Mr. Truman was aware as early as 1946 that a Communist spy ring was operating within his own administration when for so many years since that time he has been telling the American people exactly the opposite. Indeed, it seems to me that this explanation of White's appointment — that is, that he was appointed and allowed to remain in office for more than a year in order to help the FBI trap him as a spy — raises more questions than it answers.

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While under suspicion and surveillance White was, we are told, appointed as the first United States Executive Director of the Fund. He was also its chief architect. The opportunities afforded him in that capacity for betraying the country were very great.

There were matters of great importance to the United States which were handled by the Executive Directors while White was a member. A first order of business was to plan the general organization of the Staff. It was agreed to divide the Staff into five primary departments and offices. Each of these departments and offices has a director. One of these five primary departments was called the Office of the Secretary. Now who received the position of Head of the Office of Secretary? It was Frank Coe, named in the FBI report as a member of the espionage ring, and at a salary of \$20,000 a year.

Recently this Subcommittee had occasion to inquire of Mr. Coe
whether he was presently engaged in subversive activities. Mr. Coe replied
"Mr. Chairman, under the protection afforded me by the Fifth Amendment,
I respectfully decline to answer that question." Coe continued in the employ
of the Fund until as recently as December 3, 1952, when he was finally dismissed.

Who received the position of adviser to the United States member of the Board? It was Harold Glasser, also named as a member of the espionage ring.

Glasser was subpoensed by the Senate Subcommittee on April 14, 1953, and when asked about his relationships with members of the Communist

underground, he invoked his privilege against self-incrimination. He also refused under privilege to tell the Subcommittee the circumstances surrounding his Government assignments within the United States or abroad.

It has now been said that White's promotion to the post of Director of the International Monetary Fund was permitted to go through so that he might better be kept under surveillance, and so the investigation of the other members of the ring might continue unimpaired. It is suggested that permitting White to continue his espionage operations might enable the Truman Administration to entrap not only White, but the whole Soviet espionage ring working within our Government.

To accomplish such an end would require infinite and detailed care if the national interest was to be at all protected.

In the first place, arrangements would have to be made to insure absolute control of the subjects and the situation. Some time limit would have to be established.

If the national interest were to be protected, measures would have had to be designed to prevent classified material with a significant bearing on national security from reaching White and the others. Top responsible officials of the United States Government, whose duties brought them in contact with White and the other members of the ring, would have had to be forewarned. Great care would have to be taken to make certain that these spies did not affect the decisions of our Government.

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The records fail to indicate that any of these minimum precautions were taken. The records fail to show that anything was done which interfered with the continued functioning of the espionage ring of which White was a part.

And if we apply simple and reasonable tests to how other members of the espionage ring named in the FBI report were treated, there is considerable doubt that anything was done to protect the national interest. Let me offer you a few examples.

Harold Glasser, a close subordinate and associate of White, was described in the FBI report as an active member of the espionage ring. What controls were established over the movement of Harold Glasser? In July 1946 Glasser attended an UNRRA conference in Geneva, Switzerland, as a member of the United States delegation. In January 1947 Glasser went to Trieste as a United States member of a four-power commission to study the economic aspects of the Trieste problem. At the special request of the State Department in March and April of 1947 Glasser attended the Moscow meeting of the Council of Foreign Ministers as an adviser to the United States Secretary of State.

How was Glasser's access to classified materials limited?

As far as we have been able to determine, it was not. Records in the

Department indicate that late in 1946 Glasser, described as a member of the espionage ring, received a copy of the FBI report on Victor Perlo which described him as a member of the Soviet espionage ring. Perlo stayed on in the Treasury Department until March 27, 1947, and then left to accept the post of Treasurer of the Intergovernmental Committee on Refugees.

Nathan Gregory Silvermaster in March 1946 was promoted to become the Chief Economist of the War Assets Administration's Division of Economic and Market Research. After the report was made, William Ullmann and Irving Kaplan stayed on with the Department of the Treasury without any restrictions being placed on them or their activities as far as we can determine.

This Subcommittee, I am sure, will want to examine with great care the claim that there was a plan to keep White and others in the espionage ring in Government employment in the hope of catching them. You will also want to investigate, I believe, what care was used to protect the national security. These are grave questions to which the public is entitled to complete answers.

As members of this Subcommittee know, this Administration is trying an entirely different approach to security problems.

Despite difficulties stemming from past laxity, 1,456 employees have actually been separated from Federal Government payrolls since January 1953 on the grounds that they are security risks. Many cases are still under examination.

Our work to date has clearly shown the need for at least two new laws to help the Government in the prosecution of espionage cases. I hope that these proposed laws will be considered by Congress at its session starting in January. The first would allow the Government to use wire-tap evidence to prove its espionage cases. At the present time information received by tapping wires cannot be used as evidence in the federal courts. There are cases of espionage presently in the Department of Justice, but since some of the important evidence was obtained by wiretapping, the cases cannot be proved in court and therefore there will be no prosecution so long as the law remains in its present state. The second proposed law would allow proper authorities in Government to grant immunity to witnesses who are suspected of espionage or Communist activities, but who refuse to testify under the Fifth Amendment on the ground that their testimony might incriminate them. As I stated before a number of persons who worked with

Harry Dexter White in his important Government assignments, have refused to testify on this ground. If the Government, under proper safeguards, is authorized to grant immunity to such persons, we believe we can obtain testimony which will assist in tracking down the higher-ups engaged in conspiracy to overthrow our Government by force and violence.

The White case illustrates that it is not enough for men in high Government positions to be loyal. They must also be vigilant to combat the dangers to our Government and to our free institutions.

I thank the Subcommittee for this opportunity to set forth these facts in the case of Harry Dexter White.

November 8, 1945

H.B. 11/16/53



TOP SECRET

BY SPECIAL MESSENGER

Brigadier General Harry Hawkins Vaughan Military Aide to the President The White House Washington, D. C.

Dear General Vaughan:

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. The investigation, however, at this point has indicated that the persons named hereinafter were actually the source from which information passing through the Soviet espionage system was being obtained, and I am continuing vigorous investigation for the purpose of establishing the degree and nature of the complicity of these people in this espionage ring.

The Bureau's information at this time indicates that the following persons were participants in this operation or were utilized by principals in this ring for the purpose of obtaining data in which the Soviet is interested:

Dr. Gregory Silvermaster, a long time employee of the Department of Agriculture.

Harry Dexter White, Assistant to the Secretary of the Treasury.

George Silverman, formerly employed by the Railroad Retirement Board, and now reportedly in the War Department.

Laughlin Currie, former Administrative Assistant to the late President Roosevelt.

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Victor Perlow, formerly with the War Production Board and the Foreign Beonomic Administration.

Schoold Wheeler, formerly with the Office of Strategic Services.

Major Duncan Lee, Office of Strategic Services.

Julius Joseph, Office of Strategic Services.

Helen Tonney, Office of Strategic Services.

Maurice Halperin, Office of Strategic Services.

Charles Kramer, formerly associated with Senator Kilgore.

Captain William Ludwig Ullman, United States Army Air Corps.

Lieutenant Colonel John H. Reynolds of the United States Army, a former contact of Gaik Ovakimian, former head of the Moviet Secret Entelligence (EKVD) in New York, is also experiently involved in the Soviet espionage activities stemming the Machington, D. C.

In addition to the foregoing group in the Government it appears at this time that Mary Prise, formerly Secretary to Walter Lippmann, the newspaper columnist and presently publicity manager of the United Office and Professional Workers of America, CIO, is also associated with the foregoing group.

The Government documents were furnished to Gregory Silvermaster, who thereafter photographed them and turned over the undeveloped, but exposed film to a contact of the Soviets

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in either Washington, D. C. or New York City. In the past, it is reported, the contact wan made trips to Washington, D. 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.

With expressions of my highest esteem and best regards.

Sincerely yours,

/S/ J. Edgar Hoover

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PERSONAL AND CONFIDENTIAL BY SPECIAL MESSENGER

Brigadier General Harry Hawkins Vaughan Military Aide to the President The White House Washington, D. C.

PERSONALLY DELIVERED 2/4/46

Dear General Vaughan:

As of interest to the President and you, I am attaching a detailed memorandum hereto concerning Harry Dexter White, Assistant Secretary of the United States Treasury Department.

As you are aware, the name of Harry Dexter White has been sent to Congress by the President for confirmation of his appointment as one of the two United States delegates on the International Monetary Fund under the Bretton Woods agreement. In view of this fact, the interest expressed by the President and you in matters of this nature, and the seriousness of the charges against White in the attachment, I have made every effort in preparing this memorandum to cover all possible ramifications. As will be observed, information has come to the attention of this Bureau charging White as being a valuable adjunct to an underground Soviet espionage organization operating in Washington, D. C. Material which came into his possession as a result of his official capacity allegedly was made available through intermediaries to Nathan Gregory Silvermaster, his wife, Helen Witte Silvermaster, and William Ludwig Ullmann. Both Silvermaster and Ullmann are employees of the United States Treasury Department, reportedly directly under the supervision of White.

The information and documents originating in the Treasury Department were either passed on in substance or photographed by Ullman in a well-equipped laboratory in the basement of the Silvermaster home. Following this step, the material was taken to New York City by courier and made available to Jacob M. Golos, until the time of his death on November 27, 1943. Golos, a known Soviet agent, delivered this material to an individual tentatively identified as Gaik Ovakimian. Ovakimian you will recall was arrested some years ago as an unregistered agent of the Soviet Government and subsequently, by special arrangements with the Department of State, was permitted to return to the U.S.S.R.

After the departure of Gaik Ovakimian, Golos delivered his material to an individual who has been tentatively identified as Dr. Abraham Benedict Weinstein. Subsequent to the death of Golos, the courier handling material received from the Silvermasters and Ullmann delivered it through an unidentified

individual to Anotole Borisovich Gromov, who until December 7, 1945, was assigned as First Secretary of the Soviet Embassy, Washington, D. C., when he returned to the U.S.S.R. Gromov had previously been under suspicion as the successor to Vassili Zubilin, reported head of the NKVD in North America, who returned to Moscow in the late Summer of 1944. This whole network has been under intensive investigation since November, 1945, and it is the results of these efforts that I am now able to make available to you.

I also feel that it is incumbent upon me at this time to bring to your attention an additional factor which has originated with sources available to this Bureau in Canada. It is reported that the British and Canadian delegates on the International Monetary Fund may possibly nominate and support White for the post of President of the International Bank, or as Executive Director of the International Monetary Fund. The conclusion is expressed that assuming this backing is forthcoming and the United States acquiescence, if would be assured. It is further commented by my Canadian source that if white is placed in either of these positions, he would have the power to influence to a great degree deliberations on all international financial

This source, which is apparently aware of at least some of the charges incorporated in the attached memorandum against White, commented that the loyalty of White must be assured, particularly in view of the fact that the U.S.S.R. has not ratified the Bretton Woods agreement. Fear was expressed that facts might come to light in the future throwing some sinister accusations at White and thereby jeopardize the successful operation of these important international financial institutions.

I thought you would be particularly interested in the above comments, which originated with sources high-placed in the Canadian Government, on the

With expressions of my highest esteem,

Sincerely yours,

Attachment

Office Memorandum · UNITED STATES GOVERNMENT

MB. D. M. LADD

DATENovember 23,1953

MR . A. H. BELMONT

SUBJECT: NATHAN GREGORY SILVERNASTER, ETAL 12

ALL INFORMATION CONTAINED

(Bufile 65-56402)

With reference to the current publicity appearing the press which indicates two Red spy rings still are operating in the Government, the Director inquired as to the facts.

This matter has as its basis, testimony by Elizabeth Bentley before the Senate Internal Security Subcommittee on May 29, 1952. At that time Bentley said she knew of two individual rings which worked under her and which had been exposed, and she had some indirect knowledge that Alger Hiss was operating in another network. She also said in the course of her talking to one of her Soviet contacts, she learned there was another group in existence, and that insofar as she knew. this group had not been exposed.

On the basis of the foregoing remarks by Bentley, we had her interviewed in an effort to develop further information She was unable to furnish us any further details other than to state that in a conversation with Joseph Katz (in 1944 or 1945) she got the impression that there was another network functioning She did not think this was the network in which Judith Coplan had been involved. She could furnish no information on the make-up of this group.

It would appear that Robert Morris, Counsel of the Senate Internal Security Subcommittee, is referring to the testimony of Elizabeth Bentley on May 29, 1952, where he indicates two of four spy rings have been exposed this far.

ACTION

The foregoing is for your information in connection with the question which has been raised on this matter.

RECORDED - 86, 65-56402.

EX. - 101 , NOV 24 195

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FOR IMMEDIATE RE

FBI WARNS RE 16-PAGE REPORT VANISHED (G)
FROM WHITE HOUSE FILES: LIVES OF U.S.
COUNTERINTELLIGENCE AGENTS ENDANGERED
IF REVEALED; UNLAWFUL FOR UNAUTHORIZED
PERSONS TO HOLD IT WHILE STILL SECRET

BY EDWARD KENELLOR

NORTH AMERICAN NEWSPAPER ALLIANCE

WASHINGTON, NOV. 9.--THE DISAPPEARANCE FROM WHITE HOUSE FILES OR THE PUBLICATION OF FEDERAL BUREAU OF INVESTIGATION REPORTS ON SOWIET ESPIONAGE AGENTS ENDANGERS THE LIFE OF U.S. COUNTERINTELLIGENCE AGENT AT HOME AND ABROAD.

THIS IS THE VIEW OF J. EDGAR HOOVER, EXPRESSED LONG BEFORE THE CURRENT CONTROVERSY OVER THE CASE OF HARRY DEXTER WHITE, DECEASED FORMER TREASURY DEPARTMENT AIDE UNDER THE TRUMAN ADMINISTRATION, WHO WAS LABELED FRIDAY BY ATTORNEY GENERAL HERBERT BROWNELL AS A TOP SOVIET SPY.

ONE OF THE FBI REPORTS SUBMITTED TO THE WHITE HOUSE INITIALLY IN 1945 IS A 53-PAGE DOCUMENT CONTAINING THE NAMES OF DOZENS OF AMERICANS AND FOREIGN NATIONALS, IN ADDITION TO KNOWN RUSSIAN MILITARY AND NKVD AGENTS WHO EMPLOYED THEM.

IN ADDITION, A 16-PAGE FBI REPORT, SUBMITTED TO THE WHITE BOUSE, DEALING SPECIFICALLY WITH HARRY DEXTER WHITE, WHICH HAS ALSO VANISHED, CONTAINS THE NAMES OF AMERICANS PLANTED INSIDE THE COMMUNIST PARTY BY THE FBI. THEIR USEFULNESS AND MAYBE THEIR LIVES WILL TERMINATE IF THE REPORT BECOMES PUBLIC OR FALLS INTO COMMUNIST HANDS, MOOVER AND HIS AIDES HAVE REPEATEDLY STRESSED.

AR. TRUMAN, WHO IS IN A POLITICAL BATTLE OVER THE WHITE ISSUE WITH ATTORNEY GENERAL BROWNELL, SAYS HE DID NOT RECEIVE THE REPORTS. HIS FORMER WILLTARY RIDE, MAJ. SEN. MARRY S. VAUGRAN, WHO RECEIVED IMEM IN THE WHITE HOUSE FROM THE FBI, ALSO DISCLAIMS ANY RECEILECTION OF THE TWO SECRET REPORTS, PORTIONS OF ONE REPORT HAVE, NOWEVER, APPEARED IN THE PRESS. INDEXED-29

WHITE HOUSE STAFF AIDES AND LIKELY TO BE EXPOSED AS INTESPONSIBLE OR WORSE, AS REGARDS NATIONAL SEC. IT. EV 1.27

BOTH REPORTS DEALT WITH VITAL SECURITY INFORMATION AND PROBABLY WERE THE ONLY TWO BY EXPOSED AS INTESPONSIBLE OR WORSE, AS REGARDS NATIONAL SEC. IT. EV 1.27

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THE OPENING PARAGRAPH OF THE THE THE REPORT REVEALS THE SCOPE OF THE SOCURENT AND STS ENDORT STATES SUBSEQUENT SECURITY MATTERS.

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CONCISE FORM THE PIETWIRE OF SOVIET EXPLANATION
STATES. IT IS DIVIDED BYTO THE SECTIONS
ACTIVITY BETWEEN WORLD WAR I AND THERD, MOVIET EXPLANATIONS
ACTIVITY DURING MORLD WAR I AND THERD, MOVIET EXPLANATIONS
AS IT EXISTS IN THE REFERD STATES TODAY.

ALTHOUGH THE REPORT IS DATED 1947 IT WAS REVISED SUBSEQUENTLY CONTAINS ADDITIONAL SECRET DATA THROUGH 1948.

THE FBI HAS JEALOUSLY GUARDED THE IDENTITY OF ITS ACCUSES, MISTOR THE COMMUNIST PARTY, AS WELL AS THE NAMES OF INFORMANTS WHO MAYE BROKEN WITH THE PARTY. THE SAME APPLIES TO FOREIGNERS IN THE U.S. WORKING FOR RUSSIAN ESPIONAGE METWORKS, WHO ARE BEING WATCHED BY THE FBI.

TO MAKE PUBLIC THE NAMES OF KNOWN SOVIET AGENTS BUINS THEIR USE-FULNESS NOT ONLY TO THE RUSSIANS, BUT, EVEN MORE IMPORTANT, FOR THE FBI.

WHEN KNOWN AND UNDER SURVEILLANCE, FOREIGN SPIES. ARE USED AS PLANTS FOR PHONY INFORMATION AND, BY BEING FOLLOWED, AS "LEADERS" TO AMERICAN CITIZENS COOPERATING WITH THEM.

WHEN THEIR IDENTITIES ARE DISCLOSED THE RUSSIANS REMOVE THEM AND REPLACE THEM WITH OTHERS, WHO OFTEN ACCOMPLISH CONSIDERABLE DAMAGE BEFORE BEING DETECTED BY THE FBI.

TO PUBLISH THE NAME OF AN AMERICAN INSIDE THE COMMUNIST PARTY WHO
HAS BEEN COOPERATING WITH THE FBI IS EVEN MORE HARPFUL TO THE
SECURITY FORCES HERE. IF THEIR HAMES FALL INTO COMMUNIST HAMDS THE
REDS CAN REVERSE THE FIELD AND PLANT PHONY INFORMATION BY THEN TO
HAMASS AND MISLEAD THE FRIL SOME, SUSPECIAL BY THE COMMUNISTS, MANY
ALREADY BEEN DEFINED OUT OF THE PARTY AS SECURITY FIRE.
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N-A-N-A--13. ADD TWO NELLOR--REPORT. X X X BEEN LAID BEFORE
THE PUBLIC IN THE CURRENT CONTROVERSY. THE 16-PAGE FBI REPORT DEALING SOLELY WITH WHITE HAS SO FAR NOT BEEN MADE PUBLIC, ALTHOUGH IT
HAS VANISHED FROM WHITE HOUSE FILES. POSSESSION OF IT BY UNAUTHORIZED
PERSONS SO LONG AS IT RETAINS ITS SECRET CLASSIFICATION IS UNLAWFUL.

STEPHEN MITCHELL, CHAIRMAN OF THE DEMOCRATIC NATIONAL COMMITTEE, IN COMMENTING ON THE BROWNELL ACTION, URGED THAT THE ATTORNEY GENERAL TAKE THE MATTER BEFORE A GRAND JURY. THE SENATE INTERNAL SECURITY SUB-COMMITTEE, IN PROBING THE CASE OF HARRY DEXTER WHITE--REPORTEDLY BORN IN AN EASTERN EUROPEAN COUNTRY--IS CALLING VAUGHAN AND T. LAMAR CAUDLE, FORMER HEAD OF THE JUSTICE DEPARTMENT CRIMINAL DIVISION, AS WITNESSES ON TUESDAY. THE CASE MAY GO FROM THERE TO A GRAND JURY.

IN CLOSING HIS REPORT TO THE FORMER PRESIDENT, FBI DIRECTOR HOOVER STATED: "AS FAR AS THE SOVIETS ARE CONCERNED, THEY HAVE AT THE PRESENT TIME, IN ADDITION TO THOSE AGENTS ALREADY PLANTED IN KEY POSITIONS IN INDUSTRIES, AND GOVERNMENT, A CONSIDERABLE RESERVOIR OF MEMBERS OF THE COMMUNIST PARTY REGISTERED OR SECRET FROM WHICH TO DRAW.

HOOVER HAS CONSISTENTLY OBJECTED WHEN CONGRESSIONAL COMMITTEES OR THE COURTS HAVE ATTEMPTED TO OBTAIN FBI REPORTS THAT REVEAL SOURCE AND NAMES OF INDIVIDUALS. IN THE JUDITH COPLON CASE IT WAS FORCED DO SO, DESTROYING THE USEFULNESS OF A NUMBER OF SECRET FBI AGENTS AS WELL AS OTHERS EMPLOYED BY SECURITY AGENCIES OF THE U.S. OPERATE ABROAD.

END NELLOR -- REPORT -- NANA-53 MG 846P

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Sketches of Those Brownell Named

Attorney General Herbert builder at Harvey Cedars, N. J. for the Materiel and Services vermaster in a building firm at Division of the Air Force. Miss Harvey Cedars, N. J. Brownell fr., in his testimony Lauchlin, Currie vesterday before the Senate In-

the Farm Security Administra-ernment as a financial expert. tion of the Department of Abraham G. Silverman A former Treasury employee, Mrs. Sonia Gold Agriculture. Earlier he had been Abraham G. Silverman later with the Air Force, accused A former Treasury en

Washington, mentioned a numRoosevelt and for a brief period as a Communist. Miss Bentley Office of Strategic Services, he had be belonged to a Communist was accused by Miss Bentley as Washington, mentioned a number of persons as implicated in the activities of Soviet espionage by Miss Bentley of giving information to a Communist apparatus. He was specifically accused of being a White House those persons follow:

Nathan Silvermaster

Roosevelt and for a brief period as a Communist. Miss Bentley Office of Strategic Services, he said he belonged to a Communist was accused by Miss Bentley as espionage ring in Washington a Soviet spy. He is an economist in the 1930s, and that she colin New York, and once worked lected "quite prolific information for the Presidential executive tion and Communist party dues" office during the Roosevelt adbeen accused by Sen. Joseph R. McCarthy, R., Wis., of blocking Chambers said Silverman got and the Office for Emergency him a government job in 1937. Management. He told a Con-

Formerly an administrative bers, both confessed Communist

William L. Ullman

Agriculture. Earlier he had been a war-time employee of the Board of Economic Warfare. Ilish origin, formerly a member sheip and espionage by Miss husband, William Gold, as a ressional inquiries. Lately, a and chief of analysis and plans little raid on Tokyo "a week or Gold as a Communist and sa

two ahead of time" which transmitted to Russia. He also photographed data and documents supplied by fellow members of the spy ring headed by Nathan Gregory Silvermaster.

Accused in 1948 by Elizabeth aid to Nationalist China. Was him a government job in 1937. Management. He told a Conmunist courier, of heading a ring at dictment for perjury. Lately allegations.

Communist espionage ring at dictment for perjury. Lately allegations.

Communist Communist espionage ring at dictment for perjury. Lately allegations. a Communist.

A former Treasury employeee, she was named in 1948 with her husband, William Gold, as source of information for Mi

Times-Herald

Wash, Post

Wash. News

Wash. Star

N.Y. Herald Tribune

N.Y. Mirror

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the was an employee of the For-sible Communist influence in a in 1935 and later was chief the O. S. S. through Communist

Irving Kaplan

Dismissed in May, 1952, as an economic affairs officer of the United Nations. Charged by Mr. Latin-American regional studies Chambers as "certainly conacted with the underground of the American Communist party" in 1937. Also accused by Miss Bentley. He joined the U. N. an avowed ex-Communist, testinal in February, 1948. At one staff in February, 1948. At one fied with Miss Bentley, that office of the was special assistant to Thurman Arnold, ehen head of the Communist party in the Justice Department's anti-Dismissed in May, 1952, as an Maurice Halperin trust division. In April, 1952, he swer questions about possible refused to tell a New York Grand past connections with the Com-Jury whether he had been a munist party, and Boston Unimember of a Russian spy ring.

Harold Glasser

eign Economic Administration war-time currency decision con-counsel for the C. I. O. or the Board of Economic War-cerning Russia. On occasions he Alger Hiss has invoked the Fifth Amendment.

Former assistant to the Assistant Secretary of State, he is now serving a five-year Federal of Strategic Services, who, Miss

versity censured him for this Gen. William J. Donovan, head Home Owners Loan Corporabut did not dismiss him. of the Office of Strategic Serv-tion, the Department of Comices, and to others in the O. S. S. merce, the Council of National Former head of the Treasury's division of monetary research, he was named in 1948 by Miss Bentley charged he was Defense Advisory Committee, he was named in 1948 by Miss Bentley as a member of a Communist espionage group. He that he joined the party in material Lee has denied the allegation of overseas studies for the Council of National Miss Bentley charged he was Defense Advisory Committee, one of her best leaks in the the Office of Price Administration. S. S. and that he gave her that the Joined the party in material Lee has denied the allegation. In 1948, Gen. Donovan Bentley testified that Perlo behavior and Welfare Fund. He has to the same Communist cell. The same Communist cell that Department of Agriculture stitute of Pacific Relations to Continued on next page. ressional investigates on pos-the Department of Agriculture stitute of Pacific Relations to

efforts. Lee is a New York lawyer.

was on the Federal pay roll from 1933 to 1947. In turn, he was employed by the National Former legal assistant to Maj. Recovery Administration, the Continued on next page

hearings. He is now a "eco-nomic consultant" in New York.

Donald Wheeler

H. Rees, R. Kan., chairman of the House Civil Service Com-Mary Price mittee, as one of several government employees kept on the job after witnesses testified in 1945 Lippmann, special writer for the about their Communist sympathies. He was identified by miss Bentley as a member of a fessed Communist spy courier. by Victor Perlo.

Charles Kramer

Sketches

Internal Security subcommittee its candidate for governor in show he served, between 1933 194. She was known in the and 1946, with the Agricultural Communist party as Mary Watseplonage group with which Miss Bentley maintianed liaison.

Miss Bentley maintianed liaison.

National Labor Relations Board

National Labor Relations Ecoard

National Labor Relations Ecoard

National Labor Relations Ecoard He has invoked the Fifth and the Onice of Fifth He has invoked the Fifth Amendment in 1950 and 1952 when questioned as to membership in the Communist party. He also worked for three Senate subcommittees, the Democratic A former employee of the party and for John L. Lewis, Office of Strategic Services. president of the United Mine Cited in 1948 by Rep. Edward Workers.

Soviet espionage group headed as one of her sources of information. She said Miss Price, whom she identified as a Communist, helped her by digging through Mr. Lippmann's files Now a researcher for the while he was out of town for Progressive party in New York. material on American-British Identified by Miss Bentley and relations, which she and Miss Mr. Chambers as a member of Bentley retyped and sent to the the first known Communist spy Russians. Miss Price later headed group in the government in Henry Wallace's Progres

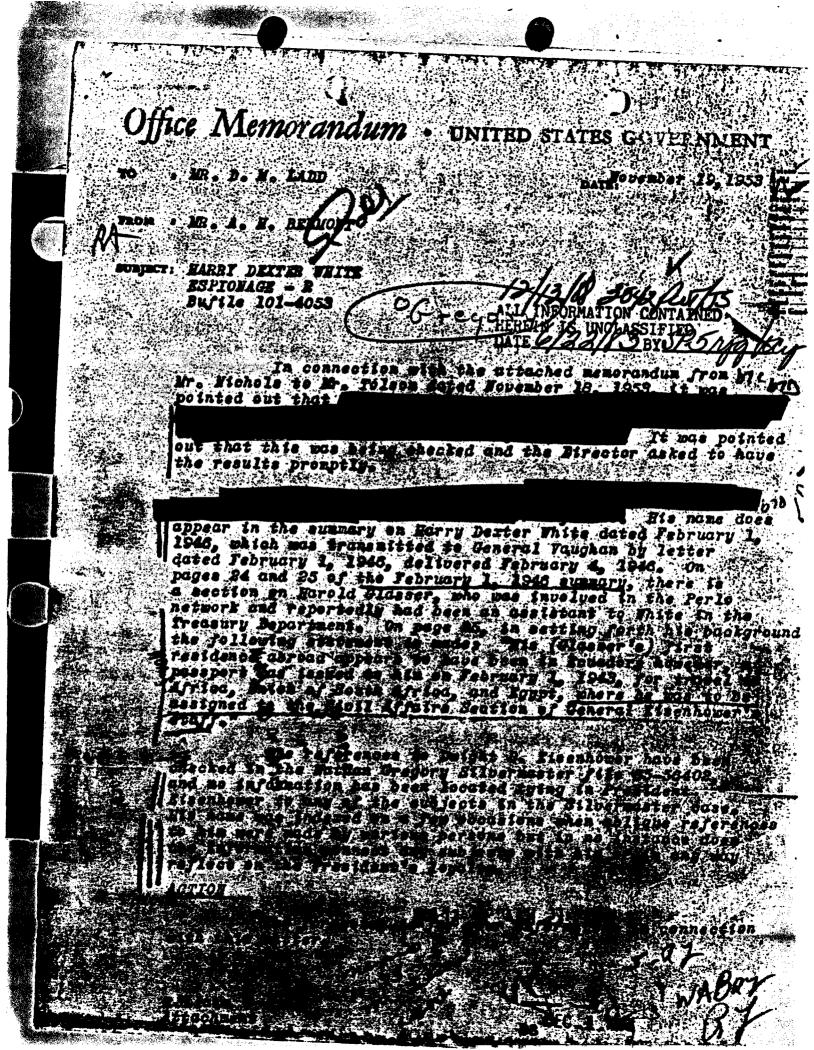


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Office Memoranaum • United States Lovernment Mr. Tolson DATE: Nov. 29, 1953 L. B. Nichola For record purposes, I am attaching hereto a copy of the Director's statement on Tuesday afternoon, November 17, 1983, as deli before the Senate Subcommittee on Internal Security At the bottom of page 10 of the statement, the Director interpolated the following sentence: "These dismissall occurred in March, 1946, June 14 and 18, 1946, July, 1946, and September 14 Thard is also attended their of exhibits which are keyed to the text and we have placed the footspres in the text. The last minute revisions of the exhibits contain, the might exhibit tabe and are attached hereto as an enclosure. I delire to record that the fire graft of the statement was reviewed by Mesers. Belmon, Ladd and Lamphere, After the Director, you and I met on Monday morning, I read the revised draft to Mesers. Ladd, Belmont and Lamphere, who concurred. Following the further revisions on Tuesday morning, Mr. Ladd read the draft of the yellow of the statement as is attached. Messrs, Ladd, Belmont and Lamphere stated that the facts set forth therein west correct; that there was nothing being held out that should be is and there was nothing in the speach, in their opinion, which should not be there Attachments



Office Memorandum UNITED STATES GOVERNMENT M. D. M. LADS 25, 1959

HARRY DELTER THITE ESPIONAGE . Bufile 101-4053

Greoore

In the attached memorandum from Mr. Nichols to Mr. Tolson, it was pointed out that Robert Morris of the Jenner Committee was disturbed on the dissemination shown relative to Frank Coe. The department of Justice had furnished to Jenner this dissemination which showed only a summary of February 32 1966 had pentained information concerning Coe. The Director baked as to the facts.

Bentley first named Coe on January 30, 1948 as a minor figure in the Silvermaster netwerk. We wide the following dissemination on Coes

A summary on Barry Derter Thite dated February 1, 1946 mentions Coe, and this summary ment to General Vaughan (February 1, 1946), to the Attorney General (February 4, 1946), and the State Department (Sebruary 4, 1946).

A summary memorandum in the Silvernaster case dated February 21, 1948, sent to General Yaughan (Jebruary 25, 1946), the Attorney General (Jebruary 25, 1946), the Secretary of the Treasury (March 2, 1946), and March Leaby (March 13, 1946).

A short summary to the Silvermaster case agted Sebruary 31, 1946 ment to the Attorney General on February 23, 1946.

A summary in the Silvermoster case dated July 25
1946 bent to the Attorney Semeral for selivery to the Wilter
Bouse on July 25, 1945, and shother copy pent to the Attorney
General an Appeal 5 1946.

Leumary in the Silvermaster case dated October 21, 1946 ment to George S. Allen, Presidential advisor, (December 18, 1946), the Atterney General (December 2, 1948 and November 27, 1946), T. Vincent Quinn (August 11, 1947), Quinn for Edward Feley of the Treasury on March 8, 1948, the Secretary of Secte on November 25, 1946.

In addition, a total of thirteen reports in the Silvermaster case mentioning fee and in the individual espionage case on fee went to the Department of Justice in a period from Deagness 31, 1946 to November 20, 1952.

From the foregonal will be seen that we did make considerable dissemination on Cos, and the employing agency, the Treasury Department, was advised in detail in the summary of February 21, 1948 of the aliminations which were available concerning Cos. We sent the summary of February 21, 1948 to Secretary Vinson on March 4, 1948. Cos actually left the Treasury Department to join White in the International Monetary Monetary Fund until December 3, 1952.

ACTION

The foregoing is for your information in this matter, and we are furnishing to the Uriminal Division of the Department of Justice by separate memorandum of listing of the dissemination which has been made on Dec.

Sak /

Office Memorandum • United States Government

THE DIRECTOR

FROM : D. W. LADD

ALL INFORMATI HEREIN 19 UNC IRVING SIGHTND PRIEDMAN INTERNATIONAL MONETARY FUND DATE 6/02/8 2 BY A LOYALTY OF EMPLOYEES OF THE UNITED NATIONS AND OTHER PUBLIC INTERNATIONAL ORGANIZATIONS

(INTERNATIONALLY RECRUITED)

Beference NAThan S? I VERMASTER GREGORI to Mr. Rosen dated November 17, 1953, in the captioned matter, the memorandya from C. H. Stanley which set forth information concerning Friedman and dissemination thereof made by the Bureau. On this memorandum the Director noted Malso Ladd & Belmont should dig out any other cases which have hung fire & which indicate possible seem ity risks. In order to comply with the Director's seem of the Director of the Director's request, Bureau files have been examined to determine if individuals involved are ourrently employed either by the U.S. Government or an internationally record ted organization.

As detail of the principals in the Silvermaster group, 12 have been eliminated as not mirrently being in Government service. One of this group, namely William Menry Taylor, is employed as Assistant Director, Middle East Department, International Monetary Fund.

Memoranda dated November 9 and November 10, 1953, regarding dissemination made in connection with this case were furnished the Director and action of the dissemination of of the dissemi itterney General respectively. A comprehensive memorandum regarding dissemination in the Taylor case is currently in process of preparation. One individual in this group has not yet been eliminated inasmuch as the file is not available.

Of a total of 10 principals in the Perlo group, 8 have been eliminated as not being in Sovernment service at the present time and files on the remaining 2 will be shooked as soon as they become a vailable. In addition to the fileermaster and Perlo groups, 19 additional individuals have received attention in connection with this matter, 16 of whom have been eliminated as not being in Government service: Files will be phecked on the remaining 3 as soon as possible

In eliminating the andividuals referred to above, Bureau main files were grantned for the purpose of ascertaining the Last Anown supleyment of such individual and is as instance was Government employment reflected. Friends on the remaining that educate specialism of are being propered as expeditionally as possible one you will as advised of the results shared, an all servey and the servey and ser 65-56400

ACTION:

OA RECORDER

AR DEC

Office States of the States of

TO Mr. D. W. Ladd

PROM . Mr. A. H. Bo Lagar Except where shown

SUBJECT: HARRY DELTER WHITE

ESPIONAGE - B T (DC) Classified by Wood

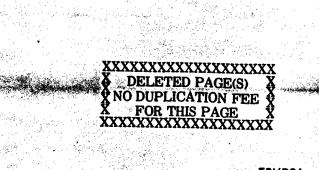
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FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

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Rederal Aureau of Investigation

Washington 25, D. C.

SEPRET

REGISTERED AIRMAIL Tretters over SPECIAL DELIVERY Mr. Vincerouse

Date:

November 25, 1953

To:

Director, FBI

gr.O. From:

Liaison Representative

Ottawa, Canada

Subject:

HARRY DEXTER WHITE

EXPIONAGE - R

Classified by <u>SP5 reg</u> tag

Declassify on; OADR

ReButel November 19, 1953 advising that the information, referred to in a letter dated February 1, 1946 written by the Bureau to the White House and referred to by the Attorney General before the Jenner Committee

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Classified by SP. L. CSK alp
Declassify only DADE

DEC 1954

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Office Memorandum · United State Government

THE DIRECTOR

DATE: April 14, 1948

D. M. IADD

SUBJECT: CREGORY CASE ESPIONAGE - R

Assistant Attorney General Vincent Quinn called and advised that, as you have previously been informed, at the time

Mr. Quinn stated that subsequently Foley had contacted the Attorney General in an effort to get the Attorney General to put a letter in the record reflecting that Foley and the Attorney General had conferred about this matter, and that Perlo and Glasser had been continued in their employment in order to assist the investigation. Mr. Quinn stated that he objected to the Attorney General's being put in this category. The Attorney General was of the opinion he might have made some such commitment and, therefore, thought he ought to try

to ease the Grand Jury records somewhat for the Treasury Department. I advised Mr. Quinn that as far as the Bureau was concerned, the Treasury Department did not continue to employ these people at the request of the FBI, that any action which the Treasury Department took was strictly its

Mr. Quinn stated that the Attorney General desired that a general statement be introduced into the Grand Jury minutes reflecting that it was mutually agreed by the Attorney General and Foley of the Treasury Department that Perlo and Glasser would be continued until the action of the Grand Jury was completed. I made no commitment to Mr. Quinn with respect to this, other than to advise that the Bureau, of course, had no part in any such arrangement.

Mr. Donegan subsequently called me from New York and advised that Mr. Quinn is coming to New York this evening and would probably go before the Grani Jury tomorrow morning for the purpose of taking up the above matter and also, as Mr. Quinn had previously advised, for the purpose of suggesting to the Grand Jury the question of returning a presentment.

DML: cmm

15 APR 19 1948

Office Memoriandum · United STA'LS GOVERNMENT MR. D. M. LADD DATE: November 27 UR. A. H. BELYONT CONFIL I A INFORMATION CONTAINES in implassified D SUBJECT: LAUGHLIN BERNARD CURRIE, with aliases. LERWISE ESPIONAGE - R On the morning of November 27, 1953, Messrs. William Foley and Ed Nicholson, of the Criminal Division, advised that Mr. Olney is most interested in prosecuting Laughlin Currie for either espionage or perjury. In connection with the perjury prosecution, it was indicated that the only testimony of Currie within the statutory period is his testimony in the Owen Lattimore case, and there is some question as to the materiality of this testimony insofar as it pertained to the inquiry being conducted by the Congressional Insofar as possible prosecution for espionage is concerned, it was indicated that Olney felt espignage could be proven in the following manner: Prove: Declassify in: OADR That a document existed or advice was furnished to the (1)White House that the Russian code was broken; (2)

- (2) That Currie, because of his position, had access to such document or advice or was in a position to have such access;
- (3) That access was not given officially to the Soviets;
- (4) That the Soviets found out we had broken their code or that the Soviets changed their code shortly there-after. (It was suggested that this latter point might be proven by Elizabeth Bentley's testimony that her Soviet superiors knew the code had been broken.)

 EX-124

ACTION:5 8 DECIM TO RECORDED-96

cerning just what was needed in connection with the proposed prosecution of Currie should be submitted to the Bureau in taken.

CEHOTT

Tolson_ Ladd_ Nichola Beimont. Clegg. Glavin Harbo. Rosen Tracy. Gearty.

Mohr_ Winterrowd. Tele, Room . Holloman Sizoo. Niss Gandy

G. I. R. -10

Wife Confirms Story That Rose, Red Spy, Has Left Canada

MONTREAL, Nov. 27.—The wife of Fred Rose, former Communist member of Parliament who served a prison term for participating in an espionage ring, said yesterday he has gone to Czechoslovakia "for health and business reasons."

Mrs. Rose, interviewed at her home here, confirmed newspaper reports that her husband slipped out of Canada on an ocean liner in mid-October, carrying a valid Passport.

"My husband has not been well for the past seven years," said Mrs. Rose. "He has been suffering from rheumstism and scided a couple of months ago go to Czechoslovakia for both with and business reasons."

Undecided About Future, Bhe declined to answer whether he and her 17-year-old daughter bould join Rose in Europe. "It is difficult to say what will be some in the future," she added. see is visiting health centers baths "specially suited for treatment of rheumatic in Czechoslovakia and arrange for purchases of ctrical equipment to be sold in

A Montreal police spokesman and Rose's departure had been officially noted. Royal Canadian Mounted Police declined com-

ment. An immigration department official said there is nothing to prevent Rose-a native of Poland—from going anywhere provided other countries are willing to admit him.

"We like it here," said Mrs. Rose. "My husband liked it here. Canada is important to us. It's our home and I can see no reason for leaving it."

Key Member of Ring.

Rose was a key member of a Soviet spy ring disclosed by Russian cipher clerk Igor Gouzenko, who bolted the Soviet Embassy in Ottawa in 1945 with documentary proof of the espionage.

Rose was freed from prison here in August, 1951, after serving most of a six-year term. He was an electrician before he was elected to Parliament after World War II.

After his release from prison, he became part owner of an electrical firm which subsequently closed. Since then he held sev

Care Land Care Control Processing Times-Herald Wash. Post Wash. News

N.Y. Herald Tribune

N.Y. Wirror

N.Y. Compass

5 2 DEC 154953 .. Ur. William Foley, of the Department, and at that time I requested coverage in Colombia to be assured one way or anothes 56403 413 writing. Ur. Teagley said a memorandum is being prepared by the holidays. I advised him that United States from Colombia, South America during the Christmas to see what can be done to prosecute Lauchlin Currie for espionage You will recall that this was previously discussed with me by Mr. Walt Teagley, of the Department, on November 30, 1953, advised that Assistant Attorney General Olney is quite anxious ಕ Office Memorandum · UNITED STATES GOVERNMEN; his possible return this year but that we do not have the Mr. Yeagley inquired whether Currie returns to the ESPIONAGE - R LAUCHLIN CURRIN RECORDED-96. EX-124. that we have no knowl DATE: November

Office Memo: 1 rdum • United Stat is Government Director, FBI Att: Asst. Dir. A. H. Belmont DATE: 11/13/53 SAC, New York (65-14603) SUBJECT: CREGORY Attached hereto is a sessistatic copy of a chart which was prepared during the grand jury appearance of various subjects in the This chart was utilised by SAAG T. J. DONEGAN during the time he was handling the grand jury that heard witnesses in this case.

CONPADENTIAL Office Temorendum • United STARES GOVERNMENT MR. D. M. LADD DATE Tovember 30, 1953 UR. A. H. BELLIONT all information containée HEREIN IS UNCLASSIFIED SUBJECT: NATHAN GREGORY SILVERMASTER, ETAL EXCEPT WHERE SHOWN OTHERWISE . Bufile 65-56402 Declassify on OADR There is attached a memorandum to Mr. Olney of the Criminal Division which is in answer to his memorandum of November 19, 1953, enclosing summaries prepared by the Criminal Division on eleven individuals. We reviewed the summaries to determine if there was material contained therein which would reveal confidential sources or confidential investigative techniques, and to determine if dissemination to the Jenner Committee would interfere with ourrent investigations. While we informed the Criminal Division that we did not check these summaries specifically for accuracy, we do make comment to the Criminal Division on various misstatements which we have found in the summaries and which it might be noted show the summaries were very We are also furnishing to the Department as an attachmen to the memorandum to Mr. Olney, individual memoranda on eleven individuals showing the dissemination we made on these persons. It is to be noted in this dissemination we left out instances where we wrote memoranda to the Attorney General requesting authorization for technical surveillances. the dissemination on Harold Glasser, we also comitted the fact that oral information was given to representatives of the World Bank on October 31, 1947. We did this because our dissemination to the World Bank representatives was on a very confidential basis and is not something which should be BECOMMENDATION EX - 122 RECORDED. RECOINENDATION EX. - 122 RECORDED . 81

There is attached a memorandum to the Criminal Division

Toommenting on the statements their provinces. 4 65-56402-403 commenting on the statements they previously prepared and furnishing them the dissemination on the eleven individuals involved in this matter. It is also to be noted that the Director, in connection with a memorandum from Mr. Belmont to Mr. Ladd dated November 19, 1958, stated he wanted Mr. Tolson and Mr. Nichols to look at the material before it went to the Department.

Office Memorandum • UNITED STATES GOVERNMENT

Mr. Tolson

DATE: Dec. 3, 1953

PROM .

L. B. Nichols

SUBJECT:

ALL INFORMATION CONTAINED HEREIN IN UNCLESSIFIED

on the following matters:

Robert Morris advised me on the evening of December 3rd

and Morris to go to Canada to interview Igor Gouzenko. Morris is Gouzenko, as to what questions to ask and what questions not to ask, or or asked, they could truthfully say they had received no information from course and then after they had interviewed Gouzenko, before making any jibed with the story he told some years ago, exactly what had been done in do this.

He then stated Secretary Dulles wants the interview with Gouzenko completed prior to the ending of the Bermuda Conference and has told Jenner to be ready to go on a moment's notice as soon as they get word from Canada. Jenner left this afternoon to go back to Indiana. Morris went to New York. He will keep in touch with us. Morris asked for no as I think it would be better to stay completely away from them in Canada.

(2) Morris also advised me that he was going to ask Deputy Attorney General Rogers for dissemination data on Maurice Halperin, Silvermaster case. Morris subsequently told me he had talked to Rogers for this data and had been told the data would be

cc: Mr. Ladd

fr. Belment

RECORDED-88

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bac bio

Morris told me Rogers wanted to see him about his own future at the earliest opportunity next week. Morris stated he had checked on the New York law and found that under the law, it would be necessary for him to immediately qualify for a new position as City Magistrate and assume the duties. He had thought he might be able to hold off taking this job for 30 days or so.

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Set brakend for our of attance & this Shie of lie of they take it.

_4035

Office Memorandum · United STAJES GOVERNMENT D. H. Ladd DATE: December 8, 1953

A. H. Belmont

SUBJECT: NATHAN GRESORY SILVER! ASTER, was., et al

Reference is made to the memorandum from Mr. Nichols to Mr. Tolson dated December 3, 1953, wherein information furnished by Robert Morris is set forth. Morris informed that he was going to ask the Department of Justice for dissemination of Maurice Malneria Truing Manage William Ludwig Milman data on Maurice Halperin, Irving Kaplan, William Ludwig Ullman

For your information, by letter dated December 3, 1953, to Assistant Attorney General Warren Olney III the dissemination data on Kaplan, Ullman and Halperin was forwarded to the Department of Justice. The data on Fitzgerald is presently being assembled and it will be prepared for the Department. The Director's notation appears thereon "get ALL INFORMATION CONTAINED

RECOMMENDATION:

William to the second of the second of the second

No action. This is to of this matter in this division.

WABOZ

BB DEC 4941953

65-56402 WBW: 615 CK

Office Memorandum • UNITED STATES GOVERNMENT

12/3/53 DATE:

FROM

Director, FBI Att: Inspector Carl Hennrich SAC, New York (65-14603)

G. I. R. -10

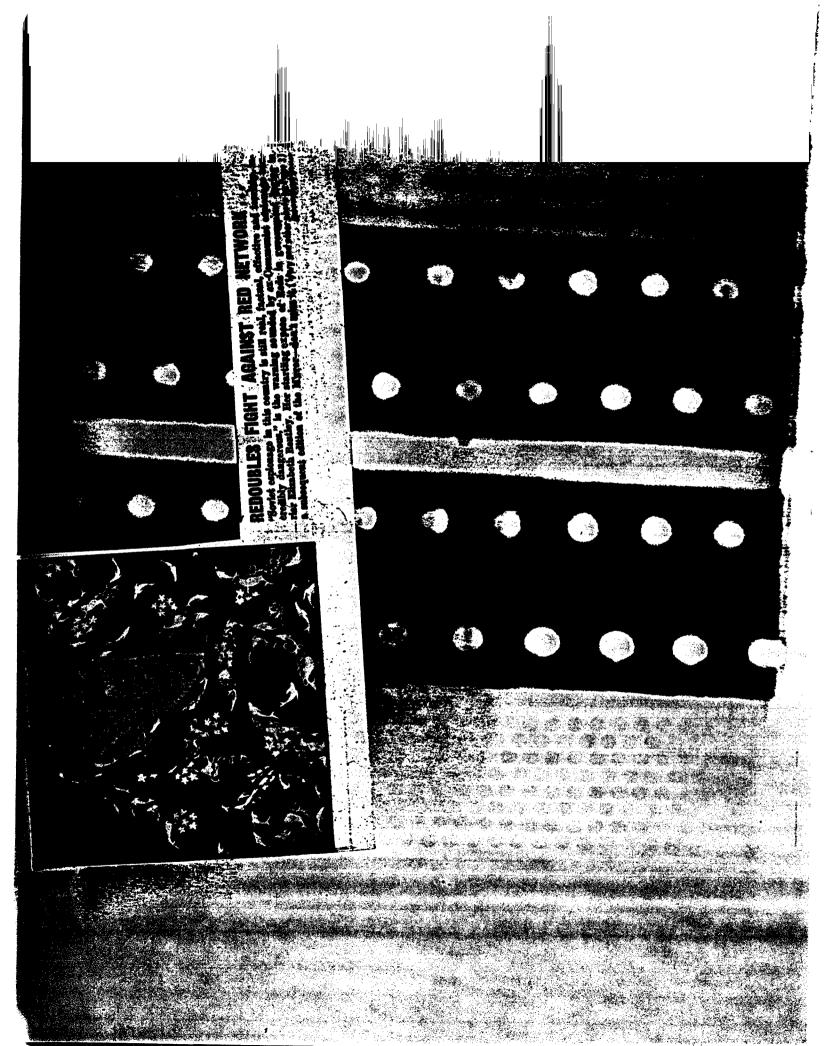
SUBJECT:

There are attached newspaper clippings from the "New York Sunday Mirror" of 11/29/53 regarding ELIZABETH BENTLEY.

Enc.

INDEXED - 89

58 DEC 151957 EX-127





ten Free Story

Bares Secrets Of Spy Penetration By HARBY COREN

Despite the recent startling revelations of Soviet espionage operations in the U.S., the activities of American spies in high government office are unquestionably continuing, Elizabeth Bentley, former Communist espionage courier, warns in a series of exclusive stories for the Mirror.

The woman who has cited to the FIM the recent of the course of the series of the

The woman who has cited to the FBI the names of 37 ionage agents in Washington emphasizes that the menace





Office Memorandum and the contract of the contra North American L. B. Nichols Mike Horan called and stated that he wanted to check with u sts of the Jenner Committee growing out of the hearings on Tuesda here would be no duplication of work. 1. He stated that Morris had asked the Attorney General whether there had been any dissemination of the letter of November 8, 1945, other than White House and asked the Attorney General to furnish details of that letter to General Vaughan. 11-20-5-3 The dissemination of the November 27 memorandum on Societ Espionage. Horan pointed out the Attorney General has stated that he already referred to this in his statement to the press. I told Mike the details on this have been furnished to the Department. Morris had asked him about the dissemination of the letter w dated rebruary 1, 1946, to General Vaughan. I told Horan Hat I felt sure the details had been furnished to the Department. Details on dissemination of Harold Glasser, Frank Coe, and Victor Perlo. 5. Whether Irving S. Friedman and William Henry Taylor were still employed. The Attorney General stated he would have to check on I told Horan that, of course, to answer the question would necessitate a Check immediately prior to the answer; that it was my understanding that Friedman and Taylor were still employed, but this was something they should Horan then stated that Morris had advised the Director of the request of the Attorney General to supply dissemination data on Glasser, Coe, Perlo and others and in response to the specific question, the Director had stated that the dissemination data would not violate security, although the Director would be opposed to producing the reports. Horan then stated that in view so die fact that we have had lie with the Jenner Committee, he was wordering whether we should handle this or he should handle it I told Mike that it appeared that this had been taken out of our hands, the request had been directed to the Department and I felt that this was something that would probably be more appropriate for him to handle. In this cc - Mr. Belmont

LBN:ptm

Memorandum for Mr. Tolson from L. B. Nichols

connection, Morris told me last night that he was pressing the Department for dissemination data on Glasser, Coe, Perlo and Soloman Adler to be used in a hearing on Monday.

We probably should have the dissemination data readily available for our own use. As pointed out in my memorandum yesterday, we will probably have to furnish the Department with the dissemination data unless this has previously been done.

Professional Company of the Company

作为可能的**使用**意识别。这些意识是对对的意思的变形的。

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