

F.O.I.A.

JULIUS ROSENBERG ET AL.

FILE DESCRIPTION

HEADQUARTERS

FILE

SUBJECT

SILVERMASTER

FILE NO.

65-56402

VOLUME NO.

157

SERIALS

4039

File No: 65-56402
Serial 158

NOV 15 1961
SEARCH MASTERS

Date: _____
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
4039K	12/15/53	Eames memo Nichols w/ encl	3/2	3/2	
NR	12/29/53	HQ ltr NY	1	1	
4040	11/16/53	DOJ routing slip w/	2/3	0/0	Refer
4041	11/23/53	Nichols memo Tolson w/ encl	1/8	1/8	
4042	11/19/53	AHG ltr HQ w/ encl	1/29	1/29	b3 Rule (b)(3)
4042	12/1/53	HQ ltr AHG w/ encl	6/42	6/42	
4043	11/19/53	Belmont memo Ladd	2	2	
NR	11/23/53	Nichols memo Tolson	1	1	
NR	11/23/53	Nichols memo Tolson	1	1	
NR	10/9/53	Belmont memo Ladd	2/5	0/0	NOT WITHIN ANNUAL FOIA
NR	12/10/53	HQ TT NY NY	1	1	
4044	12/8/53	A-16 ltr HQ	1	1	

111 KEV 99 KEV 7 Day 5 REVER

NOVEMBER
1961

1101 158

File No: 65-58402
SP158

Re: SILVERMASTER

Date: _____
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
4044	12/11/53	HQ Hr HAG	2/4	2/4	
NR	12/11/53	NY Hr HQ	1	1	
4045	-	Change to serial	1	1	
4046	12/11/53	Belmont memo Ladd	1	1	
4047	11/25/53	Stanley memo Rosen	1	1	
NR	12/15/53	DOT Hr Senate report	1/1	90	Refer
NR	12/10/53	NY Hr HQ	2	2	
NR	12/17/53	NY Hr HQ	3	3	
4048	12/19/53	HQ Hr AAG	1	1	
4049	11/18/53	Senat Hr HQ w/enc	1/83	1/83	
NR	11/18/53	Ladd memo Dir	1	1	
NR	11/24/53	Nichols memo Tolson	1	1	

104 REV 102 REL 0 DENY 2 REF

File No: 65-56402
204157

Re: SILVERMASTER

Date: _____
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
4049x	12/5/53	Belmont memo Ladd w/enc	1/26	1/10	26 pgs w/enc
4050	12/10/53	Branigan memo Belmont	5	5	
-	-	routing slip	1	1	
4050	12/15/53	Clegg memo Tolson	2	2	
NR	12/22/53	NY Hr HQ	2	2	
NR	12/30/53	Key memo Belmont	1	1	
4051	1/6/54	Branigan memo Belmont	1	1	
4052	1/6/54	Branigan memo Belmont	1	1	
4053	12/24/53	Belmont memo Ladd w/enc	2/36	2/36	
4054	-	serial change out	1	1	
4055	12/1/53	Belmont memo Ladd	1	1	
11055x	12/7/53	Belmont memo Ladd w/enc	18/5	9/5	b3 9 pgs w/enc

103
REV
68
REV
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DOW
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File No: 65-56402
Sub 158

Re: SILVERMASTER

Date: _____
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
4055X1	12/1/53	Belmont memo Ladd	3	3	b1 b3 Rule (b)(3)
NR	12/8/53	Branigan memo Belmont <i>W/orig</i>	2/10	2/9	b7c b7D b3 Rule (b)(3) <i>1st copy</i>
4056	1/8/54	Branigan memo Belmont <i>2nd copy</i>	1	1	
4057	12/8/53	Nichols memo Tolson <i>2nd copy</i>	1/1/56	1/1/56	NOT WITHIN REVIEW OF FOIA
4058	12/16/53	Branigan memo Belmont	7	5	NOT WITHIN REVIEW OF FOIA
4059	12/19/53	Nichols memo Tolson	1	1	
4060	1/7/54	Branigan memo Belmont	3	3	
4061	1/13/54	Belmont memo Ladd	1	1	
4062	12/29/53	Branigan memo Belmont	1	1	b1
NR	1/6/54	WFO airtel HQ NY, NR	6	0	b7c b7D
4063	1/20/54	OTAWA via AWA	1	0	b1
—	1/27/54	award slip	1	1	

65 30 34 1
REV REV DEW REVEN

File No: 65-56410-22
Serial 158

Re: SILVERMASTER

Date: _____
(month/year)

Serial	Date	Description (Type of communication, to, from)	No. of Pages		Exemptions used or, to whom referred (Identify statute if (b)(3) cited)
			Actual	Released	
40663	2/3/54	HQ thr Ottawa	1	1	b1
40664	1/13/54	routing slip w/ encl	1/11	1/11	
NR	1/19/54	NY thr HQ w/ encl	1/16	1/16	
NR	1/26/54	HQ Lab thr WFD	4	3	b1 b3 Rule 6(e)
40665	1/27/54	Pravigan memo, Belmont	2	2	
40666	—	change to serial	1	1	
40667	1/29/54	ND thr HQ	4	4	
NR	2/1/54	Bolky exhibit	1	1	
40668	2/12/54	NY thr HQ	1	1	
40668	2/25/54	HQ thr NY	1	1	

44
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RELEAS

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. NICHOLS

DATE: 12/15/53

FROM : W. G. EAMES

SUBJECT: NATHAN GREGORY SILVERMASTER
ESPIONAGE - R
BUFILE 65-56402

RE: INDEXING PROCEDURES, MAJOR CASES

- Tolson
- Boardman
- Belmont
- Mohr
- Glavin
- Harbo
- Rosen
- Tracy
- Gearty
- Mohr
- Winterrowd
- Tele. Rm.
- Holloman
- Gandy
- Miss G.

SYNOPSIS:

Recent activity in instant case pointed out the difficulty of locating all the information on one subject in major cases when, under existing procedures, each subject is circled and indexed merely to the case file and not to specific serials in the file. At the request of the Espionage Section, we conducted a serial by serial review of the Gregory case file to list specific serials and sections that 49 principal subjects were mentioned in. 170 1/2 clerical days spent in reviewing 4017 serials in 150 sections and making lists of information at cost of \$2195.12. Supervisory, locate and other minor costs not included. Supervisors in Espionage Section, who have, on three or four occasions, made use of listed serials, indicate many days time on part of Agent Supervisory personnel has been saved. No attempt made to indicate serials reflecting same information. Results of review will be filed in Gregory case file and each main file on 49 subjects. Although savings resulting appear to be substantial, further use of this review will determine practicability of extending this unusual and expensive procedure to other major cases in emergency situations. Difficulties in recognizing major cases with numerous subjects at early date in investigation make present procedures less effective. System whereby Field submits detailed reports on subjects in individual files with summarizing reports in brief form for control file is being developed as possible better solution to problems in both Espionage and Records Sections.

RECOMMENDATIONS:

1. That decision on expanding serial by serial type review be deferred for at least additional 90 days to test this experiment.

Memo Eames to Nichols
3-17-54 PFD: WW

WGL:ww
Attachment
CC: 66-5084

RECORDED - 32

65-56402-4039X (over)

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE 4/22/83 BY SP5 [signature]
FBI 11/29/88 3046 [signature]

55 JAN 26 1954

J. H. [signature]
W. [signature]

UNRECORDED COPY FILED

Memo to Mr. Nichols

12/15/53

Re: Nathan Gregory Silvermaster
Espionage - R, Bufile 65-56402
Re: Indexing Procedures, Major Cases

RECOMMENDATIONS: (continued)

2. That Espionage supervisors advise SA Paul F. O'Connell, extension 2337, room 7509, of their experiences in using results of review.

3. The Records Section will give additional study to devising better procedures for indexing major cases involving numerous subjects.

This and other complex indexing problems confronting Records Section are receiving constant attention.
F.W.W.

DETAILS:

You will recall that activity concerning Harry Dexter White necessitated extensive review of the Silvermaster file, which then consisted of 4017 serials in 150 sections. Due to the nature of the extensive reviews that were being made, at the request of the Espionage Section, the Consolidation Unit undertook a serial by serial review of the Gregory case file to list specific serials and sections that 49 principal subjects were mentioned in. In this review, no attempt was made to indicate which serials contained the same information. 170½ clerical days spent involving 156 days GS-5 and 14 days GS-3 time at total cost of \$2195.12. Due to the unusual activity of various sections in the Gregory case, supervisory, locate and other minor costs were probably higher in this case than they would have been had such a review been conducted when the case was not extremely active. For this reason, they have not been included in a cost survey.

Memo to Mr. Nichols
Re: Nathan Gregory Silvermaster
Espionage - R, Bufile 65-56402
Re: Indexing Procedures, Major Cases

12/15/53

Before the review had been completed, several lists were made available to Supervisors in the Espionage Section, who have indicated that the serial listing has already saved many days of File Review on the part of Agent Supervisory personnel. There is little question that this review would have saved a tremendous amount of time had it been available when this recent publicity on Harry Dexter White started.

Although savings resulting appear to be substantial, this review is an unusual and expensive procedure and its extension to other cases should be made only after additional experience concerning the extent to which such a review can be put. We feel that, in any event, this review should be extended only in an emergency situation where time is of essence and a major case with many subjects is involved.

The Records Section and the Espionage Section are fully aware of the problems involved in handling complicated major cases involving many subjects. One of the principal difficulties with existing procedures results from failing to be able to promptly recognize a major case at the time the file or files are opened. At the present time, in some of the major espionage cases, the Field is being required to submit reports on subjects in their separate individual files and to report summarizing information in a control file. The problem is not one that involves either section exclusively. It is believed that a separate reporting devise may prove to be the best solution. This will be given further study and reported when test on instant serial by serial review is completed.

For record purposes, there is attached a tabulation of employees who worked on this project with sections reviewed by each.

PAIGE ANDERSON	SECTIONS	-	13,	69,	112				
GERTRUDE BARRETT	SECTIONS	-	4,	94,	97				
V. BOITO	SECTIONS	-	15,	35,	43,	70,	109,	122,	127
MYRTLE CASEY	SECTIONS	-	3,	27,	58,	79,	90,	92,	118
HELENE CRAWFORD	SECTIONS	-	11,	84,	106				
R. COOK	SECTIONS	-	18,	33,	48,	121,	145		
ANN DENNY	SECTIONS	-	6,	8,	29,	83,	95,	135,	77, 60,
MARY ELGEN	SECTIONS	-	52,	129,					
VICTORIA FRAGALE	SECTIONS	-	24,	34,	41,	38,	89,	72X,	119, 142,
			144,	148,	149	PART,	IV,		
GRACE GOULDMAN	SECTIONS	-	7,	28,	56,	59,	78,	98,	136, 141,
M. J. HALL	SECTIONS	-	16,	39,	40,	50,	71,	75,	103, 104,
			105,	113,	149	P. I,	125,		
J. HODGE	SECTIONS	-	25,	42,	66,	102,			
NELL KENNEDY	SECTIONS	-	26,	79X,	81,	124,	9		
JANE KILLEN	SECTIONS	-	30,	53,	131,				
L. LARSEN	SECTIONS	-	20,	32,	44,	64,	87,	110,	123, 138,
			149	P. III					
CARRIE MARSHALL	SECTIONS	-	2,	54,	57,	61,	93,	128,	132,
R. MILLER	SECTIONS	-	36,	85,	100,	116,	146,		
ETHEL MOREARTY	SECTIONS	-	12,	47,	68,	86,	108,	150,	
D. PEERY	SECTIONS	-	17,	63,	101,	117,	147,		
J. PERKS	SECTIONS	-	14,	72,	88,	115,			
VEIGIL REIDMILLER	SECTIONS	-	23,	46,	76,	126	P. I.	126	P. II
ANN ROYAL	SECTIONS	-	10,						
C. SHAW	SECTIONS	-	21,	31,	45,	65,	74,	107,	111, 140,
			149	P. II					
JEAN SHERMAN	SECTIONS	-	62,	96,	134,	137,			
ELLA SIMPKINS	SECTIONS	-	1,	80,	91,	130,			
JOSEPHINE TELLER	SECTIONS	-	5,	22,	51,	55,	82,	99,	124, 133,
			143,						
E. TROSKY	SECTIONS	-	73,	114,					
M. WOLFE	SECTIONS	-	19,	37,	49,	67,	120,	139m	

ENCLOSURE

65-56402-4039X

65-56402
Enclosures behind file

G. Barrett-----Serials: 2143, 2859, 3153
M. Casey-----Serials: 1769, 2542, 2833
A. Denny-----Serials: 1808, 1862, 1881,
1915, 2027, 2117, 3828
M. Elgin-----Serials: 3683
G. Gouldman-----Serials: 3324
N. Kennedy-----Serials: 759, 769, 773,
1358, 3910
C. Marshall-----Serials: 366, 531, 532,
534, 3476
A. Royal-----Serials: 3107
E. Simpkins-----Serials: 2320, 2365, 3815, 3882x

ENCLOSURE

65-56402-4039X

SAC, New York

Director, FBI (62-88217)

Mr. Ladd
Mr. Belmont
Mr. Nichols
Mr. Sizoo
December 29, 1953
Mr. D. J. Sullivan

TESTIMONY BEFORE THE SENATE SUBCOMMITTEE
ON INTERNAL SECURITY (JENNER COMMITTEE)
IN PUBLIC SESSION ON 12-3-53, IN WASHINGTON, D. C.
VOLUME 27

On 12-3-53, the Jenner Committee met in public session in connection with that Committee's inquiry into "Interlocking Subversion in Government Departments." Attached for the New York and Washington Field Offices are Photostats of the above testimony.

You will note that it contains data on the dissemination of information by the Bureau on Virginia Front Coe, Solomon Adler and Victor Perlo, as well as summaries of their federal employment. Information provided by E. L. Lurie and Julian Freeman of the Council of Jewish Federations and Welfare Funds of New York City regarding Harold Glasser and Harry White is set out. The following errors in the dissemination data should be noted: Page 294, line 1 - Bufiles reflect two copies of the report in question were transmitted to T. Vincent Quinn and Thomas J. Donegan on 7-23-47, instead of two copies to Quinn alone as reflected in the testimony. Page 294, line 12 - Bufiles reflect the report in question was sent to the Secretary of the Treasury on 3-4-46, instead of on 4-4-46, as reflected in the testimony.

This testimony is being forwarded for your information and assistance and should be reviewed for any information of investigative interest. Since this is public session testimony it may be included in any reports prepared for dissemination outside the Bureau.

Attachment

65-56402 -
NOT RECORDED
106 DEC 31 1953

cc - 2 - Washington Field (Attachment)

cc - 65-56402

HWS:blb

NOTE: A review of this testimony failed to reflect any new pertinent information requiring further investigation at this time. A Photostat of this testimony is being filed in the Gregory case, 65-56402, and NY and WFO are being sent a copy of same. A review of this testimony is set forth in the Belmont Ladd memorandum in captioned matter dated December 29, 1953.

YELLOW
DUPLICATE
DEC 30 1953
MAILED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 1/18/88 BY 60321/RS

- Tele. Room
- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn
- Mr. Nease
- Miss Gandy

JAN 7 1954

62-88217-1322
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FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

_____ Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- Deleted under exemption(s) _____ with no segregable material available for release to you.
- Information pertained only to a third party with no reference to you or the subject of your request.
- Information pertained only to a third party. Your name is listed in the title only.
- Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

5 Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

For your information: _____

The following number is to be used for reference regarding these pages:
65-56402-4040

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XXXXXXXXXXXXXXXXXXXXX
X DELETED PAGE(S) X
X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXXXX

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson ✓

DATE November 23, 1953

FROM : L. B. Nichols

SUBJECT: Gregory

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/29/82 BY SP3 CLC/tar
11/28/88 3072/TW/1st 223,503

Tolson
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Gearty
Mohr
Winterrowd
Tele. Rm.
Holloman
Gandy

Robert Minor in Mr. Rogers' Office came by to see me pursuant to Rogers' instructions. He had a memorandum which the Jenner Committee had requested furnishing the dissemination of information on Sol Adler, Frank Coe, Harold Glasser and Victor Perlo. Minor stated that on August 4, 1948, the Bureau had sent a memorandum to the Department on the dissemination and that the acknowledgment of the Committee's request has been based on this memorandum. He stated that Rogers wanted us to check it.

I told Minor that if it was based upon the Bureau's memorandum regarding the dissemination, there was no need for us to check it and that this was a matter solely up to the Department. Minor left with me the attached copy of what is being furnished to the Committee. On page 2 reference is made that the FBI has been requested to furnish dissemination subsequent to August 4, 1948. Minor told me that Mr. Belmont is working on this and that this information would be furnished when the summaries were returned to the Department.

I think it might be well for our own purposes to check the attached copy of the memorandum showing dissemination to see that it is accurate from our standpoint.

Minor stated that there were instances wherein we had furnished notations that the Attorney General had discussed the matter with the President; however, they were leaving such details out of the memorandum. I told him that this was a matter up to the Department.

cc - Mr. Ladd
cc - Mr. Belmont

LBN:ptm

Attachment

RECORDED-52

15-56402-404

DEC 4 1953

While complete dissemination not shown, only inaccuracy is on page 3 of attachment where date April 4, 1946 should be March 4, 1946
B.F.

DEC 16 1953

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typed

**DISSEMINATION OF LETTER OF NOVEMBER 8, 1945,
REPORT OF NOVEMBER 27, 1945, AND MEMORANDUM
OF FEBRUARY 1, 1946.**

The letter addressed to General Vaughan by the Director of the Federal Bureau of Investigation on November 8, 1945, set forth in the testimony of the Attorney General to the Senate Subcommittee on Internal Security on November 17, 1953, was not given any further dissemination by the Federal Bureau of Investigation.

The report of November 27, 1945, by the Federal Bureau of Investigation entitled "Summary of Soviet Espionage in the United States", to which the Attorney General also referred in the same testimony, was disseminated on December 4, 1945, to Brigadier General Harry H. Vaughan, then Military Aide to the President; James F. Byrnes, then Secretary of State; Tom Clark, then Attorney General. On December 7, 1945, copies were also sent to James V. Forrestal, then Secretary of the Navy; Spruille Braden, then Assistant Secretary of State. Copies of the report bearing the date of December 12, 1945, were furnished to Admiral William D. Leahy, then Chief of Staff to the Commander-in-Chief of the Army and Navy, the White House, on February 20, 1946; Lt. General Hoyt S. Vandenberg, then Assistant Chief of Staff, G-2, War Department, on February 26, 1946; Fred M. Vinson, then Secretary of the Treasury, on March 5, 1946; Fred Lyon, then Chief, Division of Foreign Activity Correlation, Department of State, on March 15, 1946; and to the then Attorney General, Tom Clark, on July 24, 1946.

Copies of the memorandum of the Federal Bureau of Investigation of February 1, 1946, on Harry Dexter White, were delivered on February 4, 1946, to Brigadier General Vaughan for the information of the President, and to Mr. Frederick B. Lyon, Division of Controls, Department of State, for the immediate attention of Mr. James Byrnes, Secretary of State. A copy of this memorandum was sent to Attorney General Clark on February 6, 1946.

**ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED**

DATE 7/29/82 BY 2031/CL/TAR

#223
117281388 3042 PWT/KS
65 56402-4041

ENCLOSURE

DISSEMINATION OF MATERIAL CONCERNING SOLOMON ADLER,
VIRGINIUS FRANK COE, HAROLD GLASSER AND VICTOR PERLO

The report of November 27, 1945, to which the Attorney General referred in his testimony of November 17, 1953, contains references to Solomon Adler, Harold Glasser and Victor Perlo. Dissemination of this report has been separately indicated.

The data regarding the dissemination of reports mentioned herein were furnished to the Attorney General by the Federal Bureau of Investigation by memorandum dated August 4, 1948. The FBI has been requested to furnish any dissemination additional to the foregoing which may be contained in its records and these will be furnished to your Committee as soon as received from the Bureau.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/29/82 BY SP3 CLO/HAR

#023,503
11/28/88

3042 JAW/JS

Solomon Adler

Summary dated February 21, 1946, containing mention of Adler furnished by letter of February 25, 1946, to General Harry H. Vaughan, Military Aide to the President.

Summary dated February 21, 1946, containing information regarding Adler furnished to Attorney General on February 23, 1946.

Summary dated July 25, 1946, containing information on Adler furnished to Attorney General by memorandum of July 25, 1946, pursuant to request of Attorney General by Clark M. Clifford, Special Counsel to the President. Departmental records show transmittal letter of July 25, 1946, from the Attorney General to Mr. Clifford. A copy was also furnished to the Attorney General for his information.

Summary dated October 21, 1946, containing allegations concerning Adler furnished by memorandum of December 16, 1946, to Mr. George Allen, then Presidential Adviser.

Summary dated February 21, 1946, containing information on Adler furnished to Attorney General February 23, 1946.

Summary dated February 21, 1946, containing information on Adler furnished to Attorney General by memorandum of February 25, 1946.

Summary dated October 21, 1946, containing information on Adler was furnished to the Attorney General by memorandum dated November 27, 1946. A copy of same was furnished to Mr. A. D. Vanech, Special Assistant to the Attorney General, on December 6, 1946, and two copies were made available to Assistant Attorney General T. Vincent Quinn on July 23, 1947. An additional copy to Mr. Quinn on August 7, 1947.

A summary of basic data from FBI files concerning Adler was forwarded to the Attorney General on March 7, 1947.

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DATE 7/29/82 BY SP3C/C/MAR

#223503
11/28/88 3042 PWT/JS

Report concerning Adler dated April 9, 1948, furnished to Assistant Attorney General Quinn on April 14, 1948.

Investigative reports furnished on Adler to Assistant Attorney General T. F. Quinn in July 22, 1948.

Summary containing information relating to Adler dated February 21, 1946, made available to the Secretary of the Treasury by letter dated ^{March} April 4, 1946.

Summary containing information on Adler dated October 21, 1946, was furnished by memorandum of March 6, 1948, to Assistant Attorney General Quinn for delivery to Mr. Edward Foley, Treasury Department.

Investigative reports on Adler were furnished to the Civil Service Commission on July 22, 1948, for transfer to the Treasury Department under established procedure.

Virginus Frank Coe

Summary dated February 21, 1946, wherein Coe was mentioned was furnished by letter dated February 25, 1946, to General Vaughan.

Summary memorandum dated February 21, 1946, including mention of Coe furnished to Attorney General on February 23, 1946.

Summary dated February 21, 1946, including information on Coe furnished to Attorney General on February 25, 1946.

Summary dated February 21, 1946, including information on Coe furnished to Secretary of the Treasury by letter of March 4, 1946.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/29/82 BY SP3 CLG/mr
#223, 503
11/28/88 3042 fwt/bsg

Harold Glasser

Summary dated February 21, 1946, which mentioned Glasser was furnished by letter of February 25, 1946, to General Vaughan.

A memorandum dated March 5, 1946, containing information regarding Glasser was furnished to Admiral Leahy, Chief of Staff to the Commander-in-Chief on March 7, 1946.

A summary dated February 6, 1946, containing reference to Glasser was furnished to the Attorney General on February 7, 1946.

Summary dated February 21, 1946, mentioning Glasser was furnished to the Attorney General on February 23, 1946.

Summary dated March 5, 1946, mentioning Glasser was furnished to the Attorney General on March 7, 1946.

Summary dated July 25, 1946, containing information on Glasser was furnished to the Attorney General on the same date pursuant to a request of the Attorney General by Mr. Clark M. Clifford. Departmental file shows transmittal of summary to Mr. Clifford on July 25, 1946.

Summary dated October 21, 1946, containing information on Glasser was made available by letter of December 16, 1946, to Mr. George Allen.

Summary dated October 21, 1946, containing information on Glasser was furnished to the Attorney General by memorandum of November 27, 1946, and to Special Assistant to the Attorney General A. D. Vanech by memorandum of December 6, 1946, and two copies to Assistant Attorney General T. V. Quinn by memorandum dated July 23, 1947. One copy was personally transmitted to Mr. Quinn on August 7, 1947.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/29/92 BY SP3 CL/BJR

#223,593
11/28/89

3042 PWT/JS

A summary concerning Glasser's activities was furnished on March 6, 1947, to the Attorney General.

A summary dated February 21, 1946, containing reference to Glasser was furnished by letter of March 4, 1946, to the Secretary of the Treasury.

Victor Perlo

Perlo is mentioned in the letter of November 8, 1945, to General Vaughan to which the Attorney General referred in his testimony of November 17, 1953.

Summary dated February 21, 1946, containing information on Perlo was furnished to the Attorney General on February 23, 1946.

Summary dated February 21, 1946, mentioning Perlo was furnished to General Vaughan by letter of February 25, 1946.

Summary dated March 5, 1946, containing information on Perlo was furnished to Admiral Leahy on March 7, 1946.

Summary dated February 6, 1946, containing reference to Perlo was furnished to the Attorney General on February 7, 1946.

Summary dated July 25, 1946, containing information on Perlo was furnished to the Attorney General by memorandum dated July 25, 1946, pursuant to request of the Attorney General by Clark M. Clifford. Department files show transmittal letter to Mr. Clifford of July 25, 1946.

Summary dated October 21, 1946, containing reference to Perlo was furnished by letter dated December 16, 1946, to Mr. George Allen, then Presidential Adviser.

Summary dated October 21, 1946, containing information regarding Perlo was furnished to the Attorney General by memorandum of November 27, 1946, and to Special Assistant to the Attorney General A. D. Vanech by memorandum dated December 6, 1946.

Summary of basic data regarding Perlo was furnished to the Attorney General by memorandum of March 7, 1947.

Summary dated February 21, 1946, containing information regarding Perlo was furnished to the Secretary of the Treasury by letter dated March 4, 1946.

Memorandum dated September 6, 1946, concerning Perlo was personally delivered on September 12, 1946, to Mr. Lawson Moyer, Personnel Investigation Section, Treasury Department.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/29/82 BY SP3CLC/DR

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Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director, Federal Bureau of Investigation DATE: November 19, 1953

FROM: Warren Olney III, Assistant Attorney General
Criminal Division

WO:HDK:hcp

SUBJECT: Nathan Gregory Silvermaster, et al.
Espionage-R

146-7-16-82

Gregory

I am enclosing herewith copies of summaries prepared in this Division with regard to the following individuals:

- ✓ Solomon Adler
- ✓ Virginius Frank Coe
- ✓ Irving Sigmund Friedman
- ✓ Harold Glasser
- ✓ Maurice Hyman Halperin
- ✓ Irving Kaplan
- ✓ Victor Perlo
- ✓ Abraham George Silverman
- ✓ Nathan Gregory Silvermaster
- ✓ William Henry Taylor
- ✓ William Ludwig Ullman

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It is requested that your Bureau examine these summaries to determine whether the material contained therein would reveal confidential sources of information of the Bureau or reveal any investigative technique.

Confirming the telephone conversation between Assistant Director Belmont and Mr. Foley of the Internal Security Section, it is requested that you furnish me with information concerning the dissemination made by your Bureau of reports to this Department and to other government agencies concerning Nathan Gregory Silvermaster, Abraham George Silverman and Irving Sigmund Friedman. In this connection it would be appreciated if you would furnish the dates and the names of the departments and agencies and, where available, the persons to whom such reports were furnished. Dissemination of reports concerning the other persons named in this memorandum would appear to be covered by your memorandum of August 4, 1948, captioned as above, transmitted to the Attorney General by memorandum of August 12, 1948.

Since the Senate Subcommittee on Internal Security has requested that this material be furnished to it on Monday morning, November 23, it would be appreciated if you would furnish your reply as expeditiously as possible.

memo to add 11/30/53 RJA/aw
memo to AA & Olney 12/3/53

ERT/awm 11/20/53
EX-102

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DEC 7 1953

Enclosure No. 134579

David C. Miller
[Signature]

[Signature]

umber 16, 1953

SOLOMON ADLER

I. Dates of Employment at Treasury

December 7, 1936 to October 1, 1942

March 1, 1944 to May 11, 1950

From October 1, 1942 until March 1944, Adler served as the American Representative to the Chinese Stabilization Fund Board.

II. Key Derogatory Information

Whittaker Chambers, has stated that in 1936 or 1937, the name of one Solomon Adler, who was employed by the Treasury Department, was brought to his attention by a leading Communist. He stated that this Communist may have been J. Peters or Harold Ware. Adler was reportedly writing a weekly report for the Communist Party as to what transpired in Washington, D. C. Chambers stated that he has never seen Adler or never knew him personally, but that in 1935, White knowingly gave positions in the Treasury Department to Communists. He made particular reference to Solomon Adler and Harold Glasser.

In September 1939, Chambers furnished information concerning his Communist apparatus to Adolph A. Berle of the State Department. At that time, he stated that Solomon Adler was a Communist and sent weekly reports to the Communist Party.

Elizabeth T. Bentley, has stated that in late 1942 or early 1943, she heard through either Nathan Silvermaster or William Ullman that Solomon Adler, the United States Treasury Representative in Chung King, China, was working with their organization. She recalled that Silvermaster characterized Adler as an opportunist. Miss Bentley stated that she knew Adler to be a Communist Party member because his dues were among those collected by Silvermaster and turned over to her. She also stated that she thought a Chinaman by the name of "Chi" was working with Adler. (One Chao Tingoh, a former official of the Chinese Government and acquaintance of Adler, has been identified as a member of the Chinese Communist Party.) Miss Bentley recalled seeing official letters written by Adler to the Treasury Department in the home of Nathan Silvermaster. She also recalled that upon Adler's return from China, he wrote a report on the Chinese situation for the Russian Intelligence Service. Miss Bentley felt that Adler's main function was to influence the attitude of the Chinese and to procure whatever information he could.

A confidential informant stated that in 1941 Adler remarked that he was having difficulty with his finances because he was paying almost half of his income to the Communist Party.

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Adler has associated with Richard Coe, Nathan Silvermaster, Harold Glasser, George Silverman, Nathan Witt, John Abt, Charles Kramer, Lauchlin Currie, John Service, Frank Coe, Victor Perlo, Irving Kaplan, Solomon Lischinsky, Harry Magdoff, and other known and alleged Communists.

III. Actions on Behalf of Subject by Harry Dexter White

Adler was interviewed for a position in the Department of Treasury by Harry Dexter White in August of 1936.

In 1943, he was given an excellent efficiency rating by Harry Dexter White.

A confidential informant, who was formerly a high official in the Communist Party, advised that while he did not know Adler personally, he did have knowledge of the fact that Adler was sent to China under White's direct orders.

VIRGINIUS FRANK COE

I. Dates of Employment with Treasury

1. June 20, 1934 to September 20, 1934, Economist Consultant, Secretary's Office, \$4,200 per annum.
2. June 1, 1936 to October 3, 1936, Economic Analyst and Principal Economist, Division of Research and Statistics, Office of the Secretary, \$6,000 per annum.
3. April 3, 1939 to September 25, 1939, Principal Economic Analyst, Division of Monetary Research, conducting independent research under Dr. Harry Dexter White, \$5,600 per annum.
4. August 13, 1940, to February 1, 1942, Assistant Director of the Division of Monetary Research, \$7,000 per annum.
5. February 16, 1945 to June 17, 1946, Director of Monetary Research, Division of Monetary Research, \$9,800 per annum.

Coe resigned his position with the Treasury Department to accept employment with the International Monetary Fund and remained there until December 3, 1952.

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ENCLOSURE

II. Key Derogatory Information

In the spring of 1949 Whittaker Chambers advised Bureau agents that Frank Coe as well as his brother, Robert, were members of the Communist Party.

FBI investigation disclosed evidence that Frank Coe associated in varying degrees with the following persons named by Bentley and Chambers as Communists and/or persons engaged in espionage:

Sol Adler
Charles J. Coe
Lauchlin Currie
Chao'ing Chi
Harold Glasser
Bela Gold
Irving Kaplan
P. Bernard Mortman
Allan Rosenberg
Abraham George Silverman
Alexander Stevens
William Ludwig Ullman
Anatole and Mrs. Nathan Gregory Silvermaster
George Shaw Wheeler
Harry Dexter White
Nathan Witt

Coe acknowledged acquaintanceship with all or nearly all of these persons on more than one occasion.

On January 30, 1946, Elizabeth Bentley advised Bureau agents that Frank Coe was one of the minor individuals who was supplying information to the Silvermasters during the period that she contacted the Silvermasters. Frank Coe would report to the Silvermasters in Washington, D. C., by letter and the Silvermasters would, in turn, report this information to her. It was Miss Bentley's opinion that Frank Coe also furnished information to the Silvermasters through Harry Dexter White. On July 31, 1948, Elizabeth Bentley before the House Committee on Un-American Activities named Frank Coe as a member of the Silvermaster group and stated that he was employed in the Treasury Department at the time she knew of him. She also stated that it was her understanding that Coe was a member of the Communist Party.

It was reported that the name Frank Coe, who was then Assistant to the Executive Director of the Board of Economic Warfare, was listed among the names of persons attending the Eighth Institute of Pacific

Relations at Mont Tremblant, P.Q., Canada, on December 4-14, 1942. Frank Coe, Assistant Administrator of the Foreign Economic Administration, was listed as a delegate at the Ninth International Conference of the Institute of Pacific Relations. The records of the Institute of Pacific Relations at New York City contain two letters from Coe, one of which requested a set of reports from the Institute of Pacific Relations Conference held in Hot Springs, Virginia, and indicated that Coe had attended this conference in the capacity of a government representative. The other letter advised that Coe was accepting an invitation to attend a private dinner at the Mayflower Hotel on December 1. These letters were dated January 29, 1945 and November 23, 1943, respectively.

In testimony before the Senate Internal Security Subcommittee on December 1, 1952, at New York City, Coe declined to answer, under the protection afforded by the Fifth Amendment of the Constitution, whether he was engaged in espionage activity, whether he was a Communist or whether he knew individuals named by Elizabeth T. Bentley in her testimony before the HCUA in 1948, as members of a wartime espionage ring. Coe similarly declined to state whether he knew various individuals associated with the Institute of Pacific Relations.

Coe was reported as having attended and spoken at meetings of the International Labor Defense in approximately 1931 - 1933.

Miss Bentley advised that in the spring of 1943 Coe reportedly met an old Canadian comrade who was his counterpart on a joint United States-Canadian Board who desired to furnish information to the Russians through Coe. The identity of this Canadian has not yet been ascertained.

Coe refused to furnish information to the Senate Permanent Investigative Committee in June 1953 regarding whether he is or has been a Communist Party member or whether he engaged in espionage, relying on the Fifth Amendment.

Coe was reported to have been a member of the Communist Party controlled Washington Committee for Aid to China in the late 1930's or early 1940's.

III. Relationship with Harry Dexter White.

1. During August 1948 Harry Dexter White testified before the House Committee on Un-American Activities that he knew Frank Coe very well and that he had tried to get Coe to leave his teaching position and come to the Department of the Treasury at the time World War II commenced.
2. Whittaker Chambers has furnished information that he learned from J. Peters, George Silverman, Harry Dexter White and probably Harold Ware of plans to bring Frank Coe from Canada where he was teaching so that he could be placed in the Treasury Department by White.
3. In May 1946 it was reported that Harry Dexter White had recommended Frank Coe for the post of Assistant Director of the Department of Research in the International Monetary Fund.
4. In the summer of 1946 it was reported that Frank Coe had paid off his debt to White with a bottle of cognac and the informant expressed the belief that the debt was incurred with respect to the question as to whether Coe would or would not go to the Monetary Fund.
5. Coe testified before the House Committee on Un-American Activities on August 13, 1948, in answer to charges made by Elizabeth Bentley, that he knew Harry Dexter White socially and had worked under his supervision in two different positions.
6. On April 30 and May 3, 1947, Harold Glasser advised Bureau agents that he had been recommended to Harry Dexter White by Frank Coe, a former classmate at the University of Chicago.
7. The files of the Federal Security Administration, Office of Administrator, reflect that in an employment application dated January 13, 1942, Coe listed White as a former supervisor at the Treasury Department from September 1940 to January 1942 and from April 1939 to September 1939 and also listed White as a reference on this same application.

LEWIS SIDNEY FRIEDMAN

Dates of Employment at Treasury Department

Commenced employment on June 19, 1941, as an Economist, Division of Monetary Research. Promoted to position of Assistant Director of Monetary Research on June 2, 1945. Resigned on July 8, 1945, to accept a position as Chief of the United States and Canada Section of the Division of Research, International Monetary Fund.

White's Activities on Friedman's Behalf at the Treasury Department

Harry Dexter White advised on June 7, 1945, that he himself had brought Friedman to the Treasury Department approximately five or six years previously. Mr. Friedman's personnel file at the United States Embassy Department reflects that by letter dated May 22, 1941, White, Director, Monetary Research, Treasury Department, communicated with Friedman and asked whether Friedman would be interested in an economist research position in the Treasury Department. As a result of this inquiry, Friedman filed an application for employment and received an appointment as an Economist Analyst on June 30, 1941, in the Division of Monetary Research. Efficiency ratings contained in Friedman's personnel file indicate that Friedman worked under White's supervision in 1942, 1943 and 1944.

Key Descriptive Information

Friedman advised Bureau agents on June 8, 1945, that he had served on the editorial board of "America" Magazine, but on June 16, 1953, in a six page sworn statement executed for the Passport Office, Department of State, he declared that his only connection with "America" was the contribution of a single article in the November, 1939, issue, the subject of which was Anglo-Japanese Relations.

It has been ascertained that Friedman contributed articles to "Pacific Affairs" and "Far Eastern Survey", publications of the Institute of Pacific Relations. Friedman was employed as a Research Associate by Edward C. Carter from May, 1938, to February, 1940, at the International Secretariat of the Institute of Pacific Relations.

Nathan G. Silvermaster at one time described Friedman as being their Far Eastern man.

It was determined that Friedman had business and social contacts with William L. Ullman, Frank V. Coe, Harry Dexter White, Edward C. Carter and Nathan G. Silvermaster. Friedman had business contacts with Luchina Currie, Philip Jaffee, Andrew Roth, Owen Lattimore and John Stewart Service.

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ENCLOSURE

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November 16, 1953

HAROLD GLASSER

I. Dates of Employment at Treasury

Employed from November 23, 1936 to December 31, 1947.

1. Economic analyst, Division of Research and Statistics, salary \$3800.00 per year.
2. February 16, 1937, promoted to Senior Economic Analyst, Division of Research and Statistics, salary \$4600.00 per year.
3. June 1, 1938, transferred to Division of Monetary Research as Principal Economic Analyst, salary \$5600.00 per year.
4. November 16, 1938, designated Assistant Director, salary \$5600.00 per year.
5. August 1, 1939, salary increased to \$6500.00 per year.
6. June 15, 1940, services made available to State Department for special detail to Ecuador.
7. Services extended to Ecuadorian Government until January 29, 1942.
8. April 1, 1942, salary increased to \$6750.00 per year.
9. Borrowed by War Production Board from November 30, 1942 until January 10, 1943.
10. February 1943 in Algiers, North Africa serving as adviser on North African Affairs, Office of Foreign Territories in American Consulate, Algiers.
11. November 11, 1943, services requested by Lauchlin Currie for Foreign Economic Administration.
12. December 26, 1943, promoted to Chief Economist (Assistant Director) at salary of \$8000.00 per year.
13. May 1, 1944, demoted to Assistant Director of Monetary Research Division, at \$7500.00 per year. (Demotion explained by Harry Dexter White in order to avoid becoming involved with Civil Service classifications).
14. July 11, 1944 salary increased to \$8000.00 per year.
15. January 13, 1946, salary increased to \$9102.50 per year.

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Enclosure

16. ✓ August 22, 1946, appointed Director of Monetary Research Division, salary \$10,000.00 per year.

II. Key Derogatory Information

Early in 1944, Elizabeth Bentley through arrangements made by Jacob M. Coles, former Soviet espionage agent who died November 27, 1943, and Earl Browder, held a meeting with representatives of what she describes as the Perlo Group, and learned that Harold Glasser was a member of this Group.

According to Bentley, Glasser in 1943-44 furnished to her general information from Treasury Department files and from Foreign Economic Administration files, which information she turned over to her Soviet superiors for transmittal to the Soviet Union. The information was particularly concerned with activities of the Treasury Department with respect to loans by the United States to foreign countries and information sent to the Treasury Department by the Foreign Economic Administration.

Whittaker Chambers claims to have met Glasser on two or three occasions pursuant to arrangements by J. Peters, a Communist Party underground functionary. Chambers states he was informed by Peters that Glasser was a Party member and could be trusted. Chambers does not claim that Glasser was a part of his espionage apparatus but had the general understanding that Glasser was a member of an underground cell.

Bentley claims that Alger Hiss took Glasser from the Perlo Group to become part of Hiss' own group.

37 ✓ With respect to a report which Bentley claims she received from Glasser in 1944, she first stated it was a report which he had prepared in the course of his duties at the Treasury Department. Subsequently, she stated it was her impression that this report was prepared by Glasser especially for the espionage apparatus.

On interview with agents of the Federal Bureau of Investigation, Glasser admits knowing Victor Perlo, Mr. and Mrs. Nathan Gregory Silvermaster, Ludwig Ullman, Alger Hiss, Donald Hiss, John Abt, Charles Kramer, Donald Wheeler, Alan Rosenberg, Harry Magdoff, Sol Leshinsky, William Taylor, David Wahl, Henry Hill Collins, and other so-called radical and liberal friends. He denies ever having been a member of the Communist Party, although he admits having been solicited to join, primarily as a result of his activity on behalf of the Loyalist group in the Spanish Civil War. He also admits attending a number of Communist Party gatherings and meetings during the early 1930's.

✓ In testimony before the Senate Internal Security Subcommittee in April 1953, Glasser refused on grounds of possible self-incrimination to say whether he is a Communist or ever passed on information to unauthorized sources.

III. Relationship with Harry Dexter White

- A. Originally hired by White for employment in Treasury Department on November 23, 1936 on recommendation of Frank Cox. Worked in White's section and very closely with White including evenings and week ends.
- B. Secret Service Division, Treasury Department report and a report of the Federal Bureau of Investigation reflecting the results of a Hatch Act investigation concerning Glasser in 1941 received by White. No action recommended.
- C. Given an Excellent efficiency rating March 12, 1942, by William Ludwig Ullman and Harry Dexter White.
- D. - Given Excellent efficiency rating for period April 1, 1943 to March 31, 1944 by White.
- E. In interview with agents of Federal Bureau of Investigation Glasser claims his friendship with White deteriorated.
- F. Admits having first met the Silvermasters at the home of White.

MAURICE HYMAN HALPERIN

I. Dates of Federal Employment

1. The files do not reflect that subject was ever employed by the Treasury Department.
2. On October 2, 1941, appointed to the position of Social Science Analyst in the Division of Special Information, Latin Section, Office of Coordinator of Information.
3. On July 16, 1943, received a War Service Appointment as Assistant Chief, P-6, at \$5600 per annum, Office of Strategic Services, Research and Analysis, Latin America, Washington, D. C.
4. On October 1, 1945, received an appointment by transfer to the Department of State as Chief, P-8, at \$8750 per annum, Research and Analysis, Latin America, Washington, D. C.
5. Resigned on May 31, 1946 for reasons of ill health.

II. Key Derogatory Information

Maurice Halperin was the subject of a Special Committee investigation conducted by the Senate of the State of Oklahoma during 1941. This Special Committee recommended to the Senate of the Oklahoma Legislature that it recommend to the Board of Regents of the University of Oklahoma that they discharge from the faculty Maurice Halperin, who was then on the faculty of that institution. On September 8, 1941, the Board of Regents of the University of Oklahoma, stated that in their opinion Halperin's usefulness to the University had ended. Halperin received a sabbatical leave of absence from the University of Oklahoma during the school year of 1941-1942. Although the records concerning this investigation are general and vague, it is understood that Halperin's dismissal was brought about due to his Communist tendencies and sympathies.

According to Elisabeth Bentley, Halperin was introduced to her by Jacob Golos in the latter part of 1942 in Washington, D. C. At this first meeting, Bentley discussed with Halperin and one Willard Park, the type of work the latter individuals were presently engaged in. Arrangements were made on this occasion whereupon Bentley would collect Communist Party dues from Halperin.

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ENCLOSURE

A few weeks subsequent to this first meeting, Bentley met Halperin at the home of Mary Price in Washington, D. C. and arrangements were made at that time for Halperin to supply Bentley with certain information to which he had access. According to Bentley, Halperin, after this meeting, began to supply Golos with various types of information. This information was given to Mary Price, who in turn passed it on to Bentley. Several months later, Halperin gave this information directly to Bentley due to the fact that Mary Price became ill.

Bentley has also advised that on several occasions Halperin's wife, Edith, delivered information which Halperin had secured.

Regarding the type of information which was made available by Halperin, Bentley has advised that Halperin delivered mimeographed bulletins and reports prepared by the Office of Strategic Services on a variety of topics and also supplied excerpts from State Department cables to which Halperin evidently had access. According to Bentley, Halperin's contributions were gratefully received by Golos, who appeared to attach considerable importance to them.

According to Bentley, on several occasions Halperin had dinner with herself and Golos in New York City. Bentley continued to receive information from Halperin until December, 1944 at which time Halperin was still employed at the Office of Strategic Services.

On March 26, 1953, Halperin, appearing before the United States Senate Internal Security Subcommittee, claimed his privilege against self-incrimination when asked whether he now or ever had been a Communist or a "Red spy."

III. Relationship with Harry Dexter White

There is no indication that Halperin was ever in contact with Harry Dexter White.

IRVING KAPLAN

I. Dates of Employment at Treasury

Kaplan was employed by the Treasury Department as an Economic Adviser, Liberated Areas Problems, Division of Monetary Research, and on the date that he entered on duty, July 12, 1945, Kaplan was transferred to the Foreign Funds Control as Economic Adviser for a period not to exceed 120 days. He was assigned to the United States Group Control Council to Germany to assist in the carrying on of the Liberated Areas Program of the Treasury Department. On November 12, 1945, this detail in Germany was extended 120 days and was finally terminated on December 12, 1945.

Kaplan was subsequently transferred on May 12, 1946, from Economic Adviser, Division of Monetary Research, to the Office of War Mobilization and Reconversion and he entered on duty with this agency on May 20, 1946 as an Economist.

II. Key Derogatory Information

According to Elizabeth Bentley, while serving as a courier for the espionage group headed by Nathan Gregory Silvermaster, she learned that Irving Kaplan, while connected with the War Production Board, was supplying data, which Kaplan had obtained through this agency, to the Silvermaster espionage group. This information, according to Silvermaster, was channeled by Kaplan to the Silvermaster group through Abraham George Silverman.

According to Miss Bentley, Kaplan had been a member of the Perlo group prior to June 21, 1941, when Germany attacked Russia. Thereafter, he was contacted by the Silvermaster group and agreed to furnish information through that group, although he continued to pay his Communist Party dues through the Perlo group.

In the latter part of February or early March, 1945, Miss Bentley was advised by Victor Perlo that Irving Kaplan was paying his dues to the Perlo group. He complained, however, that Kaplan was not producing for this group, but rather that he was working with the "California Group", which Miss Bentley states was another name used to describe the Silvermaster group.

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ENCLOSURE

According to Miss Bentley, Irving Kaplan furnished "production data" from the War Production Board to the Silvermaster group, consisting of "progress reports" and other notes.

Although Miss Bentley last contacted the Silvermaster group on September 14, 1944, she recalled hearing Kaplan's name mentioned by Victor Perlo during the many occasions of his complaining about the actions of the Silvermaster group.

Whittaker Chambers advised that he first knew Irving Kaplan as a fellow student at Columbia University during Chambers' freshman year in the fall of 1920; that while he knew Kaplan fairly well during this period, they were not close friends.

In the latter part of 1937, Chambers had begun to plan his break with the Communist Party and in order to establish the fact that there had been such a person as Whittaker Chambers, he decided to have the Communist Party apparatus in Washington place him in a United States Government job. Toward this end, Chambers requested Silverman to obtain a position for him in the United States Government as a "cover." Chambers stated that Silverman agreed and originally considered obtaining for Chambers a supervisor's job but subsequently decided that this would be too conspicuous a position. Silverman proposed a smaller job with the National Research Project at the Railroad Retirement Board. Silverman informed Chambers that the two directors of the National Research Project, Irving Kaplan and the other, whom Chambers believed to be a David Greenglass, were both Communist Party members. Upon Silverman's instructions, Chambers contacted Kaplan at his residence in Philadelphia, Pennsylvania.

At a meeting at Kaplan's apartment, Chambers and Kaplan discussed the problem of Chambers' employment with the United States Government and they also talked about the problem of Kaplan not telling Silverman that Chambers was not a European. Chambers stated he explained to Kaplan how members of the underground apparatus with which he was working thought that he, Chambers, was a European and that for the good of the apparatus they must continue to believe this. According to Chambers, Kaplan agreed not to reveal this deception. Chambers has further advised that he definitely told Kaplan that he was working in the Communist Party underground and from what Silverman said he understood Kaplan was doing the same.

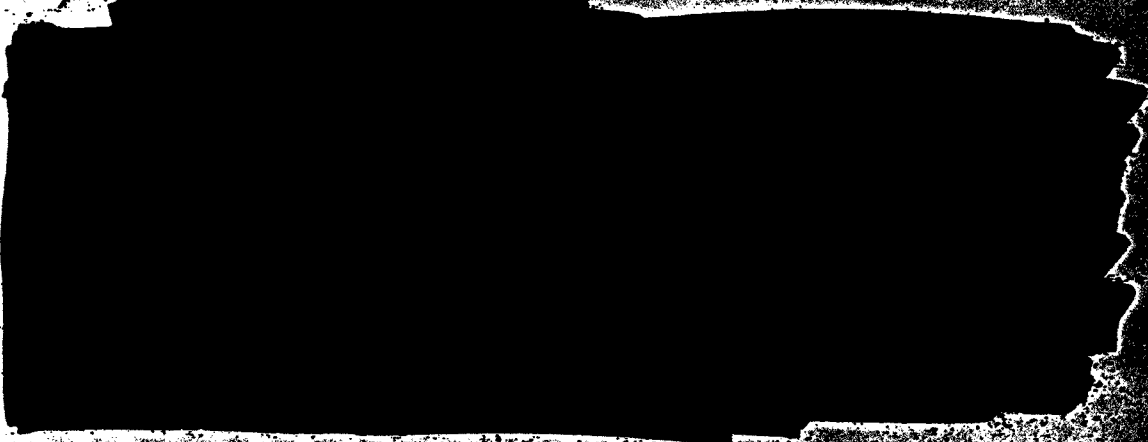
In regard to his employment in the United States Government, Chambers stated that Kaplan advised him to make out some sort of list of experience of his former employment and he believed that after

he returned to Washington, Silverman took Chambers personally to the office of the Railroad Retirement Board to file an application. Chambers stated that within a matter of days, not more than a week after his contact with Kaplan, he had the position.

Kaplan appeared before the House Committee on Un-American Activities on June 10, 1952, and refused to reply to pertinent questions regarding his activities or associations with various individuals including Elisabeth Bentley, Whittaker Chambers, Abraham George Silverman, David Weintraub, Nathan Gregory Silvermaster, Victor Perlo, and Harry Dexter White. He based his refusal upon the grounds that his answer might tend to incriminate and degrade him.

While on furlough, the result of being separated on January 31, 1947 from the Office of War Mobilization and Reconversion with the discontinuance of this agency, Irving Kaplan was interviewed by Special Agents of the FBI on May 29, 1947. Kaplan, at this time, declined to be interviewed, advising the agents that he thought FBI interviews were ridiculous, charging intimidation, "witch hunt" and an attempt to get people to perjure themselves.

Irving Kaplan was again interviewed by Special Agents of the FBI on March 22, 1949, and was found to be hostile in his attitude and would not answer any questions with the exception of answering charges made by Chambers concerning Kaplan's having given Chambers a job with the National Research Project. He stated no individual ever recommended Chambers for a job and that Chambers had the position before Chambers contacted Kaplan.



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III. Relationship with Harry Dexter White

During the period from October 1946 to February 1947, Kaplan was in association on many occasions with White and on October 21, 1946, FBI agents observed Kaplan, Harry Magdoff, Edward Fitzgerald and Abraham George Silverman at the apartment of Harry Dexter White.

On August 15, 1947, White was interviewed by Bureau agents. On this occasion White stated that he knew Kaplan, Charles Kramer, Harry Magdoff and Victor Perlo solely on a social basis and stated he would be very much surprised to learn that these individuals had been involved in any activities of an espionage nature, that they were members of the Communist Party or were engaged in any Communist Party affairs.

On August 13, 1943, Harry Dexter White appeared before the House Committee on Un-American Activities. In reference to Irving Kaplan, White said he used to play baseball and volley ball with Kaplan, but stated he did not think Kaplan ever worked with him or for him. He stated that he had a vague recollection that Kaplan might have worked for the Foreign Exchange Control, which he described as "sort of a subsidiary" of the Treasury Department.

VICTOR PERLO

I. Dates of Employment at Treasury

Employed at the Treasury Department from December 17, 1945 until March 27, 1947. ✓

1. Transferred from the War Production Board to the Treasury Department as of December 17, 1945, as an Economic Analyst, Division of Monetary Research, at a salary of \$7,437.50. ✓
2. Resigned from Treasury on March 27, 1947 to accept a position with the Inter-Governmental Committee on Refugees. *DID NOT MATERIALIZE. In 5-1947 went to work for Progressive Party.*

II. Key Derogatory Information

In the early part of 1944, Elizabeth Bentley met with Perlo and other persons at the apartment of John Abt in New York City. At the time of this meeting, Bentley was engaged in important espionage work for the USSR and the aforementioned meeting was arranged by Earl Browder, then General Secretary of the Communist Party, USA. At this meeting, Victor Perlo and the others who were present discussed the various types of material and information which they could obtain by virtue of their employment in the United States Government for the purpose of delivering such information to Bentley to be transmitted to her Soviet principals in the espionage ring.

GRANTON ASSUMPT

Subsequent to the aforesaid meeting, Perlo delivered to Bentley material which had been obtained by him and his associates through their employment in agencies of the United States Government. Such deliveries of material by Perlo were made on a number of occasions and at the apartment of Mary Price in New York City.

According to Whittaker Chambers, Perlo was a member of an underground Communist Party espionage ring in Washington, D. C., which was headed by Harold Ware. Chambers was first put in contact with this group in 1934 through arrangements made by J. Peters, his principal.

NO ESP

Katherine Willis, who was a member of the Communist Party in the District of Columbia in 1933 and 1934, was interviewed by Bureau agents in the fall of 1944. She had been married to

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Victor Perlo and was divorced from him in June, 1943. During the time that she resided with her husband in Arlington, Virginia she had determined that he was a member of an underground Communist group, which included Nathan Witt, John Abt, Harry White, Harold Glasser, Harold Ware and others besides Perlo.

Perlo's name

According to Nathaniel Woyl, Lenore Thomas Straus and Richard Vincent Gilbert, Perlo was a member of the Communist Party.

No he did not pay Perlo was a CP member

III. Relationship with Harry Dexter White

1. At the time that Perlo became employed by the Treasury Department in December, 1945, Harry Dexter White was an Assistant Secretary of the Treasury and had supervision over the Division of Monetary Research, in which Division Perlo was employed.
2. The files of the Treasury Department reflect a note concerning Perlo, which was exchanged between Virginia Frank Coe and Harry Dexter White, both of whom were engaged in Soviet espionage work, on March 6, 1945. The contents of this note were not available, but it is reported that an office memorandum was attached to it which states, "Mr. Coe has sent the attached note to Mr. White. He asked me to tell you to keep him on ice. Nothing doing now."

3. 

conf.

b3

ABRAHAM GEORGE SILVERMAN

Dates of Employment at Treasury Department

There is no evidence in the personnel records of the Department of Treasury that Silverman was ever officially employed there. Interview of Treasury Department officials substantiated this. However, it was ascertained that during part of 1941 and 1942 Silverman was serving as a consultant in the Foreign Funds Control of the Division of Monetary Research. The specific dates of this period of employment are not available.

White's Activities on Silverman's Behalf at the Treasury Department

In a miscellaneous personnel file located at the Department of Treasury is a letter dated July 10, 1941, from H. Morgenthau, Jr., Secretary of Treasury to Mr. Murray Latimer, Chairman, Railroad Retirement Board, which states that Mr. White had reached an agreement with Mr. Latimer for the part-time loan of the services of Silverman from the Railroad Retirement Board "as Economist Consultant to Dr. White in connection with organizing the research and starting work for Foreign Funds Control."

Mr. Latimer upon interview advised that Silverman's temporary employment with the Treasury Department was arranged through Harry Dexter White, who called Latimer and requested the loan of Silverman to the Foreign Funds Control of the Division of Monetary Research, Treasury Department, in an advisory capacity. He further stated that it was a tentative loan which necessitated only several hours of work per week, and that Silverman was at no time detached from the Railroad Retirement Board.

Key Derogatory Information

Silverman's contacts with White were frequent and extended to social activities as well as business relations. According to Silverman and persons who came in contact with both individuals, a deep friendship existed between Silverman and White.

On August 30, 1948, Whittaker Chambers before the House Un-American Activities Committee described Silverman as a Communist and stated that he had discussed Silverman with Peter (J. Peters), identified as an important Russian Espionage Agent in the United States. He further testified on this same date before the Committee that he asked George Silverman to obtain Government employment for him after his (Chambers') decision to break with the Communist Party, and that

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Silverman had aided him in obtaining a job with an organization called the Federal Research Project or the National Research Project. In a signed statement executed by Chambers at Baltimore, Maryland, on December 3, 1948, Chambers stated "I also arranged meetings between Colonel Bykov, Harry Dexter White and George Silverman in Washington, D. C." Colonel Bykov has been identified as a Russian Espionage Agent. In a signed statement executed by Chambers on December 8, 1948, at New York, New York, Chambers stated that Colonel Bykov, possibly in the latter part of 1936, suggested purchasing gifts for Alger Hiss, Harry Dexter White and A. George Silverman. Three oriental rugs were there-after purchased and sent to these individuals. Chambers also recalled introducing Colonel Bykov to Silverman sometime in 1937 in Washington, D. C., and that on the same day Chambers, Silverman and Bykov contacted Harry Dexter White. On December 23, 1948, at New York, New York, Chambers advised that Silverman's chief function was to keep his close friend, Harry Dexter White, "in line".

On November 30, 1945, Elizabeth Bentley at New York City advised that Silverman was a member of the Communist Party in Washington, D. C., and that after being assigned to the Pentagon as a civilian employee in 1942, Silverman began to bring documents to the home of Nathan G. Silvermaster. Bentley stated that she believed that Silverman was possibly under the impression that Silvermaster would read the documents, commit them more or less to memory and verbally pass on the contents to Earl Browder. She further stated that Silverman continued to supply material to the Silvermasters until at least September, 1944.

✓ Mrs. Victor Perlo, divorced wife of Victor Perlo, (identified as a member of a Communist underground group in Washington, D. C.,) in a letter postmarked April 14, 1944, furnished a partial list of the Communist underground in Washington, D. C., on which was the name George Silverman of the Railroad Retirement Board. Upon subsequent interview by Bureau agents, Mrs. Perlo substantiated this fact.

✓ John Laurence Donovan, a former employee of the NRA in Washington, D. C., self-admitted member of the Communist Party in the District of Columbia from 1933 to 1936, on May 4, 1953, identified Silverman as having attended Communist Party meetings in Washington in 1944.

NATHAN GREGORY SILVERMASTER

Employment by Treasury Department

December 29, 1944 to
May 1, 1945

Transferred from Department of Agriculture to Procurement Division, Office of Surplus Property, Treasury Department, as Economist (Assistant Chief Planning Technician), \$6,500.

Transferred to the Department of Commerce.

Key Derogatory Information

According to Elisabeth Bentley, from mid-1941 to September 1944, she knew Silvermaster as head of an espionage group in the United States Government which furnished the Russians with information obtained from files to which members of the group had access. From the latter part of 1942 through the early part of 1943, Harry Dexter White was supplying Silvermaster and Ullmann with documents presumably obtained by White in the course of his duties in the Treasury Department. OK

During the period covered by Bentley, William Ludwig Ullmann lived at Silvermaster's house in Washington and photographed numerous documents on microfilm for transmittal to the Russians. Other information was dictated to Bentley by Silvermaster and Ullmann. In addition, Silvermaster also furnished Bentley with carbon copies of Treasury correspondence from overseas personnel.

Silvermaster appeared before the House Committee on Un-American Activities on August 4, 1948. He denied having been a spy or agent of any foreign government. However, he refused to answer on the ground of possible self-incrimination whether or not he had ever been a member of the Communist Party; whether or not he had furnished Bentley with documents from government files; and whether or not he had photographic equipment in the basement of his home in Washington for the purpose of photographing government documents. He likewise refused on constitutional grounds to state whether Ullmann was a member of the Communist Party.

Confidential informant in November 1950 advised that he had met Silvermaster during the early 1940's and that Alexander Frachtenberg had introduced Silvermaster to the informant as "a most trusted comrade." Another confidential informant advised in May 1951 that he had known Silvermaster in San Francisco during 1934 and that Silvermaster had admitted that he was one of the higher level of secret Communist Party leaders.

Silvermaster appeared before the Senate Internal Security Subcommittee on April 12, 1953, but refused to answer questions as to whether or not he was presently active as a Communist spy; whether he had been

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visited in Harvey Cedars, New Jersey by Soviet officials, and whether or not his partner, William Ludwig Ullmann had photographic equipment in his home in Harvey Cedars, New Jersey. He invoked his constitutional privilege with respect to whether or not he knew numerous persons including Alger Hiss, Harold Glasser, Elisabeth Bentley, George Silverman, Solomon Adler, and Laughlin Currie. OK

Relationship With Harry Dexter White

According to Elisabeth Bentley, Silvermaster's position in the Treasury Department was secured for him by Harry Dexter White. OK

Miss Bentley also advised that Mrs. Silvermaster, during the summer or fall of 1943, made arrangements to have Sonya Gold placed as Harry White's secretary, in order to expedite delivery of material.

As was pointed out in an earlier part of this memorandum, White supplied Silvermaster and Ullmann with documentary material during the latter part of 1942 and the early part of 1943.

When Harry Dexter White testified before the House Committee on Un-American Activities in August 1948, he stated that he had met Silvermaster approximately 10 years prior to that date and had been in Silvermaster's home approximately six times. He further testified that in 1942 or 1943 Silvermaster had asked his assistance in clearing Silvermaster's name. White stated that Silvermaster supplied him with a ten to twenty page statement denying the charges against him and as a result White was convinced that Silvermaster was a loyal American. He stated that he thereafter asked Herbert Gaston, Assistant Secretary of the Treasury to look into the charges. He added that he understood that Gaston did so and that Silvermaster was cleared, inasmuch as he returned to his job in Agriculture. OK

WILLIAM HENRY TAYLOR

Employment by Treasury Department

January 3, 1941, to
June 4, 1941

Economic analyst, Division of
Monetary Research, Treasury Department

Resigned from the Treasury Department
on June 4, 1941, and from that date
until September 9, 1942, he served as
an alternate member of the Chinese
Stabilization Board. During seven
months of the period he was a prisoner
of the Japanese.

September 11, 1942, to
April 11, 1943

Reinstated as principal economic
analyst, Division of Monetary
Research, Treasury Department

April 11, 1943, to
December 14, 1946

Promoted to Assistant Director,
Division of Monetary Research
(In this capacity served in Wash-
ington, D. C., London, North Africa,
West Africa, France, Germany, Greece,
Poland and Czechoslovakia)
Resigned to accept employment with
International Monetary Fund

Employment by International Monetary Fund

December 16, 1946, to
March 20, 1950

Assistant Director of Operations
Department

March or April, 1950, to
May 1, 1953

Assistant Director of Latin American,
Middle Eastern and Far East Department

May 1, 1953, to date

Assistant Director, Middle East
Department

Key Derogatory Information

Elizabeth Bentley has stated that although she did not know
Taylor personally, she heard of him through the Silvermasters; that he
was a Communist Party member who paid his dues to the Silvermasters; and
that he had supplied Silvermaster with written and oral information which
he secured from the Treasury Department; that Taylor prepared a report on

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conditions in China which he made available, probably to Silverman, but possibly to Silvermaster. Taylor has denied these charges. Miss Bentley also stated that William Ludwig Ullman or William Henry Taylor had been one of the persons who had been designated to speak to Virginus Frank Coe regarding his lack of cooperation with the Silvermaster group.

Information was furnished the FBI in October, 1939, by another government agency in Honolulu that "William H. Taylor, Assistant Professor, University of Hawaii, was reported to be a bona fide member of the Communist Party and to hold an official membership. Is a personal friend of Reinecke." Upon recontact in 1952, the source of this information was not identifiable by the agency which had furnished the information originally. Taylor, who was an Associate Professor of Economics at the University of Hawaii intermittently from 1930 to 1940, has admitted knowing Reinecke, who was convicted in Hawaii on June 19, 1953, of conspiracy to violate the Smith Act.

Taylor is alleged to have been active with Reinecke in organizing in Hawaii an "Inter-Professional Association," which was described by an individual who attended one meeting as being pro-Communist. Taylor has admitted membership in this association.

Taylor has been described as favoring Communist China, as commenting favorably concerning Communism, espousing the cause of Russia from 1931 to 1933, and as advocating the overthrow of the landed peoples and the direction of the country by the "workers", although his exact remarks could not be recalled by the informants.

The file does not disclose any other information that Taylor was a Communist Party member.

At hearings before the McCarran Committee inquiring into the official transfer by the Treasury Department to the Soviet Government of monetary plates for the printing of Allied marks for use in the German occupation, testimony was elicited from former Under Secretary of the Treasury Daniel W. Bell and Mr. Alvin W. Hall, Director, Bureau of Engraving and Printing, that in addition to themselves and Harry Dexter White, Taylor occasionally participated in the negotiations concerning the release of the currency plates. However, Taylor's role in the negotiations did not appear from the testimony to be significant. In this connection, Elisabeth Bentley advised the Bureau in October, 1953, that, to the best of her knowledge, Taylor had not been involved in the unsuccessful efforts in which the Silvermaster Group had engaged, prior to the institution of formal negotiations by the Russians to obtain these plates, to secure for photographing samples of American occupation currency which was to be used in Germany.

Taylor is the subject of a continuing investigation under Executive Order 10422, which established a loyalty program for United States citizens employed in the United Nations and specialized agencies.

Relationship With Harry Dexter White

The file on Taylor contains the following information concerning possible efforts on White's part to secure employment for Taylor in the Treasury Department:

Elisabeth Bentley has stated that it was apparent to her from conversations she heard in the Silvermaster home, that one of White's most valuable assets as far as the Silvermaster group was concerned was White's ability to place in the Treasury Department those individuals whom the group was anxious to have assigned there. Among individuals in this category she named William Taylor.

There is also information that when Taylor returned to the University of Hawaii in 1951 and was questioned concerning Elisabeth Bentley's charges, he stated that he had been at a social gathering in Washington at which White was present and at which Taylor mentioned that he had been studying Japanese and "it was believed that White assumed that Taylor knew the Japanese language and the Japanese customs and was instrumental in having him appointed to the Treasury Department."

During the course of an interview with the FBI on May 29, 1947, Taylor stated that he first met Harry Dexter White while the latter was connected with the Treasury Department, and that he also met William Ludwig Ullman at the Treasury Department. In this connection the Treasury Department files contain a letter dated December 12, 1940, addressed to Taylor in care of American Express Company in New York City and signed "Ludwig Ullman" which reads as follows:

Dear Bill:

Mr. White wants me to get in touch with you and tell you to report to work as soon as possible. This is a bit unorthodox since your appointment has not been formally approved, but White has been verbally advised that it will be O. K.

However, during the course of the same interview, Taylor advised that he was placed in a position in the Treasury Department through Nathan Gregory Silvermaster, whom he had met at the University of California in 1928 and who was in his graduating class. Taylor listed Silvermaster as one of his references in an undated application in the files of the Treasury Department, and Silvermaster recommended him "without any hesitancy."

On December 1, 1952, White testified before the Senate Committee on the Judiciary, Subcommittee to Investigate the Administration of the Internal Security Act and other Internal Security Laws, that he believed he first met Harry Dexter White in the early part of 1940 when he visited White in the Treasury Department in an effort to ascertain if the Division of Monetary Research issued any publications dealing with Far Eastern affairs so that he could be put on the mailing list of the government agencies issuing such publications. When asked how well he came to know White after that, Taylor stated: "He was the Director of the Division where I was employed at that time. I knew him personally, that is, in almost daily contact, during the period from 1940 to January, 1941, when I joined the Treasury Department, until the end of 1946, when I left the Treasury Department, except for those periods of time that I served abroad for the Treasury Department."

The only information in the files concerning the circumstances under which Taylor obtained employment with the International Monetary Fund which indicates possible action by White on Taylor's behalf is a statement made to the FBI by Andrew Overby, Assistant Treasurer, Treasury Department, that in December, 1946, Taylor became connected with the International Monetary Fund at the request of the late Harry Dexter White.

In May, 1944, White was interviewed by the Bureau concerning Taylor, and he described Taylor as "entirely loyal," able and industrious, and stated that Taylor had handled many important assignments for the Treasury Department.

Taylor received an excellent efficiency rating for the period April 1, 1943, to March 3, 1944, signed by Harry Dexter White. His efficiency report for the period September 15, 1942, to March 31, 1943, which was also excellent, was reviewed by Harry Dexter White.

November 16, 1953

WILLIAM LUDWIG ULLMAN

I. Dates of Employment at Treasury

Employed at the Treasury Department from February 16, 1939, until March 21, 1947, with military leave of absence being granted during World War II.

1. Transferred from the Department of Agriculture to the Treasury Department on February 16, 1939, as an economic analyst, Division of Monetary Research, at a salary of \$3800.00 per year.
2. On January 1, 1942, promoted to Principal Economic Analyst in the Division of Monetary Research at a salary of \$5600.00 per year.
3. On March 6, 1943, began military furlough, and at the time of leaving was earning \$5600.00 per year.
4. Returned from military furlough on October 15, 1945, and resumed his occupation at the Treasury Department at a salary of \$7,175.00 per year.
5. Resigned on March 21, 1947, and at that time was earning \$8,179.50 per year.

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II. Key Derogatory Information

Beginning in about August, 1941 and continuing up until at least September, 1944, Elizabeth Bentley had personal knowledge that Ullman was engaged in securing official Government documents and other information to be transmitted through her to Jacob K. Golos.

Ullman was a member of a Soviet espionage ring in Washington, D. C. He lived at the home of Nathan Gregory Silvermaster, and other members of this espionage group included Silvermaster, his wife, Abraham Silverman, Harry Dexter White and others.

Ullman was proficient in document photography and an elaborate photographic laboratory was set up in the basement of the Silvermaster residence.

Ullman was drafted into the United States Army in 1943 and, subsequent to receiving a commission in the Air Corps, he was assigned to the Pentagon through the efforts of Abraham Silverman. In the summer of 1943 a steadily increasing volume of material was obtained by Ullman and by Silverman from the Pentagon which was subsequently photographed and turned over to Bentley. Through conversations with Ullman and Silvermaster, Bentley learned that the material which was being supplied by Ullman and Silverman included data on the following: aircraft production figures, allocation and deployment of aircraft, results of testing of aircraft, personnel data concerning important air force officers, data concerning the construction of the B-29, data concerning the approximate schedule of D-Day, allocation and development of tanks, guns and motorized equipment, and similar technological and strategic information.

According to Bentley, Ullman was a member of the Communist Party in Washington, D. C.

On August 10, 1948, Ullman appeared before the House Committee on Un-American Activities and testified that he knew White well, and that he knew Silvermaster since 1935 and had resided with him since 1938. Ullman denied having assisted Silvermaster in taking pictures of Government documents in the basement of Silvermaster's home, and further denied furnishing Army documents to Silvermaster. Claiming protection under the Fifth Amendment, Ullman refused to testify if he had set up a photographic lab in Silvermaster's home and also refused to answer whether or not he was or had ever been a member of the Communist Party. He also refused to testify whether he had any photographic equipment at that time (1948) in Silvermaster's home at Harvey Cedars, New Jersey.

III. Relationship with Harry Dexter White

1. Originally hired by White for employment in the Treasury Department as an economic analyst in 1939. White was Ullman's immediate superior in the Division of Monetary Research.
2. On January 1, 1942, while still under the supervision of White Ullman was promoted to Principal Economic Analyst.
3. On November 9, 1940, a communication was addressed to Ullman's Selective Service Board by the Treasury Department under the signature of H. D. White requesting deferment for Ullman.
4. On August 13, 1948, Harry Dexter White appeared as a witness before the House Committee on Un-American Activities. He testified that Ullman had previously worked under his direction in the Treasury Department and that he knew him well. He described Ullman as a friend whom he had personally hired to a position with the Treasury Department. White stated that Ullman was very interested in photography and that on occasion the latter had done photographic work for him which was excellent in quality.

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VIRGINIUS FRANK COE

In the summary prepared on Virginius Frank Coe, there are two statements made which do not appear to be in accord with the facts. In the list of persons said to have been named by Bentley and Chambers as Communists and/or persons engaged in espionage and with whom Coe reportedly was associated, there appears the name of Alexander Stevens; the latter, also known as J. Peters, was not known to have had direct contact with Coe. Whittaker Chambers said he had heard J. Peters and others discuss during the 1930's the question of bringing Coe from Canada and placing him in the Treasury Department under Harry Dexter White. There is no proof that Coe and Alexander Stevens (J. Peters) were actually acquainted or associated.

The information that (Frank) Coe was reported to have been a member of the Washington Committee for Aid to China in the late 1930's or early 1940's is inaccurate. Investigation disclosed that while it was originally reported that this individual was Frank Coe, it was subsequently learned that the individual in the organization was his brother, Charles J. (Bob) Coe.

IRVING SIGMUND FRIEDMAN

In the opening paragraph of this summary, it is stated that Friedman commenced employment with the Treasury Department on June 19, 1941. In paragraph two of this summary, it is stated that Friedman received an appointment as an economist analyst in the Treasury Department on June 30, 1941. The latter date is correct.

In paragraph three of this summary, "Amerasia" is misspelled.

It is stated in paragraph five that Friedman was employed as a research associate by Edward C. Carter from May, 1938, to February, 1940, at the International Secretariat of the Institute of Pacific Relations. Information in our files indicates that he was employed with the I.P.R. from June, 1938, to August, 1939.

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The information appearing in paragraph five to the effect that Silvermaster at one time described Friedman as their Far Eastern man originates from a highly confidential source which might be jeopardized and, therefore, it is suggested that this paragraph be deleted.

HAROLD GLASSER

On page two, paragraph two, in this summary, it is stated that according to Bentley, Glasser in 1943-1944, furnished to her general information from Treasury Department files. This does not appear to be accurate since in paragraph one on the same page of this summary, it is indicated that Bentley did not know Glasser until 1944.

On page two, paragraph six, of this summary, you state that during an interview with Glasser by agents of the Federal Bureau of Investigation, Glasser admitted knowing a number of individuals, including Henry Hill Collins. This is not accurate. Glasser did not admit knowing Collins during this interview.

MAURICE HYMAN HALPERIN

No observations.

IRVING KAPLAN

On page one, paragraph two, of this summary, it is stated that Kaplan was subsequently transferred on May 12, 1943 from the Division of Monetary Research to the Office of War Mobilization and Reconversion. Information in our files indicates that Kaplan was transferred to the Office of War Mobilization and Reconversion on May 19, 1943.

On page four, paragraph two, information is set out which was obtained from a highly confidential source which might be jeopardized. In the interest of security, it is suggested that you delete this paragraph.

In the last paragraph on page three in this summary, it is noted that information is set out which comes from grand jury testimony. In view of the fact that such testimony

is normally considered secret, you may wish to consider the possible effects of such a disclosure of this testimony to a Senate Committee.

VICTOR PERLO

On page one of this summary under item two, it is stated that Perlo resigned from the Treasury on March 27, 1947, to accept a position with the Inter-Governmental Committee on Refugees. It must be noted that this position did not materialize and in May, 1947, Perlo went to work for the Progressive Party.

On page one, paragraph one, under the heading "Key Derogatory Information," reference is made to a meeting in the apartment of John Abt in New York City in 1944. It is stated that at this meeting, Perlo and others who were present discussed the various types of material which they could obtain by virtue of their Government employment for the purpose of delivering such information to Bentley to be transmitted to her Soviet principals in the espionage ring. It is suggested that the underlined portion of this statement is a gratuitous assumption since it creates the impression that everyone at this meeting discussed the fact that the information they were furnishing was to be transmitted by Bentley to her Soviet principals.

In paragraph three under Section II in this summary, it is stated that according to Whittaker Chambers, Perlo was a member of an underground Communist Party espionage ring in Washington, D. C. This is inaccurate. He did not say that Perlo was engaged in espionage. In the last paragraph on page one, it is stated that Katherine Wills determined that Victor Perlo was a member of an underground Communist group which included, inter alia, Harold Glasser. This is inaccurate. Wills did not name Harold Glasser as a member of this group.

On page two, it is stated that according to Nathaniel Weyl, Lenore Thomas Straus and Richard Vincent Gilbert, Perlo was a member of the Communist Party. This is inaccurate.

Gilbert did not state that Perle was a Communist Party member. It is noted that the last paragraph on page two refers to certain testimony before a Federal grand jury. Since such testimony is normally considered secret, you may wish to consider the possible effects of the disclosure of this testimony to a Senate Committee.

ABRAHAM GEORGE SILVERMAN

No observations.

NATHAN GREGORY SILVERMASTER

Information in paragraph four under the heading, "Key Derogatory Information," indicates that a confidential informant advised in May, 1951, that he had known Silvermaster in San Francisco during 1934 and that Silvermaster had admitted that he was one of the higher level of secret Communist Party leaders. You should note that in the report reflecting this information, this informant was characterized as one of unknown reliability.

In the last paragraph on the first page of your summary, it is stated that Silvermaster appeared before the Senate Internal Security Subcommittee on April 12, 1953. The correct date for his appearance before this committee is April 16, 1953.

It is stated in paragraph two on page two, that Bentley advised that Mrs. Silvermaster made arrangements to have Sonya Gold placed as Harry White's secretary. You will note that Miss Bentley actually advised in her statement of November 30, 1945, that Sonya Gold obtained a position as one of the secretaries in Harry White's department.

WILLIAM HENRY TAYLOR

On page two, paragraph five, in this summary, reference is made to hearings before the McCarran Committee. It appears that this committee actually was the McCarthy Committee.

The first paragraph on page three indicates that Taylor "is the subject of a continuing investigation under Executive Order 10422" It should be noted that Taylor's investigation under Executive Order 10422 is completed.

On page four in the first paragraph, you state that on December 1, 1952, White testified that he believed he first met Harry Dexter White in the early part of 1940. It is believed that the testimony referred to is the testimony of Taylor rather than White.

On page four, paragraph two, certain information is set out and a statement is made to the effect that it is the only information in the files concerning this matter. It is believed that the statement that this is the only information in the files is too all inclusive.

WILLIAM LUDWIG ULLMAN

It is stated on page two, paragraph four, in this summary, that Ullman was drafted into the United States Army in 1943. It should be noted that Ullman entered the United States Army October 12, 1942.

In the last paragraph on page two of this summary, it is stated that Ullman denied having assisted Silvermaster in taking pictures of Government documents in the basement of Silvermaster's home and further denied furnishing army documents to Silvermaster. It would appear that Ullman did not enter a denial to this allegation but actually claimed the protection of the Fifth Amendment.


Attachment

DISSEMINATION LISTING

There is being set forth hereinafter the dissemination which was made on eleven individuals in letters and summaries disseminated to various agencies and individuals in the executive branch of the Government. The individuals referred to are as follows:

- Solomon Adler
- Virginius Frank Cox
- Irving Sigmund Friedman
- Harold Glasser
- Maurice Hyman Halperin
- Irving Kaplan
- Victor Perlo
- Abraham George Silverman
- Nathan Gregory Silvermaster
- William Henry Taylor
- William Ludwig Ullman

In the interest of brevity, dissemination data relating to all eleven individuals is set forth in the various documents described below and the listing sets out if the individual is named in the summary. The remaining dissemination is set out separately under the name of the individual.

LETTER TO GENERAL HARRY HAWKINS VAUGHAN DATED NOVEMBER 8, 1945.

<u>Agency</u>	<u>Transmittal</u>
White House	Letter to General Vaughan dated November 8, 1945

In this letter the following individuals are mentioned: Halperin, Perlo, Silverman, Silvermaster, and Ullman.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

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- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gandy _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Sizoo _____
- Miss Gandy _____

RJL:awn awr

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[Handwritten initials and scribbles]

**SUMMARY. "SOVIET ESPIONAGE IN THE UNITED STATES." DATED
NOVEMBER 27, 1945.**

Agency

Transmitted

White House

Letter to General Vaughan
dated December 4, 1945.

Department of
Justice

Memorandum to Attorney General
dated December 4, 1945.

Department of State

Letter to Secretary of State
dated December 4, 1945.

Copy delivered personally to
Mr. Fred Lyon for Spruille Braden
on December 7, 1945.

Department of the
Navy

Letter to Secretary Forrestal
dated December 7, 1945. Personally
delivered on December 7, 1945.

In this summary the following individuals are
mentioned: Adler, Glasser, Halperin, Perlo,
Silverman, Silvermaster, Taylor, and Ullman.

**SUMMARY. "SOVIET ESPIONAGE IN THE UNITED STATES." DATED
DECEMBER 12, 1945. (similar to November 27, 1945, summary).**

Agency or Individual

Transmitted

Admiral Leahy

Letter to Admiral Leahy, Chief of
Staff to the President, dated
February 20, 1946.

Department of State

Letter to Mr. Lyon dated
March 15, 1946.

Department of the
Army

Letter to General Vandenberg, G-3,
dated February 26, 1946. Personally
delivered February 28, 1946.

Agency or Individual Transmittal

Department of the Treasury Letter to Secretary Vinson dated March 5, 1946. Personally delivered March 6, 1946.

Department of Justice Copy delivered to Mrs. Stewart of the Attorney General's Office on July 24, 1946.

In this summary the following individuals are mentioned: Adler, Glasser, Halperin, Perlo, Silverman, Silvermaster, Taylor, and Ullman.

SUMMARY MEMORANDUM ON HARRY DEXTER WHITE DATED FEBRUARY 1, 1946.

Agency Transmittal

White House Letter to General Vaughan dated February 1, 1946. Personally delivered on February 4, 1946.

Department of Justice Letter to Attorney General dated February 4, 1946.

Department of State Letter to Mr. Lyon dated February 1, 1946. Personally delivered on February 4, 1946.

In this summary the following individuals are mentioned: Adler, Coe, Friedman, Glasser, Halperin, Kaplan, Perlo, Silverman, Silvermaster, Taylor, and Ullman.

SUMMARY. "UNDERGROUND SOVIET ESPIONAGE ORGANIZATION (NKVD) IN AGENCIES OF THE UNITED STATES GOVERNMENT." DATED FEBRUARY 21, 1946

Agency or Individual Transmittal

White House Letter to General Vaughan dated February 25, 1946. Personally delivered February 26, 1946.

Department of Justice Letter to Attorney General dated February 25, 1946. Personally delivered February 26, 1946.

Agency or Individual Transmittal

Department of State

Letter to Secretary Byrnes dated February 25, 1946. Personally delivered February 26, 1946.

Memorandum to Mr. Lyon dated March 13, 1946.

Admiral Leahy

Letter to Admiral Leahy, Chief of Staff to the President, dated March 13, 1946.

Department of the Treasury

Copy to Secretary Vinson. Personally delivered on March 4, 1946.

Central Intelligence Group

Letter to Admiral Souers dated April 2, 1946.

Department of the Army

Letter to General Vandenberg, G-2, dated March 7, 1946. Personally delivered on March 8, 1946.

In this summary the following individuals are mentioned: Adler, Gos, Friedman, Glasser, Halperin, Kaplan, Perle, Silverman, Silvermaster, Taylor, and Ullman.

SHORT SUMMARY. "UNDERGROUND SOVIET ESPIONAGE ORGANIZATION (NKVD) IN AGENCIES OF THE UNITED STATES GOVERNMENT." DATED FEBRUARY 21, 1946. (This is a short summary broken down by Government agencies in which suspected individuals were employed.)

Agency

Transmittal

Department of Justice

Memorandum to Attorney General dated February 28, 1946.

In this summary the following individuals are mentioned: Adler, Gos, Glasser, Halperin, Kaplan, Perle, Silverman, Silvermaster, Taylor, and Ullman.

SUMMARY. "THE COMINTERN APPARATUS," DATED MARCH 5, 1946.

Agency or Individual Transmitted

Admiral Leahy

Letter to Admiral Leahy, Chief of Staff to the President, dated March 7, 1946.

Department of Justice

Memorandum to Attorney General dated March 7, 1946.

Department of State

Letter to Secretary Byrnes dated March 7, 1946.

In this summary the following individuals are mentioned: Adler, Glasser, Perlo, Silverman, Silvermaster, and Ullman.

SUMMARY. "SOVIET ACTIVITIES IN THE UNITED STATES," DATED JULY 25, 1946.

Agency

Transmitted

White House

Letter to Attorney General, July 25, 1946, enclosing two copies. One copy for White House for delivery to Clark M. Clifford, Special Counsel to the President.

Department of Justice

Letter to Attorney General, July 25, 1946, enclosing copy for the Attorney General.

Copy furnished Miss O'Donnell of Attorney General's Office on August 3, 1946, at Attorney General's request.

In this summary the following individuals are mentioned: Adler, Coe, Glasser, Halperin, Kaplan, Perlo, Silverman, Silvermaster, Taylor, and Ullman.

SUMMARY. "UNDERGROUND SOVIET ESPIONAGE ORGANIZATION (NKVD) IN AGENCIES OF THE UNITED STATES GOVERNMENT." DATED OCTOBER 21, 1946.

Agency or Individual Transmittal

White House

Letter to George E. Allen, Presidential Advisor, dated December 16, 1946. Personally delivered December 30, 1946.

Department of Justice

Letter to Attorney General dated November 27, 1946.

Letter to Attorney General dated December 2, 1946, furnishing additional copy.

Letter to Mr. A. Devitt Vanech, Special Assistant to the Attorney General, on December 6, 1946.

Department of State

Letter to Secretary of State, November 25, 1946. Delivered November 26, 1946.

Letter to Frederick B. Lyon, December 12, 1946. Personally delivered December 13, 1946.

Department of the Treasury

Memorandum to Assistant Attorney General T. Vincent Quinn dated March 6, 1948, with copy to be made available to Mr. Edward Foley of the Treasury Department.

In this summary the following individuals are mentioned: Adler, Coe, Friedman, Glasser, Halperin, Kaplan, Perlo, Silverman, Silvermaster, Taylor, and Ullman.

SUMMARY MEMORANDUM, "SUMMARY OF SOVIET AND SATELLITE ESPIONAGE AND COMMUNIST ACTIVITIES IN THE UNITED STATES," DATED DECEMBER 15, 1948.

Agency

Transmitted

Department of Justice

Memorandum to the Attorney General dated December 17, 1948.

White House

Letter dated December 17, 1948, to Major General Harry Hankins Vaughan.

Department of Justice

Memorandum to the Assistant Attorney General Alexander M. Campbell dated December 21, 1948.

Department of State

Letter to George S. Marshall, Secretary of State, dated December 21, 1948. Personally delivered December 22, 1948, to C. H. Humelsine for General Marshall.

Department of Defense

Letter to James V. Forrestal, Secretary of Defense, dated December 21, 1948. Personally delivered to Colonel Wood, Aide to Secretary Forrestal, December 22, 1948.

Department of the Air Force

Letter to W. Stuart Symington, Secretary of the Air Force, dated December 21, 1948. Personally delivered to Secretary Symington December 22, 1948.

National Security Council

Letter to Rear Admiral Sidney W. Souers, Executive Secretary, National Security Council, dated December 21, 1948. This was delivered to J. P. Coyne, National Security Council, December 22, 1948.

Agency

Transmittal

Atomic Energy
Commission

Letter to David E. Lilienthal,
Chairman, Atomic Energy
Commission, dated December 21,
1948. Personally delivered
December 22, 1948.

Atomic Energy
Commission

Letter to Admiral Lewis L.
Strauss, Atomic Energy
Commission, dated December 21,
1948. Personally delivered
December 22, 1948.

Department of the
Army

Letter dated December 21, 1948,
to Major General Stafford L.
Irvin, Director of Intelligence,
General Staff, Department of
the Army. Delivered to General
Bolling, Intelligence Division
of the Army, December 22, 1948.

Department of the
Navy

Letter to Rear Admiral Thomas
B. Inglis, Chief of Naval
Intelligence, Department of
the Navy, dated December 21,
1948. Personally delivered
December 22, 1948.

Department of the
Air Force

Letter to Major General Charles P.
Cabell, Director of Intelligence,
Department of the Air Force,
dated December 21, 1948.
Personally delivered December 22,
1948.

Central Intelligence
Agency

Letter to Rear Admiral Roscoe H.
Hillenkoetter, Director, CIA,
dated December 21, 1948.
Personally delivered December 22,
1948.

Department of State

George F. Kennan, Department of
State. Personally delivered
January 6, 1949.

In this summary the following individuals are
mentioned: Adler, Coe, Glasser, Halperin, Kaplan,
Perle, Silvermaster, Taylor, and Ullman.

INVESTIGATIVE REPORTS SUBMITTED BY FBI FIELD OFFICES IN CASE
ON "NATHAN GREGORY SILVERMASTER, ETAL, ESPIONAGE - R."

Prior to the presentation of the case to a Federal Grand Jury in the Southern District of New York in 1947 and 1948, all investigative reports prepared up to that time were made available to the officials of the Department of Justice responsible for the prosecutive presentation of the facts. Reports prepared after the Grand Jury began hearing the testimony and those prepared subsequent to the termination of the Federal Grand Jury have been made available to the appropriate officials of the Department of Justice.

RE: SOLOMON ADLER, with aliases,
Schlömer Adler, Sol Adler,
Salomon Adler

In addition to the dissemination which is being set forth separately concerning the above, there is being set forth hereinafter the dissemination made on this individual in other communications up to the date of his resignation from the Department of the Treasury on May 11, 1950.

SUMMARY ON SOLOMON ADLER DATED FEBRUARY 21, 1947.

Agency

Department of Justice

Transmittal

Letter to the Attorney General, March 7, 1947.

LETTER DATED APRIL 4, 1947.

Agency

Department of Justice

Transmittal

Letter dated April 4, 1947, to Assistant Attorney General McGregor.

MEMORANDUM DATED MAY 29, 1947.

Agency

Department of Justice

Transmittal

Memorandum to the Attorney General, dated May 29, 1947.

MEMORANDUM DATED MARCH 12, 1948.

Agency

Department of Justice

Transmittal

By memorandum dated March 12, 1948, to Assistant Attorney General T. V. Quinn.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 7/20/93 BY SP3/clc/lmc
#223523
50427/2/1/75

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gandy _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Miss Gandy _____

RJL: rmc *[handwritten signature]*

65-56402-4042
BALDWIN

RE: WILLIAM LUDWIG ULLMAN, with aliases
William Ludwig Ullmann, Lud,
Lud Ullman, Ludwig Ullman

In addition to the dissemination which is being set forth separately concerning the above, there is being set forth hereinafter the dissemination made on this individual in other communications up to the date of his resignation from the Department of the Treasury on March 21, 1947:

MEMORANDUM ON WILLIAM LUDWIG ULLMAN DATED FEBRUARY 12, 1946.

Agency

Department of the Army

Transmittal

Letter to Lieutenant General Hoyt S. Vandenberg, G-2, dated February 12, 1946.
Personally delivered February 1, 1946.

LETTER DATED MARCH 7, 1946.

Agency

White House

Transmittal

Letter to General Vaughan March 7, 1946.

SUMMARY MEMORANDUM ON WILLIAM LUDWIG ULLMAN DATED MARCH 7, 1947.

Agency

Department of Justice

Transmittal

Memorandum to the Attorney General dated March 7, 1947.

MEMORANDUM DATED MARCH 17, 1947.

Agency

Department of Justice

Transmittal

Memorandum to the Attorney General dated March 17, 1947.

Tolson _____
Ladd _____
Nichols _____
Belmont _____
Clegg _____
Glavin _____
Harbo _____
Rosen _____
Tracy _____
Gearty _____
Mohr _____
Winterrowd _____
Tele. Room _____
Holloman _____
 Sizoo _____
Miss Gandy _____

RJL:awn

65-56402-4062
ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 7/30/82 BY SP3 CLK/TMR
3042 Purbbs
#223,503

REPORT DATED APRIL 9, 1948, AT NEW YORK. (SA Joseph M. Kelly)

Agency

Department of
Justice

Transmittal

Memorandum to Assistant
Attorney General T. V. Quinn,
dated April 14, 1948.

REPORT DATED JULY 6, 1948, AT WASHINGTON, D. C. (SA Edward L. Gramp)

Agency

Department of
Justice

Transmittal

Letter to Assistant Attorney
General T. V. Quinn, dated
July 22, 1948.

Civil Service
Commission

Letter to James E. Hatcher,
July 22, 1948.

REPORT DATED JUNE 25, 1948, AT NEW YORK. (SA Albert J. Klein)

Agency

Department of
Justice

Transmittal

Letter to Assistant Attorney
General T. V. Quinn, July 22,
1948.

Civil Service
Commission

Letter to James E. Hatcher,
July 22, 1948.

REPORT DATED JUNE 26, 1948, AT CHICAGO, ILLINOIS. (SA Daniel J. McCarthy)

Agency

Department of
Justice

Transmittal

Memorandum to Assistant
Attorney General T. V. Quinn,
July 22, 1948.

Civil Service
Commission

Letter to James E. Hatcher,
July 22, 1948.

REPORT DATED JUNE 26, 1948, AT LOS ANGELES, CALIFORNIA. (SA Peter J. Nero)

Agency

Department of
Justice

Transmittal

Memorandum to Assistant
Attorney General T. V. Quinn,
July 22, 1948.

Civil Service
Commission

Memorandum to James E.
Hatcher, July 22, 1949.

REPORT DATED FEBRUARY 11, 1949, AT WASHINGTON, D. C. (SA Edward L. Grapp)

Agency

Transmittal

Department of
Justice

Letter to the Assistant
Attorney General A. M.
Campbell, February 25, 1949.

Civil Service
Commission

Memorandum to James E.
Hatcher, February 17, 1949.

Department of
the Treasury

Memorandum to James H. Hard,
Chairman, Loyalty Board,
February 17, 1949.

REPORT DATED FEBRUARY 11, 1949, AT NEW YORK. (SA Leo J. Fitzsimmons)

Agency

Transmittal

Department of
Justice

Memorandum to Assistant
Attorney General A. M. Campbell,
February 25, 1949.

Civil Service
Commission

Memorandum to James E.
Hatcher, February 17, 1949.

Department of
the Treasury

Memorandum to James H. Hard,
Chairman, Loyalty Board,
February 17, 1949.

REPORT DATED FEBRUARY 11, 1949, AT SAN FRANCISCO, CALIFORNIA.

Agency

Transmittal (SA Burke Mitchell)

Department of
Justice

Memorandum to Assistant
Attorney General A. M.
Campbell, February 25, 1949.

Civil Service
Commission

Memorandum to James E.
Hatcher, February 17, 1949.

Department of
the Treasury

Memorandum to James H. Hard,
Chairman, Loyalty Board,
February 17, 1949.

REPORT DATED FEBRUARY 11, 1949, AT OMAHA, NEBRASKA, (SA Clive G. Matthews)

Agency

Department of
Justice

Civil Service
Commission

Department of
the Treasury

Transmittal

Memorandum to Assistant
Attorney General A. M.
Campbell, February 25, 1949.

Memorandum to James E.
Hatcher, February 17, 1949.

Memorandum to James H. Hard,
Chairman, Loyalty Board,
February 17, 1949.

LETTER DATED MAY 19, 1949.

Agency

Department of
Justice

Transmittal

Letter dated May 19, 1949,
to Mr. Peyton Ford, Assistant
Attorney General.

REPORT DATED FEBRUARY 20, 1950, AT NEW YORK. (SA Albert Franz)

Agency

Department of
Justice

Civil Service
Commission

Transmittal

Memorandum to Assistant
Attorney General James H.
McInerney, dated February 27,
1950.

Memorandum to James E.
Hatcher, dated February 27,
1950.

MEMORANDUM DATED APRIL 17, 1950.

Agency

Civil Service
Commission

Transmittal

Memorandum to James E.
Hatcher, Chief, Investigations
Division, dated April 17, 1950.

MEMORANDUM DATED APRIL 17, 1950.

Agency

Department of
Justice

Transmittal

Memorandum to Assistant
Attorney General McInerney,
dated April 17, 1950.

RE: MAURICE HYMAN HALPERIN, with aliases,
Maury Halpern, Maurice Halpern

In addition to the dissemination which is being set forth separately concerning the above, there is being set forth hereinafter the dissemination made on this individual in other communications up to the date of his resignation from the Department of State on May 31, 1946.

HATCH ACT INVESTIGATIVE REPORTS DATED DECEMBER 5, 1941;
JANUARY 15, 1942; MARCH 17, 1942.

Agency

Office of
Coordinator of
Information

Transmittal

Letter to Colonel W. J.
Dovevan, Coordinator of
Information, dated March 27,
1942.

LETTER DATED MAY 10, 1946.

Agency

Department of
State

Transmittal

Letter to Secretary of State,
dated May 10, 1946.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/3/82 BY SP3 CLC/DAE

#223,503

11/28/88

3042 RWT/JS

65-56402-4042

EX-103

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gandy _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Miss Gandy _____

RJL:rmc

RE: IRVING SIGMUND FRIEDMAN

In addition to the dissemination which is being set forth separately concerning the above, there is being set forth hereinafter the dissemination made on this individual in other communications up to the present date.

REPORT DATED MAY 11, 1945, AT WASHINGTON, D. C.

Agency

Department of Justice

Transmittal

Date of transmittal not known.

REPORT DATED MAY 26, 1945, AT WASHINGTON, D. C.

Agency

Department of Justice

Transmittal

Date of transmittal not known.

REPORT DATED JUNE 13, 1945, AT WASHINGTON, D. C.

Agency

Department of Justice

Transmittal

Date of transmittal not known.

SUMMARY REPORT DATED MARCH 25, 1953, AT NEW YORK CITY.

Agency

Department of Justice

Transmittal

Copies furnished to Records Administration Branch, April 29, 1953.

Department of Justice

Copy furnished to Special Assistant to the Attorney General Thomas J. Donegan, April 29, 1953.

Department of State

Copy furnished April 29, 1953.

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gearty _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Miss Gandy _____

RJL:rmc

65-56402-4040

ENCLOSURE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/31/82 BY 503 CCL/MLC

REPORTS DATED JUNE 29, 1953, AT NEWARK, NEW JERSEY; JULY 10, 1953, AT WASHINGTON, D. C.; JULY 22, 1953, AT NEW YORK CITY.

Agency

Department of
Justice

Civil Service
Commission

Transmittal

Furnished to Assistant Attorney
General Warren Olney III by
memorandum dated July 31, 1953.

To Special Assistant to the
Attorney General T. J. Donegan
through the New York office of
the FBI, July 31, 1953.

Four copies furnished by
memorandum dated July 31, 1953.

REPORT DATED AUGUST 7, 1953, AT WASHINGTON, D. C.

Agency

Department of
Justice

Civil Service
Commission

Transmittal

Copy furnished to Assistant
Attorney General Warren
Olney III by memorandum dated
August 19, 1953.

Copy furnished to Special
Assistant to the Attorney
General T. J. Donegan through
the New York office of the FBI,
August 19, 1953.

Four copies furnished by
memorandum dated August 19,
1953.

RE: VIRGINIUS FRANK COX

In addition to the dissemination which is being set forth separately concerning the above, there is being set forth hereinafter the dissemination made on this individual in other communications up to the date of his resignation from the International Monetary Fund on December 3, 1952.

LETTER FROM THE WASHINGTON FIELD OFFICE OF THE FEDERAL BUREAU OF INVESTIGATION DATED MAY 13, 1947.

Agency

Department of Justice

Transmittal

Memorandum to the Attorney General, dated May 17, 1947.

MEMORANDUM DATED APRIL 27, 1948.

Agency

Department of Justice

Transmittal

Memorandum to the Attorney General, dated April 27, 1948.

REPORT DATED MAY 15, 1951, AT WASHINGTON, D. C. (SA John Van Etten)

Agency

Department of the Treasury

Transmittal

Forwarded to Treasury Department, February 26, 1952.

Department of State

Forwarded to State Department, September 24, 1951.

Department of Justice

Forwarded to Division of Records, September 24, 1951.

REPORT DATED JUNE 16, 1951, AT LOUISVILLE, KENTUCKY. (SA Hugh M. By

Agency

Department of Justice

Transmittal

Forwarded to the Assistant Attorney General, November 20, 1952.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/30/82 BY SP5 c2c/mk
#8923503
11/15/88

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gearty _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Miss Gandy _____

65-56402-4047
BRUNN

Civil Service
Commission

Forwarded November 20, 1952.

REPORT DATED JULY 12, 1951, AT CHICAGO, ILLINOIS. (SA William H. Sh)

Agency

Transmittal

Department of
Justice

Forwarded November 20, 1952,
to the Assistant Attorney
General.

Civil Service
Commission

Forwarded November 20, 1952.

REPORT DATED APRIL 17, 1952, AT WASHINGTON, D. C. (SA Patrick M. Ric

Agency

Transmittal

Department of
Justice

Forwarded to the Division of
Records, May 1, 1952.

Department of
the Treasury

Delivered personally on
August 14, 1952.

Department of
State

Forwarded August 14, 1952.

Department of
the Army

Forwarded September 29, 1952.

REPORT DATED APRIL 23, 1952, AT RICHMOND, VIRGINIA. (SE Elbert H. G)

Agency

Transmittal

Department of
Justice

Forwarded to Assistant Attorney
General, November 20, 1952.

Civil Service
Commission

Forwarded November 20, 1952.

REPORT DATED MAY 10, 1952, AT MIAMI, FLORIDA. (SA Douglass E. Wendel

Agency

Transmittal

Department of
Justice

Forwarded to Assistant Attorney
General, November 20, 1952.

Civil Service
Commission

Forwarded November 20, 1952.

MEMORANDUM DATED NOVEMBER 18, 1952.

Agency

Department of
Justice

Transmittal

Memorandum to Assistant
Attorney General Charles B.
Murray, informing that copies
of reports dated May 15, 1951,
and April 17, 1952, at Washingto
D. C., were to be made available
to Roy Cohn, Special Assistant
to the Attorney General.

RE: HAROLD GLASSER

In addition to the dissemination which is being set forth separately concerning the above there is being set forth hereinafter the dissemination made on this individual in other communications up to the date of his resignation from the Department of the Treasury on December 31, 1947.

MEMORANDUM DATED APRIL 3, 1941.

Agency

Department of Justice

Transmittal

Memorandum to Mr. L.M.C. Smith dated April 3, 1941.

MEMORANDUM DATED SEPTEMBER 5, 1941.

Agency

Department of Justice

Transmittal

Memorandum to Assistant to the Attorney General Matthew F. McGuire dated September 5, 1941.

REPORT DATED NOVEMBER 7, 1941, AT CHICAGO, ILLINOIS

Agency

Department of State

Transmittal

Report forwarded to Department of State January 21, 1943.

REPORT DATED NOVEMBER 8, 1941, AT PHILADELPHIA, PENNSYLVANIA

Agency

Department of State

Transmittal

Report forwarded to Department of State on January 21, 1943.

REPORT DATED NOVEMBER 19, 1941, AT ST. PAUL, MINNESOTA

Agency

Department of State

Transmittal

Report forwarded to Department of State on January 21, 1943.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/30/82 BY SP3 c/c/TAC

#273523
11/28/84

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gearty _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Miss Gandy _____

ENCLOSURE

65-56402-4042

REPORT DATED NOVEMBER 19, 1941, AT CHICAGO, ILLINOIS

Agency

Department of
State

Transmittal

Report forwarded to Department
of State on January 21, 1943.

REPORT DATED NOVEMBER 27, 1941, AT CHICAGO, ILLINOIS

Agency

Department of
State

Transmittal

Report forwarded to Department
of State on January 21, 1943.

REPORT DATED DECEMBER 3, 1941, AT WASHINGTON, D. C.

Agency

Department of Justice

Transmittal

Report forwarded to Department
of Justice on April 14, 1942.

Department of
State

Report forwarded to Department
of State on January 21, 1943.

Department of
Treasury

Letter to Secretary of
Treasury dated January 26, 1942.

REPORT DATED JANUARY 13, 1942, AT CLEVELAND, OHIO

Agency

Department of
State

Transmittal

Report forwarded to Department
of State on January 21, 1943.

SUMMARY "SOVIET ESPIONAGE ACTIVITY" DATED FEBRUARY 6, 1946

Agency

Attorney General

Transmittal

Memorandum to Attorney General
dated February 7, 1946.

MEMORANDUM DATED MARCH 7, 1947

Agency

Department of
Justice

Transmittal

Memorandum to the Attorney
General dated March 7, 1947.

MEMORANDUM DATED APRIL 4, 1947

Agency

Department of
Justice

Transmittal

Memorandum to Assistant
Attorney General D. W. McGregor
dated April 4, 1947.

MEMORANDUM DATED MAY 17, 1947

Agency

Department of
Justice

Transmittal

Memorandum to the Attorney
General dated May 17, 1947.

LETTER DATED SEPTEMBER 4, 1947

Agency

Attorney General

Transmittal

Memorandum to Attorney General
dated September 4, 1947.

RE: IRVING KAPLAN

In addition to the dissemination which is being set forth separately concerning the above there is being set forth hereinafter the dissemination made on this individual in other communications up to the date of his separation from the United Nations on May 29, 1952.

DEPARTMENTAL APPLICANT INVESTIGATION 1938-1939

Agency

Department of Justice

Transmittal

Copies of investigative reports were forwarded to Joseph B. Keenan, Assistant to the Attorney General during 1938 and 1939.

SUMMARY MEMORANDUM ON WILLIAM LUDWIG ULLMAN DATED FEBRUARY 12, 1946

Agency

Department of the Army

Transmittal

Letter to Lieutenant General Hoyt S. Vandenberg, G-2, dated February 12, 1946. Personally delivered February 18, 1946.

LETTER DATED OCTOBER 8, 1946

Agency

White House

Transmittal

Letter to George E. Allen, Presidential Advisor dated October 8, 1946. Personally delivered October 10, 1946.

LETTER DATED OCTOBER 30, 1946.

Agency

White House

Transmittal

Letter to George E. Allen, Presidential Advisor, dated October 30, 1946. Personally delivered October 31, 1946.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 7/30/82 BY SP8 CLK/jms
11/28/98 77523, 523
304949/ur/ps

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gearty _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Miss Gandy _____

65-56402-4042

ENCLOSURE

SUMMARY MEMORANDUM ON HARRY SAMUEL MAGDOFF, DATED DECEMBER 24, 1946

Agency

Department of
Justice

Transmittal

Memorandum to the Attorney
General dated December 26, 1946,
enclosing summary memorandum.

MEMORANDUM DATED MARCH 7, 1947

Agency

Department of
Justice

Transmittal

Memorandum to the Attorney
General on March 7, 1947.

SUMMARY ON EDWARD JOSEPH FITZGERALD DATED SEPTEMBER 10, 1947

Agency

Department of
Commerce

Transmittal

Letter to W. A. Harriman,
Secretary of Commerce, dated
September 10, 1947.

MEMORANDUM DATED OCTOBER 29, 1952

Agency

Department of
Justice

Transmittal

Memorandum to Assistant Attorney
General Charles B. Murray dated
October 29, 1952.

REPORT DATED MARCH 8, 1951, AT NEW YORK

Agency

Department of
Justice

Transmittal

Memorandum to Assistant Attorney
General James H. McInerney dated
March 12, 1951.

Department of
State

Memorandum to Donald L. Nicholson,
Chief, Division of Security, dated
March 12, 1951. Personally
delivered March 13, 1951.

Department of
Justice

Date of transmittal unknown.

REPORT DATED APRIL 25, 1951, AT NEW YORK

Agency

Department of
State

Department of
Justice

Transmittal

Report forwarded May 16, 1951.

Report forwarded to Division
of Records, May 16, 1951.

LETTER DATED APRIL 30, 1951

Agency

Department of
State

Transmittal

Letter to Donald L. Nicholson,
Chief, Division of Security,
Department of State. Personally
delivered May 1, 1951.

REPORT DATED JUNE 16, 1951, AT NEW YORK

Agency

Department of
Justice

Department of
State

United States
Attorney, Southern
District of New York

Transmittal

Report forwarded to Division
of Records, June 27, 1951.

Report forwarded to State
Department, June 28, 1951.

Date of transmittal unknown.

REPORT DATED OCTOBER 23, 1951, AT NEW YORK

Agency

Department of State

Department of
Justice

United States
Attorney, Southern
District of New
York

Transmittal

Report forwarded to Department
of State, November 15, 1951.

Report forwarded to Division of
Records, November 15, 1951.

Date of transmittal unknown.

REPORT DATED DECEMBER 26, 1951, AT DALLAS, TEXAS

Agency

Transmittal

Department of
State

Report forwarded to Department
of State, January 8, 1952.

Department of
Justice

Report forwarded to Division
of Records, January 9, 1952.

United States
Attorney, Southern
District of New York

Date of transmittal unknown.

REPORT DATED JANUARY 2, 1952, AT NEW YORK

Agency

Transmittal

Department of
Justice

Report forwarded to Division
of Records, January 15, 1952.

Department of
State

Report forwarded to Department
of State, January 15, 1952.

United States
Attorney, Southern
District of New York

Date of transmittal unknown.

REPORT DATED FEBRUARY 25, 1952, AT NEW YORK

Agency

Transmittal

Department of
Justice

Report forwarded to Division
of Records, March 14, 1952.

Department of
State

Report forwarded to Department
of State, March 14, 1952.

United States
Attorney, Southern
District of New York

Date of transmittal unknown.

MEMORANDUM DATED MARCH 26, 1952

Agency

Transmittal

Department of
State

Memorandum to Donald L. Nicholson,
Chief, Division of Security.
Personally delivered March 28, 1952.

MEMORANDUM DATED APRIL 3, 1952

Agency

Department of
Justice

Department of
State

Transmittal

Memorandum to Assistant Attorney
General McInerney dated April 3,
1952.

Memorandum to Donald L. Nicholson
Chief, Division of Security,
dated April 3, 1952.

MEMORANDUM DATED APRIL 21, 1952

Agency

Department of
Justice

Department of
State

Transmittal

Memorandum to Assistant Attorney
General James M. McInerney dated
April 21, 1952.

Memorandum to Donald L. Nicholson
Chief, Division of Security, dated
April 21, 1952.

MEMORANDUM TO STATE DEPARTMENT DATED MAY 2, 1952

Agency

Department of
Justice

Department of
State

Transmittal

Memorandum to Assistant Attorney
General James M. McInerney dated
May 2, 1952.

Memorandum to Donald L. Nicholson
Chief, Division of Security, dated
May 2, 1952.

Tolson _____
Ladd _____
Nichols _____
Belmont _____
Clegg _____
Glavin _____
Harbo _____
Rosen _____
Tracy _____
Gearty _____
Mohr _____
Winterrowd _____
Tele. Room _____
Holloman _____
Miss Gandy _____

RE: VICTOR PERLO, with aliases
Victor Perlow
Nathan Perlow
Martin Stribling

In addition to the dissemination which is being set forth separately concerning the above there is being set forth hereinafter the dissemination made on this individual in other communications up to the date of his resignation from the Department of the Treasury on March 27, 1947.

SUMMARY ENTITLED "SOVIET ESPIONAGE ACTIVITY," DATED FEBRUARY 6, 1946

Agency

Department of Justice

Transmittal

Summary forwarded to the Attorney General on February 7, 1946.

Department of State

Letter to Frederick B. Lyon, dated February 7, 1946. Personally delivered February 11, 1946.

LETTER DATED MARCH 20, 1946 ENTITLED "P. BERNARD NORTMAN."

Agency

Department of State

Transmittal

Letter to Frederick B. Lyon, dated March 20, 1946.

LETTER AND SUMMARY DATED JULY 15, 1946, REGARDING ROBERT TALBOTT MILLER, III

Agency

Department of State

Transmittal

Letter to Frederick B. Lyon, dated July 15, 1946, delivered July 16, 1946.

SUMMARY MEMORANDUM DATED DECEMBER 24, 1946, ON HARRY SAMUEL MAGDO

Agency

Department of Justice

Transmittal

Memorandum to Attorney General, dated December 26, 1946.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/30/82 BY SP3 CLK/mr
11/29/88 7203528 PAB/bs

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Geary _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Miss Gandy _____

ENCLOSURE

65-56402-4047

SUMMARY ON VICTOR PERLO DATED FEBRUARY 21, 1947

Agency

Department of
Justice

Transmittal

Letter to Attorney General, dated
March 7, 1947.

LETTER DATED MARCH 26, 1947

Agency

Department of
State

Transmittal

Letter to Secretary of State
Marshall, dated March 26, 1947.

Tolson _____
Ladd _____
Nichols _____
Belmont _____
Clegg _____
Glavin _____
Harbo _____
Rosen _____
Tracy _____
Gandy _____
Mohr _____
Winterrowd _____
Tele. Room _____
Holloman _____
Miss Gandy _____

RE: ABRAHAM GEORGE SILVERMAN, with aliases,
A. George Silverman, George Silverman

In addition to the dissemination which is being set forth separately concerning the above, there is being set forth hereinafter the dissemination made on this individual in other communications up to the date of his resignation from the Materiel Division, U. S. Army Air Force, on August 18, 1945.

SUMMARY MEMORANDUM, "WILLIAM LUDWIG ULLMAN," DATED FEBRUARY 12, 1946.

Agency

Department of
the Army

Transmittal

Letter to Lieutenant General
Hoyt S. Vandenberg, G-2, dated
February 12, 1946.
Personally delivered, Febru-
ary 18, 1946.

SUMMARY MEMORANDUM DATED DECEMBER 24, 1946, CAPTIONED "HARRY SAMUEL MAGDOFF."

Agency

Department of
Justice

Transmittal

Memorandum to Attorney General,
dated December 26, 1946.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/30/82 BY SP3C/ctm

#223,503
11/28/88 3042 PWT/JS
65-56402-4042
BROWN

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gearty _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Miss Gandy _____

RJL: rmc *[Signature]*

RE: NATHAN GREGORY SILVERMASTER

In addition to the dissemination which is being set forth separately concerning the above, there is being set forth hereinafter the dissemination made on this individual in other communications up to the date of his resignation from the War Assets Administration on November 30, 1941.

MEMORANDUM DATED JUNE 30, 1941.

Agency

Department of Justice

Transmittal

Memorandum to Mr. Matthew McGuire, Assistant to the Attorney General, dated June 30, 1941.

REPORTS DATED FEBRUARY 21, 1942, AT SAN FRANCISCO, CALIFORNIA; MARCH 5, 1942, AT LOS ANGELES, CALIFORNIA; APRIL 8, 1942, AT NEW HAVEN, CONNECTICUT; APRIL 23, 1942, AT WASHINGTON, D. C.

Agency

Board of Economic Warfare

Transmittal

Letter to Mr. Milo Perkins, Executive Director, Board of Economic Warfare, dated May 6, 1942.

REPORTS DATED FEBRUARY 21, 1942, AT SAN FRANCISCO, CALIFORNIA; MARCH 5, 1942, AT LOS ANGELES, CALIFORNIA; APRIL 8, 1942, AT NEW HAVEN, CONNECTICUT; APRIL 23, 1942, AT WASHINGTON, D. C.

Agency

Department of Agriculture

Transmittal

Letter to Mr. James E. Buckley, Assistant Director of Personnel, dated May 6, 1942.

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gandy _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Miss Gandy _____

RJL:rmq:MMW

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/31/92 BY SP3C/Lme

#223503
11/28/88 65-56402-4042
3042 PWT/JS

REPORTS DATED FEBRUARY 10, 1942, AT SEATTLE, WASHINGTON;
FEBRUARY 21, 1942, AT SAN FRANCISCO, CALIFORNIA; MARCH 30, 1942,
AT ALBANY, NEW YORK; APRIL 23, 1942, AT WASHINGTON, D. C.; MAY 14,
1942, AT ALBANY, NEW YORK.

Agency

Department of
Justice

Transmittal

Memorandum to Mr. Lawrence H. C.
Smith, Chief, Special War Politi-
cies Unit, dated September 1,
1942.

REPORTS DATED OCTOBER 6, 1942, AT SEATTLE, WASHINGTON; OCTOBER 9,
1942, AT SAN FRANCISCO, CALIFORNIA.

Agency

Department of
Agriculture

Transmittal

Letter to Mr. F. Roy Reid,
Director of Personnel, dated
November 17, 1942.

REPORT DATED SEPTEMBER 3, 1943, AT WASHINGTON, D. C.

Agency

Interdepartmental
Committee on
Employee Investi-
gations

Transmittal

Memorandum dated September 17,
1943.

REPORTS DATED FEBRUARY 10, 1942, AT SAN FRANCISCO, CALIFORNIA;
MARCH 5, 1942, AT LOS ANGELES, CALIFORNIA; APRIL 8, 1942, AT
NEW HAVEN, CONNECTICUT; MAY 14, 1942, AT ALBANY, NEW YORK;
OCTOBER 6, 1942, AT SEATTLE, WASHINGTON; OCTOBER 9, 1942, AT
SAN FRANCISCO, CALIFORNIA.

Agency

Civil Service
Commission

Transmittal

Forwarded July 21, 1944.

SUMMARY MEMORANDUM ON WILLIAM LUDWIG ULLMAN DATED FEBRUARY 12, 1946.

Agency

Department of
the Army

Transmittal

Letter to General Vandenberg,
G-2, dated February 12, 1946.
Personally delivered on
February 18, 1946.

WILLIAM HENRY TAYLOR

In addition to the dissemination which is being set forth separately concerning the above, there is being set forth hereinafter the dissemination made on this individual in other communications up to the present date.

Agency

Transmittal

Department of Justice

Mr. Matthew W. McGuire, Assistant Attorney General, by memorandum dated August 4, 1941.

Department of State

Mr. Adolph A. Berle, Assistant Secretary of State, by letter dated January 29, 1942.

MEMORANDUM DATED MARCH 7, 1947.

Agency

Transmittal

Department of Justice

Memorandum to the Attorney General dated March 7, 1947.

LETTER FROM THE WASHINGTON FIELD OFFICE DATED MAY 18, 1947.

Agency

Transmittal

Department of Justice

Copy forwarded to the Attorney General May 18, 1947.

REPORT DATED MAY 17, 1949, AT WASHINGTON, D. C.

Agency

Transmittal

Department of the Treasury

Transmitted to the Treasury Department February 28, 1952.

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Mohr _____
- Tele. Rm. _____
- Nease _____

ERT:awn awn

65-56402-4042
ENCLOSURE

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 1/3/82 BY SP3 cdc/hrc
11/28/88
3042
pwp/ps
#7893, 603

Agency

Transmittal

Department of
Justice

Forwarded to the Records
Administration Branch July 24, 1952.

Copy transmitted through the New
York Office of the FBI to Special
Assistant to the Attorney General
Thomas J. Donagan on March 18, 1953.

Department of
State

Memorandum to Mr. Jack D. Neal,
Division of Security, Department
of State, dated August 29, 1949,
delivered by special messenger.

REPORT DATED NOVEMBER 28, 1951, AT NEW YORK CITY. (REPORT OF SA
THOMAS G. SPENCER)

Agency

Transmittal

Department of
State

Forwarded to the State Department
on December 7, 1951.

Department of
Justice

Forwarded to the Division of Records,
on December 7, 1951.

Department of the
Treasury

Forwarded to the Treasury Department
on February 28, 1952.

REPORT DATED JANUARY 14, 1952, AT WASHINGTON, D. C. (REPORT OF SA
LAMBERT G. ZANDI)

Agency

Transmittal

Department of
Justice

Forwarded to the Division of
Records on March 15, 1952.

Forwarded to Special Assistant
to the Attorney General Thomas J.
Donagan through the New York Office
of the FBI on March 18, 1953.

Department of the
Treasury

Forwarded on March 5, 1952.

REPORT DATED JUNE 9, 1952, AT WASHINGTON, D. C. (REPORT OF SA ROBERT H. BURKART)

<u>Agency</u>	<u>Transmittal</u>
Department of Justice	Forwarded to the Records Administration Branch on September 22, 1952.
Department of State	Forwarded on September 30, 1952.
Department of the Treasury	Forwarded on November 26, 1952.

REPORT DATED SEPTEMBER 5, 1952, AT WASHINGTON, D. C. (REPORT OF ROBERT H. BURKART)

<u>Agency</u>	<u>Transmittal</u>
Department of Justice	Forwarded to the Records Administration Branch on September 25, 1952.
Department of State	Forwarded on September 30, 1952.
Department of the Treasury	Forwarded on November 26, 1952.

REPORT DATED NOVEMBER 18, 1952, AT SAN FRANCISCO, CALIFORNIA. (REPORT SA PERRY W. MOUTHART)

<u>Agency</u>	<u>Transmittal</u>
Department of Justice	Forwarded to the Records Administration Branch on December 1, 1952.
Department of State	Forwarded to the Department of State on December 1, 1952.
Department of the Treasury	Forwarded to the Treasury Department on December 3, 1952.
Department of Justice	Forwarded to the Special Assistant to the Attorney General Thomas J. Donagan through the New York Office of the FBI on March 18, 1953.

REPORT DATED NOVEMBER 28, 1952, AT WASHINGTON, D. C. (REPORT OF SA ROBERT H. BURKAR)

<u>Agency</u>	<u>Transmittal</u>
Department of Justice	Forwarded to the Records Administration Branch on December 3, 1952.
Department of the Treasury	Forwarded to the Treasury Department on December 6, 1952.
Department of State	Forwarded to the State Department on December 11, 1952.

REPORT DATED NOVEMBER 24, 1952, at HONOLULU, T. H. (REPORT OF SA GERALD F. LONERGAN)

<u>Agency</u>	<u>Transmittal</u>
Department of Justice	Forwarded to the Records Administration Branch on December 9, 1952
Department of State	Forwarded to the Department of State on December 10, 1952.
Department of the Treasury	Forwarded to the Treasury Department on December 10, 1952.
Department of Justice	Forwarded to Special Assistant to the Attorney General Thomas J. Donegan through the New York Office of the FBI on March 18, 1953.

REPORT DATED DECEMBER 19, 1952, at HONOLULU, T. H. (REPORT OF SA JOHN R. HOOD)

<u>Agency</u>	<u>Transmittal</u>
Department of Justice	Forwarded to the Records Administration Branch on January 5, 1953.
Department of State	Forwarded to the Department of State on January 5, 1953.
Department of the Treasury	Forwarded to the Treasury Department on January 6, 1953.
Department of Justice	Forwarded to Special Assistant to the Attorney General Thomas J. Donegan through the New York Office of the FBI on March 18, 1953.

REPORT DATED JANUARY 20, 1953, AT HONOLULU, T. H. (REPORT OF SA JOHN HOOD)

Agency

Transmittal

Department of Justice

Forwarded to the Records Administration Branch on January 27, 1953.

Department of State

Forwarded to the Department of State on January 27, 1953.

Department of the Treasury

Forwarded to the Treasury Department on February 2, 1953.

REPORT DATED JANUARY 19, 1953, AT SAN FRANCISCO, CALIFORNIA, (REPORT SA FRED R. ELLEDGE)

Agency

Transmittal

Department of Justice

Forwarded to the Records Administration Branch on February 2, 1953.

Department of State

Forwarded to the Department of State on February 2, 1953.

Department of the Treasury

Forwarded to the Treasury Department on February 3, 1953.

Department of Justice

Forwarded to the Special Assistant to the Attorney General Thomas J. Donegan through the New York Office of the FBI on March 18, 1953.

REPORT DATED FEBRUARY 11, 1953, AT BUTTE, MONTANA, (REPORT OF SA HENRY A. BLASTIC)

Agency

Transmittal

Department of Justice

Forwarded to the Records Administration Branch on February 25, 1953.

Department of State

Forwarded to the Department of State on February 25, 1953.

Department of the Treasury

Forwarded to the Treasury Department on February 26, 1953.

REPORT DATED FEBRUARY 27, 1953, AT WASHINGTON, D. C. (REPORT OF SA ROBERT H. BURKART)

<u>Agency</u>	<u>Transmittal</u>
Department of Justice	Forwarded to the Records Administration Branch on March 19, 1953.
Department of State	Forwarded to the Department of State on March 19, 1953.
Department of the Treasury	Forwarded to the Treasury Department on March 19, 1953.

REPORT DATED MARCH 23, 1953, AT HONOLULU, T. H. (REPORT OF SA JOHN R HOOD)

<u>Agency</u>	<u>Transmittal</u>
Department of Justice	Forwarded to the Records Administration Branch on March 31, 1953.
Department of State	Forwarded to the Department of State on March 31, 1953.

REPORT DATED APRIL 22, 1953, AT MILWAUKEE, WISCONSIN. (REPORT OF SA ALEXANDER D. MANSON)

<u>Agency</u>	<u>Transmittal</u>
Department of Justice	Forwarded to the Records Administration Branch on May 1, 1953.
Department of State	Forwarded to the Department of State on May 25, 1953.

REPORT DATED MAY 20, 1953, AT WASHINGTON, D. C. (REPORT OF SA ROBERT BURKART)

<u>Agency</u>	<u>Transmittal</u>
Department of Justice	Forwarded to the Records Administration Branch on May 25, 1953.
Department of State	Forwarded to the Department of State on May 25, 1953.

REPORTS DATED MAY 15, 1953, AT PORTLAND, OREGON; MAY 20, 1953, AT NEW YORK CITY; JUNE 1, 1953, AT BUTTE; JUNE 2, 1953, AT HONOLULU; JUNE 2, 1953, AT LOS ANGELES; JUNE 3, 1953, AT CHICAGO; JUNE 9, 1953, AT MILWAUKEE; JUNE 16, 1953, AT SAN FRANCISCO; JUNE 29, 1953, AT BOSTON; JULY 3, 1953, AT HONOLULU; JULY 7, 1953, AT WASHINGTON, D. C.

Agency

Transmittal

Civil Service
Commission

Memorandum to Mr. James E. Hatcher,
U. S. Civil Service Commission,
on July 17, 1953.

Department of
State

Memorandum to Mr. John W. Ford,
Department of State, on
July 17, 1953.

Department of
Justice

Memorandum to Records Administration
Branch, on July 17, 1953.

(These reports were in the
investigation of Taylor under
of the United Nations.)

Copies furnished to the Special
Assistant to the Attorney General
Thomas J. Donegan, date not known.
under the character, "Loyalty of Employees"

REPORTS DATED JUNE 11, 1953, AT NEW ORLEANS; JULY 10, 1953, AT DENVER; JULY 23, 1953, AT WASHINGTON, D. C.

Agency

Transmittal

Civil Service
Commission

Memorandum to Mr. James E. Hatcher,
Civil Service Commission, dated
August 11, 1953.

Department of
State

Memorandum to Mr. John W. Ford,
Department of State, dated
August 11, 1953.

20022

Agency

Transmittal

Department of
Justice

Memorandum to the Records
Administration Branch, Department
of Justice, dated August 11, 1953.

Copies furnished to the Special
Assistant to the Attorney General
Thomas J. Donagan, date not known.

(These reports were in the investigation of Taylor under the character,
"Loyalty of Employees of the United Nations.")
REPORT DATED AUGUST 30, 1953, AT NEW ORLEANS.

Agency

Transmittal

Civil Service
Commission

Memorandum to Mr. Kimbell Johnson,
dated November 5, 1953.

Department of
Justice

Memorandum to the Records
Administration Branch, Department
of Justice, dated November 6, 1953.

Copies furnished to the Special
Assistant to the Attorney General
Thomas J. Donagan, date not known.

(This report was in the investigation of Taylor under the character,
"Loyalty of Employees of the United Nations.")
REPORT DATED NOVEMBER 5, 1953.

Agency

Transmittal

Civil Service
Commission

Memorandum to Mr. Kimbell Johnson,
dated November 9, 1953.

Department of Justice

Memorandum to the Records
Administration Branch, Department
of Justice, dated November 9, 1953.

Copies furnished to the Special
Assistant to the Attorney General
Thomas J. Donagan, date not known.

(This report was in the investigation of Taylor under the character,
"Loyalty of Employees of the United Nations.")

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7/30/82 BY [signature]
11/28/80 7223, 503

65-57402-4042
cwg

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd

DATE: November 19, 1953

FROM : Mr. Belmont

SUBJECT: NATHAN GREGORY SILVERMASTER, ET AL
ESPIONAGE - R

Gregory

Tolson
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Gearty
Mohr
Winterrowd
Tele. Rm.
Holloman
Sizoo
Miss Gandy

About 2:00 P.M. today Mr. William Foley of the Criminal Division advised that he was preparing summaries of derogatory information concerning certain individuals in this case, including some mentioned in our letter of November 8, 1945, to General Vaughan, which letter was made public by the Attorney General before the Jenner Committee on November 17, 1953. Mr. Foley advised that he had been instructed to send these summaries to the Bureau in order that we might examine them to see whether they revealed confidential informants, confidential techniques, or would interfere with current investigations. He advised that the Department would like, if possible, to have the summaries returned to them by the afternoon of November 20, 1953, inasmuch as they are to be made available to the Jenner Committee on Monday morning November 23, 1953. I told Mr. Foley that I could not promise him anything but if he would send the summaries over we would see what we could do. At 2:50 P.M. Mr. Foley called back and advised that the following are the persons on whom the summaries are being prepared:

- Nathan Gregory Silvermaster
- Victor Perlo
- Harold Glasser
- Frank Coe
- William Ludwig Ullman
- George Silverman
- Maurice Halperin
- Irving Kaplan
- Irving S. Friedman
- William Henry Taylor
- Schlomer Adler

65-56402-4043

DEC 7 1953

RECORDED - 54
EX-110

Mr. Foley advised that by memorandum dated August 12, 1948, from the Director to the Attorney General entitled "Nathan Gregory Silvermaster, et al" a summary dated August 4, 1948, was sent to the Department. This report shows the dissemination of information made by the Bureau on all of the above subjects with the exception of Silvermaster,

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

AHB:ubs

58 DEC 17

DATE 7/28/82 BY SP3 CLK/TAR

#223,503 11/28/88 3042 PWT/JS

100-370362

62-89217-10-364191
101-976-100-213633
100-362128-65-14303
101-10046-65-59138
101-40513
100-204000-101-40513

UNRECORDED COPY FILED IN

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: November 23, 1951

FROM : L. B. Nichols

SUBJECT:

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/28/89 BY SP5 [unclear] 3042 [unclear]

Robert Morris called me and stated he just received a memorandum from the Department which was quite disturbing to him on the dissemination of information on Frank Coe, Victor Perlo, Harold Glasser and Solomon Adler. He stated that in connection with Frank Coe there were four disseminations, one being to the White House, two to the Attorney General and one to the Treasury Department. He said that the disseminations all appeared to be of the memorandum dated February 21, 1946. He does not, of course, know what is in this memorandum, but unless there is something of substance he thought that their case against Coe was not too good and he cannot conceive more detailed information not having been furnished on Coe.

Langer

I told him it was my understanding that the memorandum the Department sent him referred only to dissemination up to August, 1948; that I frankly did not know of the other matters.

He then stated the stuff on Glasser looked fairly good and the stuff on Perlo looked good. He had talked to Sourwine and if there was any possibility of the information being inaccurate, they thought they had better postpone their hearing today wherein they were going to put the dissemination data into the record. I told Morris this, of course, was up to them.

cc - Mr. Ladd

cc - Mr. Belmont *Director's NOTATION*

LBN:ptm

Ladd

What about this?

*H. Show to Ladd
1/11/52*

*11/23/51
RSL*

DEC 1 1951

SEC

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: November 21, 1953

FROM : L. B. Nichols

SUBJECT:

CATEGORY

I told Lyle Wilson for his strictly personal and confidential information there was a passing reference to General Eisenhower in the February 1st summary, which certainly did not convey the connotations which he had originally intimated. I told him that the reference merely was that Glasser was to be assigned to the Civil Affairs Section of General Eisenhower's staff.

Lyle stated he certainly appreciated our tipping him off on this; that the person who had planted the story was in a position to know and was making much more out of it than this and that while he could not tell me who it was, he would do what he could to get things straightened out.

cc - Mr. Ladd

cc - Mr. Belmont

LBN:ptg

REC'D BELMONT

NOV 23 1953

NOV 23 1953

11/30/88 3043 PWT/JS
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/24/83 BY SP-5 mg/tey

165-56402

NOT RECORDED

DEC 2 1953

INITIALS ON ORIGINAL

58 DEC 7 1953

DEC 1 1953

Tolson
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Mohr
Winterrowd
Tele. Room
Holloman
Gandy

101-101-101

XXXXXX
XXXXXX
XXXXXX

FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

_____ Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- Deleted under exemption(s) _____ with no segregable material available for release to you.
- Information pertained only to a third party with no reference to you or the subject of your request.
- Information pertained only to a third party. Your name is listed in the title only.
- Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

_____ Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

 7 Page(s) withheld for the following reason(s):
 NOT WITHIN PURVIEW FOIA

For your information: _____

The following number is to be used for reference regarding these pages:
 65-56402- 3rd NR after serial 4043

XXXXXX
XXXXXX
XXXXXX

XXXXXXXXXXXXXXXXXXXXX
X DELETED PAGE(S) X
X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXXXX

MAIL

MAIL

MEMORANDUM FOR THE DIRECTOR

SAC, NEW YORK (100-10000)
SAC, NEW ORLEANS (100-10000)

ELIZABETH BENTLEY, CONFIDENTIAL SOURCE OF INFORMATION, AN
ADVERTISEMENT IN THE NEW YORK MIRROR OF DECEMBER 9, 1953,
REFLECTS ARTICLES ENTITLED, "THE ONE STORY," BY ELIZABETH
BENTLEY ARE TO START IN THE SUNDAY MIRROR. YOU ARE TO IMMEDIATELY
FORWARD EACH ARTICLE AS IT APPEARS TO THE BUREAU WITH A SHORT
ANALYSIS SETTING FORTH ANY INFORMATION IN THE ARTICLES NOT
PREVIOUSLY GIVEN TO THE BUREAU BY BENTLEY. ANY SUCH INFORMATION
SHOULD ALSO BE THE BASIS FOR LEADS TO THE NEW ORLEANS OFFICE TO
INTERVIEW BENTLEY. YOU SHOULD ALSO OBTAIN SUFFICIENT COPIES OF
THE ARTICLE TO CHANNELIZE THE INFORMATION TO THE VARIOUS INDIVIDUAL
FILES ON PERSONS NAMED BY BENTLEY. THIS SHOULD BE DONE IN LINE
WITH THE BUREAU'S PREVIOUS INSTRUCTIONS TO YOU CONCERNING BENTLEY'S
BOOK, "OUT OF DOUBT." THIS MATTER IS TO BE REPEATEDLY
HANDLED.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5 [signature]
11/25/88 3043 PWT/PS. HOOVER

1 ENCL.
filed with original

65-56401-

NOT RECORDED
108 DEC 11 1953

DEC 10 15 59 14 '53

YELLOW
DUPLICATOR
DEC 10 1953
MAILER

- Tolson
- Ladd
- Nichols
- Belmont
- Clegg
- Glavin
- Harbo
- Rosen
- Tracy
- Quinn
- Nease
- Woodward
- Tele. Room
- Holloman
- Miss Gandy

58 DEC 17 1953

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director, Federal Bureau of Investigation DATE: December 8, 1953

FROM : *W* Warren Olney III, Assistant Attorney General
Criminal Division

WO:WEF:hcp

SUBJECT: Nathan Gregory Silvermaster, et al.
Espionage - R

146-7-16-82

- Mr. Tolson ✓
- Mr. Ladd ✓
- Mr. Nichols ✓
- Mr. Belmont ✓
- Mr. Glavin ✓
- Mr. Harbo ✓
- Mr. Rosen ✓
- Mr. Tracy ✓
- Mr. Gearty ✓
- Mr. Mohr ✓
- Mr. Winterrowd ✓
- Tele. Room ✓
- Mr. Holloman ✓
- Mr. Sizoo ✓
- Miss Gandy ✓

O Gregory

I am enclosing herewith copies of a summary prepared in this Division for submission to the Senate Subcommittee on Internal Security with regard to Edward J. Fitzgerald. It is requested that your Bureau examine this summary and advise me of your comments as was done in your memorandum dated December 3, 1953, captioned "Nathan Gregory Silvermaster, et al. Espionage - R" FBI File 65-56402.

Bj

*1 ENCL
enc. detached -
and filed in
100-363704*

*memo to Ladd
sent to [unclear]
12-9-53
WBI*

RECORDED - 26 65-56402-4044

EX-179 DEC 15 1953

Enclosure No. 134586

5/12/53

W.H. [unclear]

c/c to Belmont with Encls -

100-363704

SECURITY INFORMATION - CONFIDENTIAL

cc - Mr. Belmont

Assistant Attorney General
Warren Olney III

December 11, 1953

Director, FBI

65-56402-4044

NATHAN GREGORY SILVERMASTER, et al
ESPIONAGE - R

DECLASSIFIED BY SP-5 [signature]
6/22/88
11/28/88 3042 wjt/js

RECORDED - 26

Reference is made to your memorandum dated December 8, 1953, WFO:HEF:hep 146-7-16-82, furnishing a summary prepared by your Division on Edward Joseph Fitzgerald.

This summary has been reviewed to determine if the material contained therein reveals a confidential source or dissemination to the Senate Subcommittee on Internal Security would interfere with any current Bureau investigation.

It is suggested that the second sentence in paragraph two on page four be changed to delete the terminology referring to the surveillance conducted by Special Agents of the Federal Bureau of Investigation. There would not appear to be any objection to making the statement that on October 21, 1946, Fitzgerald visited the residence of Harry Dexter White without reference to the Federal Bureau of Investigation surveillance.

On pages five through eight there is set forth some of the dissemination made that relates to Edward Joseph Fitzgerald. In view of the fact that I am enclosing a dissemination listing which is more complete, you may desire to use this dissemination data. You may consider the material with the one exception noted above as not revealing confidential sources or confidential investigative techniques and not interfering with any current Bureau investigation should dissemination to the Senate Subcommittee on Internal Security be made.

A memorandum has been prepared reflecting the dissemination made relative to Fitzgerald. This memorandum refers to the dissemination listing that was submitted to you by letter dated December 3, 1953. For the sake of brevity, the extensive dissemination made of the summary memoranda in this case has not been restated in this dissemination listing on Fitzgerald. This memorandum sets forth the identity of the summaries in which Fitzgerald is mentioned and then makes reference to the

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gearty _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Miss Gandy _____

MAILED
DEC 11 1953
COMM-FBI

BB:blb

SECURITY INFORMATION - CONFIDENTIAL

DEC 18 1953

JUSTICE

SECURITY INFORMATION - ~~CONFIDENTIAL~~

prior dissemination listing for the actual dissemination.

I am enclosing two copies of the memorandum reflecting the dissemination made relative to Fitzgerald and I am returning one copy of your memorandum on Fitzgerald.

65-56402
Attachment
[Signature]

SECURITY INFORMATION - ~~CONFIDENTIAL~~

December 11, 1953

DISSEMINATION LISTING

In the prior dissemination listing submitted on the eleven individuals there was set forth the complete dissemination of a number of summary memoranda. Information relating to Edward Joseph Fitzgerald appeared in the summary memoranda as set forth below and your attention is directed to the prior dissemination listing in order to determine the scope of the dissemination. The page number of the prior dissemination listing appears in parentheses.

SUMMARY "SOVIET ESPIONAGE IN THE UNITED STATES" DATED NOVEMBER 27, 1945. (Page two)

SUMMARY "SOVIET ESPIONAGE IN THE UNITED STATES" DATED DECEMBER 12, 1945. (Page two)

SUMMARY "UNDERGROUND SOVIET ESPIONAGE ORGANIZATION (NKVD) IN AGENCIES OF THE UNITED STATES GOVERNMENT" DATED FEBRUARY 21, 1946. (Page three)

SHORT SUMMARY "UNDERGROUND SOVIET ESPIONAGE ORGANIZATION (NKVD) IN AGENCIES OF THE UNITED STATES GOVERNMENT" DATED FEBRUARY 21, 1946. (Page four)

SUMMARY "SOVIET ACTIVITIES IN THE UNITED STATES" DATED JULY 25, 1946. (Page five)

SUMMARY "UNDERGROUND SOVIET ESPIONAGE ORGANIZATION (NKVD) IN AGENCIES OF THE UNITED STATES GOVERNMENT" DATED OCTOBER 21, 1946. (Page six)

SUMMARY MEMORANDUM "SUMMARY OF SOVIET AND SATELLITE ESPIONAGE AND COMMUNIST ACTIVITIES IN THE UNITED STATES" DATED DECEMBER 15, 1946. (Page seven)

Tolson _____
Ladd _____
Nichols _____
Belmont _____
Clegg _____
Glavin _____
Harbo _____
Rosen _____
Tracy _____
Gandy _____
Winters _____
Tele. Room _____
Holloman _____
Miss Gandy _____

W. B. WELTE:blb

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/22/83 BY SP-5 JPT/STC
11/28/88 3042 JPT/STC

65-56402-4044

**INVESTIGATIVE REPORTS SUBMITTED BY THE FEDERAL BUREAU OF
INVESTIGATION FIELD OFFICES IN CASE ON "NATHAN GREGORY
SILVERMASTER, ET AL, ESPIONAGE - R." (Page 444)**

In addition to the dissemination of these summaries and reports there is set forth hereafter the dissemination made on Edward Joseph Fitzgerald up to the date of his resignation from the Department of Commerce on September 28, 1946.

LETTER DATED SEPTEMBER 30, 1946.

ACCORD

White House

Transmittal

Letter to the Honorable George E. Allen, Presidential Advisor, dated September 30, 1946.

LETTER DATED OCTOBER 8, 1946.

ACCORD

White House

Transmittal

Letter to the Honorable George E. Allen, Presidential Advisor, dated October 8, 1946. Personally delivered on October 10, 1946.

LETTER DATED OCTOBER 23, 1946.

ACCORD

White House

Transmittal

Letter to the Honorable George E. Allen, Presidential Advisor, dated October 23, 1946.

LETTER DATED OCTOBER 30, 1946.

ACCORD

White House

Transmittal

Letter to Honorable George E. Allen, Presidential Advisor, dated October 30, 1946. Personally delivered October 31, 1946.

MEMORANDUM DATED DECEMBER 24, 1946, ENTITLED "HARRY SAMUEL
NAGDOFF."

Agency

Department of Justice

Transmittal

Memorandum for the Attorney General dated December 26, 1946, furnishing copy of the memorandum.

SUMMARY MEMORANDUM DATED FEBRUARY 21, 1947, ENTITLED
"EDWARD JOSEPH FITZGERALD."

Agency

Department of Justice

Transmittal

Memorandum to the Attorney General dated March 7, 1947, enclosing a copy of the summary memorandum.

MEMORANDUM DATED APRIL 4, 1947.

Agency

Department of Justice

Transmittal

Memorandum to Douglas W. McGregor, the Assistant to the Attorney General, dated April 4, 1947.

LETTER TO THE ATTORNEY GENERAL DATED MAY 10, 1947.

Agency

Department of Justice

Transmittal

Letter to the Attorney General dated May 10, 1947.

MEMORANDUM DATED MAY 13, 1947.

Agency

Department of Justice

Transmittal

One copy forwarded to the Attorney General on May 16, 1947.

SUMMARY MEMORANDUM DATED SEPTEMBER 10, 1947, ENTITLED
"EDWARD JOSEPH FITZGERALD."

Agency

Department of Commerce

Transmittal

Letter dated September 10, 1947, to the Honorable William Averell Harriman, Secretary of

Commerce. Delivered to
Miss Buchanan for immediate
delivery to the Secretary
on September 12, 1947.

MEMORANDUM DATED SEPTEMBER 24, 1947.

Agency

Department of Justice

Transmittal

Memorandum to the Attorney
General dated September 24,
1947.

TO: Director, FBI (65-57904)

Date 12/11/53

FROM: SAC, New York (65-14778)

SUBJECT : UNKNOWN SUBJECT; wa CHARLIE
(GREGORY CASE)
ESPIONAGE - R

Jh, 11-1

7

RebuAirtel dated 10/26/53, in case entitled "HARRY DEXTER WHITE, ESPIONAGE-R".

Referenced Air-tel instructed that ELIZABETH BENTLEY'S book "Out of Bondage" be reviewed to insure there is no other information (contained in the book) which expands upon or differs with data she has furnished the Bureau, and that all pertinent data in the book is channelized to appropriate individual files.

Information appearing in the book concerning the above individual on pages 143, 195 is, in substance, the same as that appearing in ELIZABETH BENTLEY'S signed statement dated November 30, 1945, (65-14603 serial 264).

- 1-65-14603 - N.Y.
- 1-Bufile 134-435
- 1-134-182 - N.Y.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5 Mjg/ky
11/28/88 3042 fwt/LS

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ALL INFORMATION CONTAINED
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DATE 6/22/83 BY SP5 [signature]
11/28/84 3042 fwt/js

65-56402-4045

CHANGED TO

101-3616-66

JAN 8 1954

[signature]

Office Memorandum • UNITED STATES GOVERNMENT

TO : D. M. Ladd

CONFIDENTIAL

DATE: December 11, 1953

FROM : J. H. Belmont

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

6/20/83 [Handwritten initials]

- Tolson
- Ladd
- Belmont
- Clegg
- Glavin
- Harbo
- Rosen
- Tracy
- Gearty
- Mohr
- Winterrowd
- Tele. Room
- Holloman
- Size
- Miss Gandy

SUBJECT: NATHAN GREGORY SILVERMASTER, et al
ESPIONAGE - R

DECLASSIFIED BY [Handwritten initials]
ON 11/28/88

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

In my memorandum to you dated 12-8-53, I reported that dissemination data was being prepared on Edward Joseph Fitzgerald. Assistant Attorney General Warren Olney III by letter dated 12-8-53, forwarded a summary prepared by his Division.

This summary sets forth key derogatory information on Fitzgerald and also sets forth dissemination data on pages 5 through 8 that was taken from a Bureau dissemination summary dated 8-4-48, and submitted to the Department on 8-12-48. This dissemination data is not complete and lists only the major summaries that have been prepared. The suggestion is being made to the Department that it may desire to use the dissemination listing attached to our letter which is complete.

The Criminal Division summary was reviewed to determine that it did not reveal any confidential sources or confidential investigative techniques and to determine if dissemination to the Senate Subcommittee on Internal Security would interfere with any current Bureau investigation. Except for the reference to the surveillance conducted by Special Agents of the FBI, the memorandum prepared by the Criminal Division does not reveal any confidential sources or confidential techniques nor would the publication of the memorandum interfere with any current Bureau investigation. While the Criminal Division letter did not request that the memorandum be checked for accuracy, it was nevertheless checked against our files and found to be accurate. No comment was made concerning this in our letter to the Criminal Division inasmuch as we were not specifically requested to check it for accuracy. [In preparing the dissemination data we did not include the instance wherein a request for a technical surveillance was made of the Attorney General. The copy of the memorandum prepared by the Criminal Division is being retained and the other returned with our letter.]

RECOMMENDATION:

There is attached hereto a memorandum to the Criminal Division commenting on the summary that was prepared by the Criminal Division and furnishing the Criminal Division with a dissemination listing on Edward Joseph Fitzgerald. It is to be noted that the Director in connection with a memorandum from Mr. Belmont to Mr. Ladd dated 11-19-53, stated that he wanted Mr. Tolson and Mr. Nichols to look at the dissemination material before it went to the Department.

RECORDED-21

65-56402-4046
DEC 15 1953

EX-112

DEC 22 1953

Attachment
65-56402
WBW:blb

CONFIDENTIAL

Classified by [Handwritten initials]
Declassify on: OADR

100-363704-22
88217
RECORDED COPY FILED

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Rosen

DATE: November 25, 1953

FROM : C. H. Stanley *CHS*

Callahan
Wale
9/15/73

SUBJECT: SPECIAL PROJECTS CONCERNING
WILLIAM HENRY TAYLOR AND
IRVING SIGMUND FRIEDMAN

Gregory

Tolson
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Gandy
Mohr
Winterrowd
Tele. Rm.
Holloman
Miss G.

In connection with the extensive research which is being conducted concerning the connection of William Henry Taylor and Irving Sigmund Friedman with the Harry Dexter White case, the Employees Security Section has conducted numerous file reviews. In answer to a Departmental request for dissemination material on various subjects in the Gregory Silvermaster case, the attached two inserts have been prepared and furnished to the Espionage Section for an over-all memorandum to be submitted to the Department.

RECOMMENDATIONS:

The attached inserts are for your information.

Attachment
CHS:jhc

#246,485
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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE *6/22/83* BY *SP5 RYK/ky*
11/28/88 3042 PWT/JS

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RECORDED - 36 *65-56402-4047*
DEC 15 1953

File 267
DEC 23 1953

File

XXXXXX
XXXXXX
XXXXXX

FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

_____ Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- Deleted under exemption(s) _____ with no segregable material available for release to you.
- Information pertained only to a third party with no reference to you or the subject of your request.
- Information pertained only to a third party. Your name is listed in the title only.
- Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

2 Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

For your information: _____

The following number is to be used for reference regarding these pages:
65-56402 - NR of m 4047

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XXXXXXXXXXXXXXXXXXXXX
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X NO DUPLICATION FEE X
X FOR THIS PAGE X
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Director, FBI (134-435) ~~TOP SECRET~~ 12/16/53

SAC, New York (65-14603)

Classified by *SP7 MAC/VP*
Declassify on: OADR 5-3-84

~~SECRET~~

ELIZABETH T. BENTLEY
ESPIONAGE - R

Gregory
240 081
240 081

ReBuair-tel 12/10/53. Forwarded herewith are clippings of articles by ELIZABETH T. BENTLEY which appeared in the "New York Daily Mirror" on 12/13, 14, 15, 16/53. These are the first four of a six article series which is appearing in the "New York Daily Mirror". It would seem apparent that BENTLEY'S material was closely edited by the publishers of the stories and that in so doing some minor changes have been made to give the articles more reader appeal. It would also appear that the material is basically the same as that originally furnished by BENTLEY to Bureau Agents. It is also observed that practically all the material in these articles also appears in Miss BENTLEY'S book "Out of Bondage". It is possible that BENTLEY in rewriting this material in its present form may have "dressed up" the material to point out the importance of the information which she had.

Attention is called to the article appearing in the "New York Daily Mirror" on 12/13/53, in which she relates that WHITE furnished information that secretary of Treasury MORGANTHAU was disgruntled with the reception Moscow was giving American lend-lease effort and WHITE'S suggestion that an accolade for the work being done by the US toward winning the war be included in a speech by STALIN. This information is basically the same as that originally furnished by BENTLEY to Bureau agents regarding this incident.

Information relative to LAUCHLIN CURRIE contained in the article appearing on 12/15/53, appears to be a more colorful portrayal by BENTLEY of information previously given by her to the Bureau and it appears she may be augmenting facts originally known to her with information she has obtained through Congressional hearings and other sources since her original statement.

Encs. (4) (RM)

- 1 - Bufile 65-56402 (RM)
- 1 - Bufile 101-3616 (RM)
- 1 - Bufile 65-5428 (RM)
- 1 - NY 134-182
- 1 - NY 100-95069
- 1 - 65-15314
- 1 - New Orleans (134-99)(RM)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE *6/22/83* BY *SP7 MAC/VP*

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE.

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4 Encls full
NY 134-435
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60 JAN 18 1954

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~~TOP SECRET~~

DECLASSIFIED BY *SP7 MAC/VP*

Letter to Director
NY 65-14603

~~TOP SECRET~~

~~SECRET~~

New York files indicate BENTLEY has advised previously that she believes CURRIE had something to do with NATHAN GREGORY SILVERMASTER'S securing his position in the Board of Economic Warfare. She also gave information relative to CURRIE advising SILVERMAN that the US was on the verge of breaking the Soviet code which information was passed on by SILVERMAN through SILVERMASTER to BENTLEY. (S) (u)

It does not appear that she has told the Bureau of the instructions SILVERMASTER received when in danger of being ousted from Government service as a disloyal person to contact CURRIE and WHITE, although the part CURRIE played in this matter is well documented and is mentioned in BENTLEY'S book "Out of Bondage" on page 174. CURRIE'S file indicates that this information probably also appeared in BENTLEY'S testimony before the HCUA, inasmuch as he replied to this charge in his own testimony.

It further appears that Bentley has not advised concerning the attempts taken by the Silvermaster Group to learn more about the identity of the Soviet code which CURRIE had reported to SILVERMAN the US was on the verge of breaking. A separate letter will be directed to the New Orleans Office with a lead to question BENTLEY further concerning these matters pertaining to CURRIE. (S) (u)

Material appearing in the article of 12/13/53 concerning the existence of the "third spy ring" in Washington is similar to material furnished by her in her signed statement of 11/30/45, (page 105 of the report of SA THOMAS G. SPENCER, NY, 12/5/45) concerning HAROLD GLASSER and other statements which she has made to the press, at the Congressional Committee Hearings and elsewhere.

Copies of the remaining two articles to appear will be forwarded following their appearance with an accompanying analysis of the information appearing therein.

~~TOP SECRET~~

~~TOP SECRET~~

~~SECRET~~

~~SECRET~~

DEC 17 1953

Director, FBI (65-134435)

SAC, New York (65-14603)

ELIZABETH T. BENTLEY
ESPIONAGE - R

GREGORY

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/20/83 BY SP-5 [signature]
11/28/88 3042 PWT/JS

RebUAir-tel dated 10/26/53 in case entitled "HARRY DEXTER
WHITE, ESPIONAGE - R."

Referenced Air-Tel instructed that NY should carefully review ELIZABETH BENTLEY'S book "Out of Bondage" to insure there is no other information which expands upon or differs with data she has furnished the Bureau during interviews. NY was also instructed to make sure that all pertinent data in her book is channelized to appropriate individual files.

As a result of this review presently being conducted by the NYO, a number of names are mentioned which, for various reasons, Miss BENTLEY has chosen to conceal for use in her book. In several instances, examination of the manuscript of the book which Miss BENTLEY has made available has resulted in the obtaining of the correct identity of the individual mentioned. However, in other instances, it was not possible to ascertain the exact identity of the individual.

In order that the identity of persons so mentioned may be clarified in order that proper action may be taken by the NYO, the following information is being set out and New Orleans is being requested to contact Miss BENTLEY to obtain the indicated clarification:

On Pages 41, 42 and 43 of the book, she refers to an "advanced student - who I shall call Edwin - at Union Theological Seminary" to whom she had been introduced by one ARNOLD PATCH. The purpose of this introduction was to enable BENTLEY to co-sign EDWIN'S application in the Party. She further mentioned that EDWIN had discussed his prospective CP membership with Dr. HARRY WARD, who, according to EDWIN, had appeared to give his approval to EDWIN'S action in joining the CP. In her manuscript, this

- ① - Bureau (65-56402)
- 2 - New Orleans (134-89) (Enc. 1)
- 1 - New York (134-162)

65-56402-
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193 DEC 23 1953

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INITIALS ON ORIGINAL

5 DEC 29 1953

NEW YORK COPY FILED IN 134-89-136-685-100

Letter to Director
NY 65-14603

student was originally called HAYDEN, then changed by penciled notes to "HARRY SCHULER." Miss BENTLEY should be asked if she recalls the correct name of this individual and for any other information she may recall concerning him, both as to his activities and for the purpose of establishing his identity.

Also on Page 43, she refers to two other students at Union Theological Seminary who also joined the CP, their applications for Party membership having been signed by her. One of these individuals was referred to by her as a "prospective preacher who, like EDWIN, had not yet been ordained." New Orleans should question Miss BENTLEY to ascertain whether or not she can furnish other information concerning this individual.

The other recruit mentioned in this regard was referred to by her as follows:

"The other was a Minister who had been doing missionary work in Japan for several years and had returned to the U.S. to take a few refresher courses."

She goes on to state that she was worried about this person joining the CP inasmuch as he expected to return to Japan and she knew that the CP was illegal in that country. She should be asked to furnish any descriptive or other data in her possession concerning this person.

On Page 190 of her book she refers to "reports from Yasha's (JACOB GOLOS') undercover man in the Amtorg Corporation" which she said dealt with shady business transactions that were sabotaging the Soviet War effort. Miss BENTLEY should be asked if she has any other information regarding the identity of GOLOS' contact in Amtorg.

On Pages 73 and 74, Miss BENTLEY refers to "Comrade C" who accompanied her to the residence of JULIET STUART POYNTZ GLAZER. Comrade C is referred to in the text as "a representative of the Harlem Section of the CP." Miss BENTLEY should be asked to identify "Comrade C" and furnish such other information that she may recall concerning this individual.

On Pages 34, 36 and 38, Miss BENTLEY referred to a woman, "Comrade H" who was employed by the Home Relief Bureau

Letter to Director
NY 65-14603

in New York City and to whom Miss BENTLEY was referred upon her transfer from the Columbia University Unit of the CP to the Harlem Section. Examination of Miss BENTLEY'S manuscript reflects this name as Comrade HARRISON. Then this was deleted and the name Comrade HUNT was penciled in. Miss BENTLEY should be requested to furnish further identifying information concerning "Comrade H".

On Pages 59, 60, 61, 62 and 64, Miss BENTLEY referred to a "Comrade LAND", member of the Columbia University CP Unit who was subjected to Party discipline and whom she later observed in the company of JULIET POYNTZ GLAZER. It is believed that the name "Comrade LAND" may actually refer to MARK GRAUBARD inasmuch as she refers to him as "MARK" in the manuscript. GRAUBARD is well known to the Bureau and has recently been cooperative with the Bureau. Miss BENTLEY should be asked to identify Comrade LAND and if he is some person other than GRAUBARD, she should furnish all descriptive information in her possession.

On Page 184, Miss BENTLEY related details concerning a visit which she paid to the residence of EARL BROWDER and mentioned that a woman employed in BROWDER'S residence was called "NYANYA." Miss BENTLEY should be requested to furnish any additional descriptive data which she may have concerning this individual, including her correct name if she knows it.

On Page 224 and 225, Miss BENTLEY refers to a Russian girl employed at World Tourists whom she calls "EDITH". She should be asked to identify this individual.

For the information of agents contacting Miss BENTLEY, in the New Orleans Office, there is being forwarded herewith to New Orleans one copy of Miss BENTLEY'S book.

~~CONFIDENTIAL~~

cc. Belmont

Assistant Attorney General
Warren Olney III

December 18, 1953

Director, FBI

DECLASSIFIED BY 8042 LWT/JS
ON 11/30/88

OFFICE OF ALIEN PROPERTY

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5 MJK/ky

This is to advise you that on November 18, 1953, William A. Kolar, an employee of the Senate Judiciary Subcommittee which is inquiring into the administration of the Trading with the Enemy Act (Office of Alien Property), furnished this Bureau a series of memoranda bearing dates from the period of October 31, 1944 to August 12, 1945. Kolar on this date also advised he was making copies of these memoranda available to Mr. Michael J. Horan, Office of the Deputy Attorney General.

These memoranda reflect the part played by Harry Dexter White, Virginus Frank Coe, Harold Glasser, William Henry Taylor and Mrs. Sonia Gold in establishing a policy relative to the seizure of all German and Japanese property interests in the United States. Of interest it might be noted that the foregoing people have all been identified by Elizabeth Bentley as having been involved in a Soviet espionage apparatus in Washington, D. C., during the early 1940's.

This is being submitted for your information and, in the absence of a specific request from you, no further action is contemplated by this Bureau.

RECORDED-77

165-56402-4048

65-56402

EX-102

DEC 23 1953

130

cc - 1 - Mr. Paul V. Myron
Deputy Director
Office of Alien Property

cc - 2 - Mr. Michael J. Horan
Special Assistant to the Attorney General
Office of the Deputy Attorney General

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gearty _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Miss Gandy _____

Mr. Horan advised Mr. [unclear] on 12/17/53 that Kolar had delivered to him a series of documents similar to those furnished to the Bureau.

MAILED 4
DEC 22 1953
COMM - FBI

5 5 JAN 7 1954

SEC-10: [unclear]

RECEIVED READING ROOM
FBI

DEC 21 6:33 PM '53

Recd from
Kolar 11-18-53
RF.

November 18, 1953

To: Mr. Robert Lamphere
Federal Bureau of Investigation

From: Wm. A. Kolar, Senate Judiciary Subcommittee
on Trading With The Enemy Act

The attached documents were made available to me on November 13, 1952 by Elbert Tuttle, General Counsel, Treasury Department. They reflect the part played by White, Coe, Glasser, Taylor, Gold, Friedman, and others, in forcing on the Alien Property Custodian and State a recommendation to the President that enemy property seized during World War II never be returned, and the institution of such a program even though contrary to the recommendations of the American Bar Association and contrary to our historical policy as set forth in the American Bar Report.

The documents have all been incorporated in the records of public hearings held November 16, 1953.

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UNRECORDED COPY FILED IN 100-364447
UNRECORDED COPY FILED IN 101-3599
UNRECORDED COPY FILED IN 100-370364
UNRECORDED COPY FILED IN 100-365890

(2) App. 11/24/53
2/12-2801
38

Index only as noted.
RF.

Kolar stated copy of enclosures being furnished today to Mike Moran Dept of Justice.
11-18-53
RF.

RECORDED-38
INDEXED-31
EX-110

165-56402-40549
25 DEC 31 1953
RF

60 JAN 19 1954

65-56402-



DEPARTMENT OF STATE
WASHINGTON

REC'D SEP 30 1953

September 28, 1953

Dear Mr. Kolar:

Enclosed is a copy of the document which you requested be furnished the Committee you represent. The Secretary has authorized our furnishing you this exact copy of the document of 13 June, 1945, which is in the files of this Department.

We were glad to be of assistance to you and your Committee in this instance and desire to be cooperative at all times.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Harris H. Huston".

Harris H. Huston
Special Assistant to the
Under Secretary for Administration

3

Enclosure.

Mr. William Kolar,
Senate Judiciary Sub-Committee on the
Trading with the Enemy Act,
H.O.L.C. Building, Suite 900,
First & Indiana Avenue, N.W.,
Washington, D. C.

TREASURY DEPARTMENT

WASHINGTON

25

13 June, 1945

To: Mr. Collado

From: Mr. Glasser

Please send the following airgram to AMEMBASSY, London, for Taylor from Treasury; AMEMBASSY, Paris, for Ball from Treasury; AMEMBASSY, Brussels, for Marks from Treasury; AMLEGATION, Stockholm, for Olsen from Treasury; AMEMBASSY, Athens, for Patterson from Treasury; AMLEGATION, Bern, for Mann from Treasury; AMLEGATION, Lisbon, for Wood from Treasury; and AMEMBASSY, Rome, for Tasca from Treasury:

1. By Executive Order No. 9567 signed on 8 June 1945, Section 2(c) of Executive Order 9095 of 11 March 1942, as amended by Executive Order 9193 of 6 July 1942, was amended to read as follows:

"(c) any other property or interest within the United States of any nature whatsoever owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, a designated enemy country or national thereof: Provided, however, That with respect to any such country or national other than Germany or Japan or any national thereof, such property or interest shall not include cash, bullion, moneys, currencies, deposits, credits, credit instruments, foreign exchange, and securities except to the extent that the Alien Property Custodian determines that such cash, bullion, moneys, currencies, deposits, credits, credit instruments, foreign exchange, and securities are necessary for the maintenance or safeguarding of other property belonging to the same designated enemy country or the same national thereof and subject to vesting pursuant to section 2 hereof;"

2. This action is part of the program relating to the vesting and disposition of German and Japanese assets proposed jointly by the Alien Property Custodian and the Secretary of the Treasury, and approved by the State Department and the President. There follows the text of a memorandum dated 30 May 1945 setting forth this program which was signed by the Alien Property Custodian and Secretary Morgenthau:

"1. The objective of the program outlined herein is the complete elimination of existing German and Japanese property interests in the United States.

"2. All German and Japanese property interests should be vested in and by the Custodian.

"3. The authority of the Treasury to vest German and Japanese property under Executive Order No. 9193, and to direct the terms upon which it thereafter should be dealt with should be conferred on the Custodian by amendment of the Order.

"4. The Treasury will continue to be responsible for developing overall procedures designed to insure that enemy assets held in the name of nationals of liberated or neutral countries will not be released under unfreezing programs. This will not preclude the Custodian from exercising his investigatory, supervisory or vesting functions. The agencies will consult before any property held in the names of nationals of neutral or liberated countries is vested, so that any action to be taken may be conformed with procedures established for unfreezing.

"5. The Custodian will continue to eliminate German or Japanese interests or influence with respect to all vested properties.

"6. All German and Japanese property vested by the Custodian shall be liquidated and sold as soon as practicable. Pending the ultimate disposition of the proceeds, they shall continue to be held in special accounts in the Treasury of the United States, and may be utilized for the payment of the expenses of the Custodian's office.

"7. The Custodian and the Treasury shall join in recommendations to Congress that:

(a) American creditors (including appropriate categories of non-citizen residents) who have claims against any person whose property in this country has been vested should be paid on an equitable basis to the extent the vested assets of the debtor permit. A system of priorities should be established.

(b) No provision for return or compensation, direct or indirect, by the United States to the former German or Japanese owners should be included in any plan for final disposition of the funds realized from vested German or Japanese properties. It is not intended to preclude the payment of compensation to former German and Japanese owners by their respective governments.

(c) A decision as to the final disposition of the balance of the funds realized from vested properties should be deferred.

"8. The Custodian and the Treasury shall join at the earliest possible date in a recommendation of such legislation as is necessary to effectuate the program. The recommendations referred to in paragraph 7 shall be presented to Congress in conjunction with this legislation.

"9. The program outlined herein shall immediately be submitted to the Department of State, and when clearance from State is obtained, the three agencies shall present to the President a memorandum requesting his approval of the program and the necessary amendment to Executive Order No. 9193, both in the form attached."

3. Your particular attention is called to paragraph (4) of the memorandum quoted above with respect to the Treasury's continued responsibility for uncovering enemy assets held in the name of nationals of liberated and neutral countries.

Charge appropriation TZ-495

Office Memorandum • UNITED STATES GOVERNMENT
DST:wsb

TO : Mr. Edward A. Hayes
Dirksen Committee

FROM : Dallas S. Townsend
Assistant Attorney General

DATE: September 21, 1953

SUBJECT: *OST*

#7

Referring to your memorandum dated September 21, 1953, just received, and confirming my statement to you some weeks ago, we have not been able to find in the files of this Office any recorded memoranda leading up to the memorandum of May 30, 1945, to which you refer, or any recorded memorandum following and related to it. Personally, my opinion is that there was nobody in the Office of Alien Property at that time in a position to recommend a memorandum on this subject to be executed by the Secretary of State, the Secretary of the Treasury and approved by the President.

However, I can answer the question which I know you have in mind, namely, what was the genesis of the memorandum of June, 1945, which was in substance the Morgenthau proposal to turn central Europe into a cow pasture. The answer to that question I think you will find in The Forrestal Diaries, at pages ten and eleven. I happened to be reading this book the other day and thought of your inquiry when I read these pages. You will see from The Forrestal Diaries that President Roosevelt, absolutely contrary to the advice of the Secretary of War and the Secretary of the Navy, and upon the recommendation of the Secretary of the Treasury, apparently arrived at the conclusion that Germany should be put upon a soup-kitchen level of sustenance, and kept there, upon which you know my opinion too well for me to restate it.

November 2, 1946

Mr. Glasser - For Your Information

Mr. Delaney

Subject: Ultimate Disposition of Enemy-owned Assets in the U.S.

At the suggestion of Mr. J. ^{Joseph} Friedman, ^{Ms Locality} this subject was raised for discussion by Mr. Arnold at the FTC luncheon conference on November 1. The ultimate disposition of German and Japanese (and, possibly, of satellite) assets in this country had been under consideration in the Treasury for some time. Aside from the natural interest which the Treasury has in this question, we are frequently involved in the matter by problems raised in connection with such proposals as the Gearhart Bill. In taking a position with reference to such Bills, there have, of necessity, been formulated our own ideas both as to the disposition of German and Japanese assets and as to the treatment of various claimants to these assets. These questions are also, of course, of direct interest to State, Justice and the A.F.C.

It appeared from the discussion that the general Treasury attitude is (1) that all enemy assets in this country should accrue to the benefit of the General Funds of the Treasury; and (2) that only a very limited class of claimants against these assets should be reimbursed. (This position is in sharp conflict with State's and Gearhart's).

Aside from general policy questions, Mr. Arnold mentioned the length of time and number of people which would be necessary if Treasury decided to formulate and draft proposed legislation to effectuate its views rather than continue merely to comment on Bills it did not approve.

While no final agreement on a course of action was reached, it was decided that the matter should be canvassed further at a small conference of those in Treasury directly interested. There was general agreement that the Treasury, as the financial arm of the Government, has a direct and warranted interest in the disposition of enemy assets and that, in the course of discussing and criticizing the proposals of other individuals and agencies, it would not only be expedient but a duty to formulate our own views. This formulation might include the drafting of a Bill, to be presented to Congress, proposing that enemy assets be placed in the General Funds of the Treasury. It might also involve the drafting of a bill providing for the satisfaction of a limited class of claimants only and would, presumably, specify the funds from which their claims were to be paid.

Comments:

In this connection, I might refer to the section in Foreign Funds' memorandum on their 1946-1947 budget, which was suggested by this Division. It referred to the Rotter Declaration and stated that the U.S. Treasury had a direct financial concern in the disposition of German assets. I do not know whether this

suggested section was actually included in the Foreign Funds budgetary statement.

I imagine that representatives of this Division have been or will be consulted on the general policy questions involved in this subject.

PHD:ah 11/2/45
cc: Ullman, Gantner

August 29, 1945

Mr. Harry White

Michael L. Hoffman

Re: Sale of Vested Property by APG

We have consistently urged the eradication of enemy control over property in the United States and the taking of every step to preclude the possibility of the reestablishment of such control after the war. In this connection, the program for dealing with German and Japanese assets jointly recommended to the President by the Alien Property Custodian, the Department of State, and the Treasury Department provided that the Custodian continue to eliminate German and Japanese interests or influence with respect to all vested properties, and that German and Japanese property vested by the Custodian be liquidated and sold as soon as practicable.

Nevertheless, the APG has not to date liquidated any important vested enterprise. His failure to carry out the program of liquidation is due undoubtedly to his fear that any attempt to sell vested assets will induce the commencement of an action on the part of the claimant seeking a return of the assets under Section 9(a) of the Trading with the enemy Act. A number of actions seeking the return of vested assets have been filed in the courts by persons claiming not to be an "enemy" or "ally of an enemy" of the United States within the meaning of the Trading with the enemy Act, or nationals of a designated enemy country. In these actions, the Alien Property Custodian maintains that, since he has vested the property under Section 5(b) of the Trading with the enemy Act, as amended by the First War Powers Act of 1941, the claimant, in order to be entitled to relief, must show not only that he is not an "enemy" or "ally of an enemy", etc., but that he is not a national of a foreign country. However, until such time as the courts may finally pass upon this and other questions raised in connection with the right of the Alien Property Custodian to seize assets of nationals of a foreign country, the sale of vested assets by him can and will be delayed by the commencement of actions asking for the return thereof, which will automatically prevent sale prior to final disposition thereof. In the meantime, he may contemplate selling, without fear of injunction, only those assets belonging to persons with whom he has been able to negotiate an agreement which by its terms will permit the sale, reserving to the claimant the right to subsequently institute suit for the recovery of the proceeds thereof.

The problem is strongly emphasized by the situation existing with respect to General Aniline and Film Corporation. The Treasury Department,

on February 16, 1942, vested the shares of General Aniline and Film registered in the name of I. G. Chemie and Company, a national of Switzerland. On April 24, 1942, the Department relinquished control of these vested shares to the Alien Property Custodian. I. G. Chemie, Dr. Felix Iselin (an officer of such company), and others connected therewith have been placed on the Proclaimed List of Certain Blocked Nationals. John J. Wilson of the Washington law firm of Whiteford, Hart, Carnofoy and Wilson, in May 1945, was authorized by Treasury license to communicate with his client, I. G. Chemie, in Switzerland. On May 26 Wilson received a reply from his client stating in substance that in the event the GAAF shares vested by the APC are offered for sale, he is requested and authorized to enjoin such sale by recourse to the courts if necessary and to seek the return of the shares, and concluding with the admonition that any other solution must be subject to preliminary direct negotiations, and suggesting a conference be held to be attended by representatives of I. G. Chemie, Wilson, and the representative of the Alien Property Custodian in Switzerland or elsewhere in Europe or in the United States. Wilson thereupon applied for permission to go to Switzerland to discuss the matter with his clients. The application for a license to so communicate with the Proclaimed List nationals was denied. Recently the State Department has requested from this Department and the Alien Property Custodian an expression of views with respect to whether a visa should be issued to Dr. Iselin for the purpose of coming to the United States to discuss with responsible Government officials the status of the vested shares of I. G. Chemie. Mr. Wilson has also requested that his application for permission to go to Switzerland be reconsidered. The Office of the Alien Property Custodian has indicated that it would welcome the opportunity of having Dr. Iselin come to this country, and has so expressed itself to the Department of State. Previously it had indicated to this Department that it would have no objection to permitting Mr. Wilson to go to Switzerland. To permit Iselin, a Proclaimed List national, to come to the United States would be a deviation from the established policy of the Department with respect to persons included on such list. To permit Wilson to go to Switzerland to then and there discuss with Proclaimed List nationals the status of their affairs in the United States, while also a deviation from such policy, can, nevertheless, be more readily justified on the ground that this would result in permitting only the legal representative to communicate with his client, and such communication would occur outside of the United States.

From statements recently made by members of the Alien Property Custodian's Office and Mr. Wilson, it appears improbable that the APC will secure a waiver from I. G. Chemie as a result of conferences with its representatives which would permit the sale of its assets at this time. Consequently, the Department is faced with the unpleasant prospect of having to agree to permitting a Proclaimed List national to come to the United States and discuss his problems with the APC, and probably with many other business associates, without having much hope of accomplishing the desired result, to wit, the early elimination of I.G.C. influence over GAAF.

Members of the Alien Property Custodian's Office have informally stated to representatives of this Department that it is their intention to seek legislation which will permit the Alien Property Custodian to sell vested assets without fear that he may be enjoined by the courts. In order to avoid situations as outlined above, it is suggested that we urge the Alien Property Custodian to actively push for the enactment of such legislation, so that he may no longer have to rely upon his practice of negotiating with foreign nationals, seeking to obtain by agreement, in each case the benefits which Congress can provide.

August 2, 1945

Mr. Gee - For Your Information

Mr. Dalany

Subject:

Vesting of German, Japanese and Axis Satellite Assets
in the U. S.

1. At today's YFC luncheon conference, problems relating to this matter were discussed at some length. On the question of the vesting of German and Japanese property in the U. S., a meeting between representatives of the APC and YFC is to be held in the near future. Decisions were made relative to full cooperation with the APC in expediting the vesting of these assets, and, in particular, to advise the APC on the basis of our experience in census-taking.

2. Mr. Richards referred to a conversation he had had with Covey Oliver of State. Oliver mentioned a memorandum which was being circulated in State, recommending the vesting of satellite assets in the U. S., partly on the grounds that the Russians had taken from the satellites property of various U. S. owners, and that the assets to be vested might well be used eventually to reimburse the American owners. It appears that State does not feel that this is inconsistent with the non-vesting of Italian assets.

3. There were considerable differences of opinion regarding the Treasury's position re vesting of satellite assets. One view was that the vesting of the satellite assets, which it was stated amount to approximately \$40 million, would serve to alienate the Russians as well as to prejudice future favorable relations between the satellites and this Government. The view was also stated by some present that there was no moral distinction between Italy and the satellites, and that, therefore, there was no valid basis for distinguishing between our attitude toward the vesting of Italian assets and the vesting of satellite assets. The actual political distinction was brought out and the fact was emphasized that this Government has a definite interest in the reconstruction of the Italian economy.

4. While the matter is still up for consideration in State, it was agreed that it was desirable to decide upon a consistent Treasury position. We could either support or oppose the approach being made by State. Mr. Hoffman agreed to call a meeting of the interested persons in Treasury to determine a policy.

Comments: I took no part in the discussion, but my feeling is that there is a very important distinction between Italy and the former Axis satellites. Also, I can see no reason why it would not be appropriate, if it should be determined without question that the Russians have disposed of large amounts of American-owned property in the satellites, to vest satel-

like assets in this country with the intention, subject to Congressional determination, of providing the means of reimbursing American owners.

cc: Carter, Mrs. Gold-Leonard, Follack, Mrs. Baum

PHD:ms
8/2/45

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May 28, 1945

Secretary Morgenthau

For Action

Frank Coe and M. L. Hoffman

The program for vesting and disposition of German and Japanese property interests in the United States was cleared with you last week. The final papers have now been signed by the Alien Property Custodian and the Acting Secretary of State and are attached for your signature. They will be sent to the Bureau of the Budget for attachment of the Executive Order and transmittal to the White House.

There are an original and three signed copies of the memorandum to the President and an original and two copies of the statement of program to be initialed.

5/29 - Orig. to Secy.

FC

MLHoffman:er 5/28/45

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#22

Office Memorandum • UNITED STATES GOVERNMENT

TO : Secretary Morgenthau

FROM : Frank Coe^{PC} and M. L. Hoffman

DATE: May 17, 1945

SUBJECT: Program for Vesting and Disposition of German and Japanese Property Interests in the United States

- (1) Attached are documents which have been agreed informally with State and the Alien Property Custodian providing for the vesting of German and Japanese interests in the United States by the Custodian. These documents, if informally approved by you, will be initialed by the Custodian and sent to you for initialing. Before asking the Custodian for final initial, we want to tell him that the program is acceptable to the Treasury.
- (2) As you know, for some time we have been negotiating with the Custodian on this program. We are now satisfied that the transfer from Treasury jurisdiction of the approximately \$100 million worth of unvested German and Japanese assets to the Custodian should be carried out. The Custodian agrees with us that:
 - (a) Complete elimination of existing Japanese and German interests in the United States is the major objective.
 - (b) All German and Japanese property vested by the Custodian should be liquidated and sold as soon as practicable.
 - (c) American creditors who have claims against persons whose property has been vested should be paid to the extent the vested assets of the debtor permit.
 - (d) Subject to (c), the decision as to the disposition of the proceeds of vested property should be deferred.
 - (e) No provisions for return or compensation to the German or Japanese owners shall be made by the United States.
 - (f) The Custodian and Treasury should jointly recommend to Congress legislation necessary to effectuate the program.
- (3) Documents numbered I, II, and III will be submitted to you for initialing after initialing by the Alien Property Custodian.

att approved. M.L.H.

No. IV is an explanatory background memorandum, No. V contains the previous correspondence with the Custodian and No. VI is the existing Executive Order dividing the authority of the Treasurer and the Alien Property Custodian.

W. H. [Signature]

COPY

May 25, 1945

MEMORANDUM FOR THE SECRETARY'S FILES:

The attached documents relating to the transfer from the Treasury to the Alien Property Custodian of German and Japanese assets which have not yet been vested were discussed at a meeting in Secretary Morgenthau's office this morning, at which Assistant Secretary White and Messrs Coe, Aarons, and Hoffman were present.

It was explained that this program had been worked out over several months with the Custodian and the State Department and that all were in agreement on an informal level. The purpose of the meeting was to obtain Secretary Morgenthau's approval of the program prior to final signature by the Custodian, following which the final documents would come to the Treasury for signature.

Secretary Morgenthau approved the program and it was agreed that the Custodian would be so advised in order that the final documents for presentation to the White House could be prepared.

/s/ M. L. Hoffman

MLHoffman:mbw 5/25/45

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MEMORANDUM

Re: Program for vesting and disposition of German and Japanese property interests.

Extensive discussions with the Office of the Alien Property Custodian and the State Department have resulted in tentative agreement on a program for the vesting of German and Japanese property interests in the United States. Attached are drafts of three documents embodying the program, namely, (1) an outline of the program, to be initialed by the Secretary of the Treasury and the Alien Property Custodian, (2) a memorandum for the President, to be signed by the Secretaries of State and the Treasury and the Custodian, and (3) an amendment of Executive Order No. 9095, which would be forwarded to the President with the memorandum. If the Treasury Department concurs in the program, the documents will be appropriately initialed or signed by the Alien Property Custodian and will then be forwarded for final approval by the Secretaries of the Treasury and State.

It will be recalled that in 1942 jurisdiction over enemy assets was divided between the Treasury and the Office of the Custodian. The Treasury has not vested any property but has relied on its blocking controls, while the Custodian has vested a major part of the assets subject to his jurisdiction. Known German assets in this country total about 194 million dollars, of which some 121 million have been vested, and Japanese assets amount to 160 million, of which 53 million have been vested, so that in all roughly 180 million remain unvested.

When the division of functions was made, it was felt that liquid enemy assets should be left undisturbed until the basic policy of this Government with regard to the ultimate treatment of enemy countries could be clarified. In line with general policies which have recently been formulated, it is now believed that all existing German and Japanese interests in the United States should be completely eliminated to reduce the ability of Germany and Japan to rebuild their war potential and to deter future aggression. In view of the

reparations discussions which are about to begin in Moscow, it is too early to recommend complete plans for the ultimate disposition of the assets to be vested but it is clear that such plans should make no provision for any return or compensation, direct or indirect, by the United States to the former German and Japanese owners. The proposed program contemplates that all three agencies involved will join in appropriate recommendations to Congress on this point in conjunction with legislation which will be desirable in effectuating the program.

It is intended that full power to vest German and Japanese property will be conferred on the Custodian, while the Treasury will continue to be responsible for developing overall procedures to insure that enemy assets held in the names of nationals of liberated or neutral blocked countries will not be released under unfreezing programs. Accordingly, the Treasury will be relieved of the substantial administrative burden of vesting without infringement on its powers in the broad field of foreign funds control.

Mr. Hoffman

May 8, 1945

Mr. Alk

Re: German vesting.

There is attached hereto a revised memorandum to the President dealing with the German vesting program. It is my understanding that you will make arrangements with Mr. Gee to have the matter discussed with the Secretary.

(SIGNED) I. G. ALK
I. G. Alk

Copies to Messrs. DuBois, Gee
Aarons, Friedman, Arnold
Schmidt, Hoffman, Richards, Glasser

MEMORANDUM FOR THE PRESIDENT:

You will recall that under Executive Order No. 9193 of July 6, 1942, control of dollar balances, securities and other liquid assets of the enemy countries and their nationals was conferred upon the Treasury, while the Custodian's Office was empowered to deal with enemy-owned property requiring active management. The Order provides, however, that if the Treasury should decide to vest any property, it shall be vested in, and dealt with by, the Custodian upon the terms directed by the Treasury.

We believe that the national interest requires the complete and irrevocable elimination of any German and Japanese interests that may exist in property in the United States. As a first step to this end, we are ready, if you approve, to join in a coordinated program under which all German and Japanese property will be vested and will be converted into cash as soon as practicable. It is proposed that exclusive authority to vest such property and to direct the terms upon which it thereafter should be dealt with, be conferred upon the Custodian by an amendment of Executive Order No. 9193. In view of the problems of unfreezing the assets of the liberated and neutral countries, the Treasury will continue, however, to exercise the responsibility for developing procedures with the governments of the liberated and neutral countries designed to uncover enemy property held in this country in the names of their nationals.

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All proceeds of vested property will for the present continue to be held in special accounts with the Treasurer of the United States. Although we believe that a governmental decision with respect to the final disposition of these funds should be deferred, we see no objection to the payment of claims, such as wage claims, which arise with direct reference to the property vested. In addition we feel that American creditors who have general claims against any person whose property in this country has been vested should be paid on a pro rata basis, to the extent the vested assets of their debtor so permit. The expenses of the Alien Property Custodian's Office will continue to be paid out of vested property and its proceeds. We are fully agreed that no plan for ultimate disposition of the funds realized from vested German and Japanese property should make provision for any return or compensation, direct or indirect, by the United States to the former owners. Subject to your concurrence, it is our intention to present these views to Congress in conjunction with legislation which will aid in effectuating certain details of the vesting program.

If you agree with the program, it is requested that you sign the attached amendment to Executive Order No. 9193.

Secretary of State

Secretary of the Treasury

Alien Property Custodian

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A.F.E.

In reply please
refer to: 89239

My dear Mr. Chairman:

Further reference is made to your letter of 6 June 1945, relative to H.R. 3771, a bill "To amend the Trading with the Enemy Act, as amended, and for other purposes".

On 8 June 1945 the President issued Executive Order No. 9567, which empowers the Alien Property Custodian to vest all German and Japanese property in the United States. The issuance of the Executive Order was jointly recommended to the President by the Department of State, the Office of the Alien Property Custodian, and this Department, as an essential step in a program for the complete elimination of German and Japanese property interests in the United States.

While this Department accordingly agrees with the purposes of the bill concerning the vesting of German and Japanese property, especially as expressed in the first sentence of Section 12a.3, it is respectfully suggested that consideration of the bill be deferred.

In the opinion of this Department, it is highly important that legislation relating to claims against Germany and Japan and their nationals should specify with some precision not only the procedure for establishing claims but also the classes of claims to be entertained and the basis for distributing funds when they prove insufficient to satisfy any class. On the broad basis indicated in the bill, potential private claims alone undoubtedly exceed the total German and Japanese assets in this country, even including patents and other similar property having no readily ascertainable value. Under these circumstances, the provisions in the second sentence of Section 12a.3 of the bill, which in essence are merely procedural, would lead to unnecessary difficulties and expense of administration and to the disappointment of persons whose claims could not be satisfied after they had been established.

The most serious attention must also be given to the claims of the United States itself. While this Government clearly cannot hope to

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secure compensation for the costs of the war, it is by no means sure that governmental claims should be completely subordinated to those of private persons. This question cannot be properly determined on the information now available.

As part of the program which they have advanced to the President, this Department and the other agencies mentioned above desire to present to the Congress in the near future certain recommendations concerning creditors of persons in Germany and Japan. The purpose of the recommendations would be to define the class of creditors who it is believed might properly be compensated from vested assets at the present time and to establish an appropriate procedure for dealing with their claims. It is believed that the legislation to be suggested would undoubtedly be preferable to the arrangements envisioned by H.R. 3371.

In addition to these considerations, this Department believes that Section 12a.4 of H.R. 3371 would lay an unnecessary and undesirable burden on the courts of the United States. While this Department in no way opposes the granting of compensation by the German and Japanese governments for property vested by the United States, it perceives no reason why this country should insist upon or administer such compensation.

It is also thought by this Department that property belonging to the satellite enemy countries and their nationals should not be included in the same program as that covering Germany and Japan. In view of their different status, separate methods might well be employed in dealing with these countries.

It may further be noted that there are certain technical objections to the language of the proposed bill, which might raise definite legal and administrative problems if the measure were enacted.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

Secretary of the Treasury

Honorable Clarence F. Lea
Chairman, Committee on Interstate
and Foreign Commerce
House of Representatives
Washington, D. C.

April 30, 1945

Messrs. Coo, Aarons and Hoffman

Messrs. Alk and Arnold

Re: Vesting of German and Japanese Assets

On April 27, 1945 we discussed our program for vesting German and Japanese assets with Seymour Rubin and Earl Hackworth of the State Department. For convenience, copies of the program and memorandum to the President are attached.

Mr. Rubin said that his department agrees in general with our views. However, State probably cannot concur in our point that the proceeds of vested property should redound to the benefit of the people of the United States as a whole rather than to private claimants. A statement of this sort on the ultimate disposition of the proceeds is considered premature. According to Mr. Rubin, the reparations discussions which are about to begin in Moscow would revolve on the premise that the United Nations should be recompensed for damage to their nationals and not for the over-all expense of the war. Any amount which a particular nation confiscates from German nationals will undoubtedly be credited against what it is allowed by the Reparations Commission. It might be embarrassing to this Government to deny claimants any relief from funds which, for external purposes, have been credited against their claims. Moreover, the determination of the creditor question requires a resolution of numerous conflicting equities which could not be settled quickly enough to allow an early beginning on the vesting program.

At Mr. Alk's request, Mr. Rubin agreed to reexamine the matter in his department, although he indicated that he did not expect a different answer. Mr. Alk undertook to inquire in the Treasury whether we would be agreeable to the change suggested by Mr. Rubin. It was also understood that Mr. Hackworth would rewrite our program and memorandum to the President in a manner which would bring it into accord with the views of State.

To make sure that no vital aspects were misunderstood, we pointed out that our program envisages confiscation as a penalty and a warning to future aggressors. We also emphasized that defrosting should primarily be a Treasury responsibility. According to Mr. Rubin, State agrees on both questions.

We also discussed with Messrs. Rubin and Hackworth the question whether all persons whose German or Japanese debtors have assets in this country should be paid before the assets are covered into the Treasury, regardless of how the claims arose. Mr. Alk said that this matter seemed to be one of concern to

the Alien Property Custodian who contends that such persons should be paid on an equitable basis to the extent permitted by the assets of their particular debtor. Mr. Rubin and Mr. Backworth indicated that they had no very strong feeling on the point and that if the Custodian insisted, it would be better to agree.

On the following day Mr. Aik had a conversation with Mr. Cutler of the Office of the Alien Property Custodian in conjunction with other matters. During the conversation, Mr. Cutler indicated that the Custodian still feels strongly on the question of creditors outlined above, but left the impression that, on the program as a whole, it might be possible to reach agreement without much further difficulty.

RECOMMENDATIONS:

- 1) If the Department of State will not agree to a declaration on the disposition of the proceeds from vested property, the Treasury should recede on the point, since it is not essential to our program.
- 2) If the Alien Property Custodian insists that persons who have claims against German and Japanese debtors possessing assets in the United States be paid to the extent permitted by the assets of each debtor, the Treasury should likewise recede on this point.

Copies to: Messrs. Dubeis, Arons, J. Friedman, Aik, Arnold, Coe, Glasser, Ruffin, Schmidt, Richards and Mrs. Nella Shwarts

Arnold:joe 2/2/43

A.P.C

MEMORANDUM

April 16, 1948

Re: Vesting of German and Japanese assets.

I called Mr. McManara this afternoon and asked if the Custodian's Office had had an opportunity to study the suggested program for vesting German and Japanese assets which had been forwarded to him by the Treasury.

Mr. McManara stated that he had discussed the matter with the Custodian and that the Custodian was very much disturbed by the Treasury's proposals. He said that the Custodian was disturbed by the Treasury desiring to retain primary responsibility for working out with the liberated governments the technique for uncovering enemy property held under non-enemy names. I stated I had understood by our recent conference that this was perfectly agreeable to the Custodian's Office. Mr. McManara seemed to agree that this was the case, and I was unable to get a definite answer as to what phase of the matter disturbed the Custodian's Office. Mr. McManara did say that there was no necessity for referring to this subject in the memorandum.

Mr. McManara also said he could not understand why we had provided that German and Japanese influence should be removed prior to sale. He said that this was casting doubt upon the Custodian's program of eliminating German and Japanese influence. He also indicated that his agency was not prepared to make any recommendations either with respect to the confiscation of German and Japanese assets or with respect to payments to creditors. He said that if State Department decided upon a program of confiscation, the Custodian would be inclined to go along but that the Custodian felt he should not express an opinion in advance.

I asked whether the Custodian's Office had come to any definitive conclusion with respect to the matter and Mr. McManara stated that they were going to let the whole thing simmer for a few days "to see how the wind blew".

I. G. Aik

Copies to Messrs. Schmidt, Coo, Aarons, Arnold, Richards, Day, Glaser, Hoffman

IGAlk:gub 4-17-48

4/5/45

**PROGRAM RELATING TO VESTING AND DISPOSITION OF GERMAN
AND JAPANESE ASSETS PROPOSED JOINTLY BY ALIEN PROP-
ERTY CUSTODIAN AND SECRETARY OF THE TREASURY**

1. The objective of vesting assets of Germany and Japan and their nationals is the complete elimination of German and Japanese property interests in the United States.
2. All German and Japanese property should be vested in and by the Custodian. In view of the problems of unfreezing occupied and neutral blocked countries, the Treasury shall continue to exercise primary responsibility for dealing with property held in the names of persons who are nationals of blocked countries other than Germany or Japan.
3. The authority of the Treasury to vest German and Japanese property under Executive Order No. 9193 should be conferred on the Custodian by amendment of the Order. Preservation of the Treasury's responsibility respecting assets of blocked countries other than Germany and Japan shall be ensured by an exchange of letters between the Custodian and the Secretary of the Treasury.
4. All vested property, other than patents, trademarks and copyrights, shall be liquidated and sold as soon as possible. Pending the ultimate disposition of the proceeds, they shall be deposited to the account of the Custodian in the Treasury.
5. German and Japanese influences shall be removed from all vested property prior to its sale.
6. The Custodian and the Treasury shall join in recommendations to Congress that
 - (a) no plan for the final disposition of the funds realized from vested German and Japanese property should make provision for any return or compensation, direct or indirect, by the United States to the former owners;
 - (b) such funds should redound to the benefit of the taxpayers of the United States rather than to claimants against Germany or Japan or their nationals; and
 - (c) accordingly, all proceeds of vested property should be paid into the miscellaneous receipts of the United States, after satisfaction only of creditors' claims which arose with reference to, or out of actions or transactions related to, property vested.
- 7.

7. The Custodian and the Treasury shall join at the earliest possible date in a recommendation of legislation necessary to effectuate the program and to provide that expenses of the Custodian shall be paid out of vested property. The recommendations concerning the ultimate disposition of vested property set forth above shall be presented to Congress in conjunction with this legislation.
8. The Custodian and the Treasury shall immediately present to the President a memorandum requesting approval of their program and the necessary amendment of Executive Order No. 9193.

April 4, 1945

Messrs. Aarons, Coe and Schmidt

I.G. Alk and E. Arnold

Attached is a revised draft of a memorandum for the President concerning vesting of German and Japanese assets. Although the memorandum was prepared in the light of Mr. Coe's conference with Mr. McNamara, it is essentially the same as earlier drafts. The only difference of any significance in fact is a change concerning payment of proceeds into miscellaneous receipts of the United States. This point is now formulated in such a way that it is not necessarily an immediate requirement but may be treated only as part of a recommendation to Congress.

In view of our understanding with Mr. Cutler of the Custodian's Office, we propose to send him a copy of the memorandum unless objections are received. If no comment is made before Friday evening, it will be assumed that there is no objection and the memorandum will be sent without further clearance.

Attachment

cc: Messrs. Richards and Day

EArnold:as

copy

Office of
Alien Property Custodian
Washington

April 3, 1945

Mr. Frank Coe
Director of Monetary Research
Treasury Department
Washington 25, D. C.

Dear Mr. Coe:

Enclosed is an original and a copy of "Recommendation for Joint Action by Alien Property Custodian and Secretary of the Treasury," drafted as a result of our conference on last Wednesday. I trust that it states our joint views with respect to the subject matter.

Your attention is invited to the bracketed sentence in the first paragraph, footnoted (1). The Custodian deems that this additional area should be included within the authority to be delegated to him, but will not insist thereon if the program is otherwise satisfactory to the Secretary of the Treasury.

I have initialed the original and copy enclosed herewith. If you indicate by your initials that this program has cleared in the Treasury Department, I will refer the matter to the Department of Justice for drafting the appropriate form of delegation of authority with the cooperation of our and your legal staff.

Sincerely,

/s/ Francis J. McNamara

Deput Alien Property Custodian

April 3, 1945

Recommendation for Joint Action by Alien Property Custodian
and Secretary of the Treasury

All German and Japanese property or interests shall be vested in and by the Alien Property Custodian. Property of other enemy^d countries or their nationals shall be vested in and by the Alien Property Custodian only when vesting conforms to policies determined after consultation with the State Department.⁽¹⁾

All property vested by the Alien Property Custodian shall be liquidated and sold as soon as practicable, the proceeds to be deposited to the account of the Alien Property Custodian in the Treasury to be held subject to determination of the policy of this Government with respect to ultimate disposition thereof.

Expenses of the Office of Alien Property Custodian shall be paid out of vested property or its proceeds to the extent authorized by Congress. Payment of prevesting debt claims shall be made as may be provided by Act of Congress.

The Alien Property Custodian will continue to eliminate German or Japanese interests or influences with respect to all properties.

The Alien Property Custodian and Secretary of the Treasury will join in recommendation for Executive action and, to the extent required, legislation, speedily to effectuate the program. The Department of Justice will draft the appropriate form of delegation of necessary authority to vest in and by the Alien Property Custodian.

(1) Additional jurisdiction preferred by the Alien Property Custodian.

March 28, 1945

Conference with Mr. McNamara
Mr. Coe's Office
March 28, 1945
3:00 pm.

Subject: Further Vesting of Enemy Assets.

Mr. McNamara said that as a result of APC consideration he could say the following on the points which had been raised by the Treasury.

1. The custodian was committed to the speediest possible sale of all German and Japanese assets. There were administrative and legal difficulties. On the legal difficulties, the custodian would push for legislation which would make it possible for the custodian to sell anything and provide payments later in the event the custodian made a mistake.

2. The custodian was agreeable to the procedure of covering the proceeds of such sales into the miscellaneous receipts of the Treasury after the payment of administrative expenses and such claims of American creditors as Congress say should be met. This was, however, subject to agreement with State.

3. Again subject to agreement of the Department of State, the custodian would join in the recommendation that the former owners of these properties not be reimbursed for them. It was felt that State would certainly oppose confiscation. However, it was thought that State would not oppose a policy of seizing, holding and applying the proceeds against reparations, restitution and other claims against the enemies.

4. The custodian differed somewhat from the Treasury as to the creditors whose claims would have to be met. However, because Mr. Coe said that this subject could be worked out providing the others could, it was not discussed in detail.

5. Since the Justice Department felt very strongly that the Executive Order should be amended to give the custodian the necessary powers and assets, the custodian differed from the Treasury on this matter.

6. Other enemy assets. The custodian still thought it necessary that all enemy assets be transferred to his jurisdiction.

Mr. Coe stated that the Treasury Department had no desire to handle any of the assets which the custodian now had nor any desire to hold onto assets which it had and would willingly transfer any of them if this would serve a program which was agreed upon or would wind up the business faster. The Treasury felt that the whole program of disposal could be speeded up if suitable legislation were pushed. Mr. McNamara said they were doing this. Mr. Coe said that he recognized that the Department of State might have an interest as to what was done with the proceeds and as to a policy of non-reimbursement of former owners. However, he felt that it was desirable to make sure that all angles of the policy were considered, since it was his

FILE COPY

Division of Monetary
Research

- 2 -

impression that at the highest level the Department of State was agreed upon a program for stripping Germany of its external assets. It all depended upon how a matter was put up. State was not in favor of confiscation but it was in favor of reparations and restitution. On the question of Executive Order vs. delegation of authority, Mr. Coe said that the Treasury still preferred the delegation of authority but was much more interested in agreement about the program than in the question of legal forms of carrying it out.

On the question of enemy assets of satellite countries, Mr. Coe said there was much less sympathy in the Treasury with the request of the APC. So far as we knew there was no agreed policy in this government as to stripping those countries of their foreign assets or otherwise disposing of them, therefore, we saw no point in transferring them from one agency to another except the jurisdictional point that one agency would have complete control of assets which were all called enemy but which were in fact going to be handled in quite different ways.

At the conclusion, Mr. Coe suggested that there was so much agreement that we ought to get down to a concrete memorandum of policy or program to submit to the President. Mr. McNamara said if there were no objection they were going to check with State and Justice on the points he had raised.

Frank Coe

FC:rl 4/25/45

FILE COPY

March 26, 1945

MEMORANDUM FOR THE FILE

Re: Vesting of German and Japanese property

In preparation for a meeting between Messrs. Coo and McManara, Messrs. Coo, Aarons, Alk, Friedman, Schmidt, and Arnold met in Mr. Coo's office to discuss the vesting of German and Japanese assets. Attention was directed mainly to the conversation of Mr. Cutler with Alk and Arnold, summarized in the attached memorandum.

It was concluded that if the Alien Property Custodian will give a firm commitment on the following points, Treasury should join with him in a vesting program without insisting on the other questions that have been raised:

1. Recommendation will be made to the President and to Congress that German and Japanese assets should not be returned, directly or indirectly, to their former owners.
2. The Treasury will be left entirely free to handle unfreezing of liberated and neutral assets.
3. Legislation will be sought to prevent suits by "friendly" aliens from hampering sale of vested property.

The main points on which agreement was thought desirable but not essential were:

1. Covering proceeds of vested property into the miscellaneous receipts of the United States;
2. Agreeing that creditors, other than those with claims arising in relation to specific assets, should not benefit from vesting;
3. Conferring vesting authority on the Custodian by a delegation of power from the Treasury rather than by amendment of Executive Order No. 9193.

There was discussion of the desirability of presenting the President with a memorandum stating that vesting had been proposed, that the Custodian refuses to join in a significant program, and that the Treasury is ready to proceed with one. It was decided to hold the idea in abeyance until after the meeting with McManara.

cc: Messrs. Aarons, Alk, Coo, Day, Friedman, Glasser, Richards, Schmidt
Arnold:as - 3/27/45

February 26, 1945

To: Mr. I. G. Alk

From: E. Arnold

The attached memorandum for the files sets forth to the best of my recollection the decisions reached at the meeting in Mr. Gee's office on February 24 concerning the vesting of German and Japanese assets. I am in accord with the decisions excepting the portion of No. 4 relating to creditors.

In my opinion, it is a serious injustice to deny persons in this country who have claims against German and Japanese business organizations and individuals the right to satisfaction out of any assets of their particular debtors which may exist in the United States. If the Treasury were advocating a "pot" theory for the benefit of all creditors of Germany and Japan and their nationals, it would not seem inequitable that all should share alike regardless of whether the debtors of some have assets here. When the question is one of taking assets from creditors for the benefit of taxpayers, I think the considerations are entirely different.

The contrast between our attitude with respect to creditors of Germans and our views with respect to those of Frenchmen is striking. It is impossible for me to reconcile the two positions.

This discussion is not directed to the case of creditors whose debtors have no assets here or who could not be sued in our courts because of sovereign immunity. Even with regard to the liberated areas our present thinking does not require the Treasury to do very much for such persons. We can make a reasonable argument for subordinating them to the taxpayers although, as I stated in the meeting, it appears to me that the general trend of thought in Congress and in other quarters is to the contrary.

Attachment

EArnold:as

Re: Vesting of German and Japanese assets

February 26, 1945

MEMORANDUM FOR THE FILES

A meeting was held in Mr. Coo's office on February 24 to formulate tentatively the position of the Treasury on questions of policy and administrative questions arising from the recent correspondence with the Alien Property Custodian on the subject of vesting German and Japanese assets. Present were Messrs. Coo, Arons, Aik, Arnold, Day, Glasser, Minchhoff, Richards, and Mrs. Shwarts.

The following points were agreed upon:

1. The Treasury is ready to join at once in a program for vesting German and Japanese assets if the Custodian agrees to the principles advanced below.

2. All assets vested, including those already in the Custodian's hands, but excepting patents, copyrights, and trademarks, shall be converted into cash immediately and the proceeds shall be paid into the miscellaneous receipts of the United States.

3. Before the funds are turned into the Treasury, creditors whose claims arise in relation to specific assets of a particular debtor shall be paid. For example, payments shall be made to creditors of the Japanese branch banks and to custodians and agents who are entitled to compensation for preserving particular assets. If any of these persons themselves are subject to vesting, their claims obviously should be vested.

4. The payment of proceeds into miscellaneous receipts should signalize the complete and irrevocable elimination of German and Japanese interests and no return, direct or indirect, should be made by the United States to the former owners. The use of the receipts is a question to be decided by Congress, as in the case of all unappropriated monies, but if the opinion of the Treasury and the Custodian is requested, it shall be urged that the funds redound to the benefit of the taxpayers of the United States and not be used to compensate creditors of Germany and Japan and their nationals. Creditors should be remitted to whatever remedy they can obtain at the peace conference.

5. No decision was reached on the view to be taken regarding creditors otherwise excluded from payment who have secured judgments subsequent to the freezing of property vested.

6. If the Alien Property Custodian feels that legislation is required to effectuate any of the foregoing points, Treasury will join with him in urging the legislation, provided that the whole program is outlined to Congress in a manner definitely committing the Custodian.

7. The technique of vesting must insure that the Custodian shall participate in unfreezing and other Foreign Funds activities to no greater extent than he is now entitled to act under Executive Order No. 9193.

8. The vesting of German and Japanese assets now under Treasury jurisdiction should be accomplished through a delegation of power by the Secretary to the Custodian, with a letter restricting the Custodian's activities to cases which of record are German and Japanese or are specifically designated by the Treasury.

9. No decision was reached on the ultimate limits of vesting, although there was much discussion on the question of Germans and Japanese leaving enemy territory after certain dates, June 6, 1944 and December 7, 1941.

10. The Secretary and the Custodian should join in a memorandum to the President explaining their program and asking his approval.

CC: Messrs. Coe, Aarons, Alk, Arnold, Day, Minskeff, Richards, Glasser
Mrs. Shwartz

Ernestias



OFFICE OF
ALIEN PROPERTY CUSTODIAN
WASHINGTON

February 27, 1945

Dear Mr. Secretary:

Reference is made to your letter of February 19, 1945 with respect to the vesting of all German and Japanese assets in the United States.

I have requested the Deputy Alien Property Custodian, Francis J. McManara, to arrange a meeting with your Mr. Frank Coe to explore the matter further in accordance with your suggestion. It is my view that consistency requires that we should conform to the existing pattern of vesting and liquidation of enemy assets as established in this office, the cash proceeds to be deposited in the Treasury to my account subject to being disposed of as Congress shall direct.

To initiate this program your concurrence is requested in an amendment to paragraph 2(c) of Executive Order 9193 by striking therefrom the words

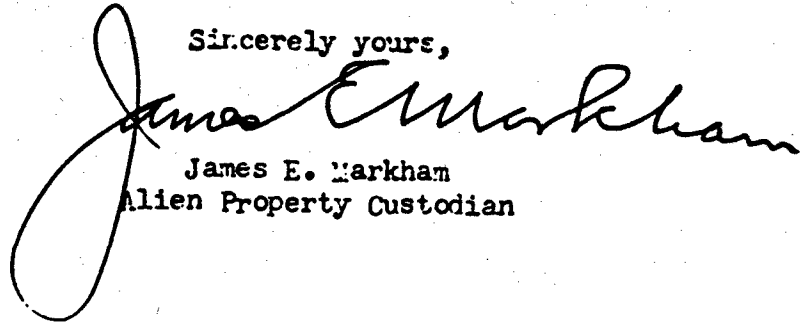
"not including in such other property, however, cash, bullion, moneys, currencies, deposits, credits, credit instruments, foreign exchange and securities except to the extent that the Alien Property Custodian determines that such cash, bullion, moneys, currencies, deposits, credits, credit instruments, foreign exchange and securities are necessary for the maintenance or safeguarding of other property belonging to the same designated enemy country or the same national thereof and subject to vesting pursuant to section 2 hereof;"

so that said paragraph 2(c), as amended, would provide as follows:

"any other property within the United States owned or controlled by a designated enemy country or national thereof;"

If you will indicate your concurrence in the above-mentioned amendment to Executive Order 9193, I will be pleased to transmit a draft of the proposed Executive Order as amended to you for your approval.

Sincerely yours,

A large, stylized handwritten signature in cursive script, reading "James E. Markham". The signature is written in dark ink and is positioned to the left of the typed name and title.

James E. Markham
Alien Property Custodian

Honorable Henry Morgenthau, Jr.
The Secretary of the Treasury
Washington, D. C.

February 26, 1945

To: Mr. I. G. Alk

From: E. Arnold

The attached memorandum for the files sets forth to the best of my recollection the decisions reached at the meeting in Mr. Coe's office on February 24 concerning the vesting of German and Japanese assets. I am in accord with the decisions excepting the portion of No. 4 relating to creditors.

In my opinion, it is a serious injustice to deny persons in this country who have claims against German and Japanese business organizations and individuals the right to satisfaction out of any assets of their particular debtors which may exist in the United States. If the Treasury were advocating a "pot" theory for the benefit of all creditors of Germany and Japan and their nationals, it would not seem inequitable that all should share alike regardless of whether the debtors of some have assets here. When the question is one of taking assets from creditors for the benefit of taxpayers, I think the considerations are entirely different.

The contrast between our attitude with respect to creditors of Germans and our views with respect to those of Frenchmen is striking. It is impossible for me to reconcile the two positions.

This discussion is not directed to the case of creditors whose debtors have no assets here or who could not be sued in our courts because of sovereign immunity. Even with regard to the liberated areas our present thinking does not require the Treasury to do very much for such persons. We can make a reasonable argument for subordinating them to the taxpayers although, as I stated in the meeting, it appears to me that the general trend of thought in Congress and in other quarters is to the contrary.

Attachment

EA.

MEMORANDUM FOR THE PRESIDENT:

Under Executive Order No. 9193, the authority to deal with enemy property in this country was allocated between our offices. The Treasury was given control of dollar balances, securities and other liquid assets, while the Custodian's Office was empowered to deal with property requiring active management. The Order provides, however, that if the Treasury should decide to vest any property, it shall be vested in, and dealt with by, the Custodian upon the terms directed by the Treasury.

We believe that the national interest now requires the complete and irrevocable elimination of German and Japanese interests in property in the United States. As a first step to this end, we are ready, if you approve, to join in a coordinated program under the Executive Order for vesting in the Custodian, German and Japanese property held under Treasury control. All vested property, except patents, copyrights, and trademarks, will be converted into cash as quickly as possible and the proceeds will be covered into the miscellaneous receipts of the United States. The Treasury will continue to exercise the primary responsibility of dealing with property held in the names of persons who are nationals of blocked countries other than Germany and Japan.

Subject to your concurrence, we are also prepared to join in suggesting legislation which will be helpful in effectuating certain details of the program. In conjunction with this legislation, we are fully agreed to recommend to Congress that no plan for final disposition of the funds

realized from vested property should make provision for any return, direct or indirect, by the United States to the former German and Japanese owners. We believe, further, that such funds should, in general, redound to the benefit of the taxpayers of the United States rather than to creditors of Germany or Japan or their nationals.

To accomplish the vesting itself, the Secretary of the Treasury will delegate to the Custodian his authority to vest property of Germany and Japan and their nationals, and the Custodian will issue the necessary vesting orders. If you agree with the program which we have advanced, it is requested that you sign the attached original of the delegation of authority.

March 1, 1945

To: Messrs. Coe, Aarons, Day, Glasser, Minskoff, Richards, and
Mrs. Schwartz

From: I.C. Alk and E. Arnold

Re: Vesting of German and Japanese assets

Attached are:

(1) An agenda for discussions with the Alien Property Custodian with respect to the elimination of German and Japanese interests in property in the United States;

(2) Treasury answers to the agenda;

(3) A memorandum summarizing the meeting held in Mr. Coe's office on February 24;

(4) A memorandum by Arnold concerning the treatment of certain creditors;

(5) A copy of the proposed memorandum for the President revised in accordance with the determinations at the meeting.

To complete the documents required for further discussions with the Custodian, please consult the delegation of power from the Secretary to the Custodian and the letter from the Secretary to the Custodian circulated with our memorandum of February 21, 1945, which formed the basis of discussion at the meeting. In our opinion, the discussions did not require any revisions in these documents.

Attachments

CA

AGENDA FOR DISCUSSIONS WITH THE ALIEN PROPERTY CUSTODIAN
WITH RESPECT TO THE ELIMINATION OF GERMAN AND JAPANESE
INTERESTS IN PROPERTY IN THE UNITED STATES

1. General consideration of objective that German and Japanese property interests in the United States be completely and irrevocably eliminated.
2. Program with respect to the prompt sale and conversion into cash of vested property.
3. Disposition of proceeds of sale of vested property with particular reference to covering into the Treasury of the United States.
4. Recommendations to Congress that no returns or payments be made to former German and Japanese owners.
5. Classes of creditors, if any, to be paid out of proceeds of vested property and manner and extent of payments.
6. Fields in which further legislation is required to carry out program.
7. Extent to which vesting authority of Treasury should be delegated to Custodian and techniques of delegation.

TREASURY ANSWERS TO AGENDA FOR DISCUSSIONS WITH THE ALIEN
PROPERTY CUSTODIAN WITH RESPECT TO THE ELIMINATION OF GERMAN
AND JAPANESE INTERESTS IN PROPERTY IN THE UNITED STATES

1. The objective of vesting is the complete and irrevocable elimination of German and Japanese property interests in the United States. The Treasury is prepared to join at once a program for vesting German and Japanese assets if the Custodian agrees to the principles advanced below.
2. All assets vested, including those already in the Custodian's hands, but excepting patents, copyrights, and trademarks, shall be converted into cash immediately. It is, of course, expected that the Custodian's expressed policy of removing all enemy influences from business organizations before sale will be fully carried out.
3. The proceeds of sale of vested property shall be paid into the miscellaneous receipts of the United States, subject only to satisfaction of the claims of creditors described below.
4. The Custodian and the Treasury should join in an early recommendation to Congress that no return, direct or indirect, should be made by the United States to former German and Japanese owners of property vested.
5. (a) Creditors whose claims arose in relation to specific assets of a particular debtor shall be paid from the proceeds of those assets; for example, payment shall be made to creditors of the Japanese branch banks and to agents and caretakers who are entitled to compensation for preserving particular assets.
(b) If the opinion of the Treasury and the Custodian is requested, they shall join in a recommendation to Congress that no other creditors of Germany or Japan or their nationals should be paid, but that the proceeds of vesting covered into miscellaneous receipts should redound to the benefit of the taxpayers in the United States, leaving the creditors to whatever remedy they can obtain at the peace conference.
(c) Attachments on vested property secured after freezing should not be recognized unless the creditor comes within the group which would otherwise be paid.
6. If the Alien Property Custodian feels that legislation is required to effectuate any of the foregoing points, the Treasury will join with him in urging the enactment of a reasonable statute, provided that the whole program of eliminating German and Japanese interests is outlined to Congress in a manner definitely committing the Custodian to its support.

OK

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7. (a) The vesting of German and Japanese assets now under Treasury jurisdiction should be accomplished through a delegation of power by the Secretary to the Custodian, with a letter restricting the Custodian's activities to cases which of record are German or Japanese or are specifically designated by the Treasury. The Custodian shall participate in unfreezing and other Foreign Funds activities to no greater extent than he is now entitled to act under Executive Order No. 9193.

(b) The Custodian and the Secretary should join in a memorandum to the President explaining their program and asking his approval.

Re: Vesting of German and Japanese assets

February 26, 1945

MEMORANDUM FOR THE FILES

A meeting was held in Mr. Coe's office on February 24 to formulate tentatively the position of the Treasury on questions of policy and administrative questions arising from the recent correspondence with the Alien Property Custodian on the subject of vesting German and Japanese assets. Present were Messrs. Coe, Arons, Alk, Arnold, Day, Glasser, Minskoff, Richards, and Mrs. Shwartz.

The following points were agreed upon:

1. The Treasury is ready to join at once in a program for vesting German and Japanese assets if the Custodian agrees to the principles advanced below.
2. All assets vested, including those already in the Custodian's hands, but excepting patents, copyrights, and trademarks, shall be converted into cash immediately and the proceeds shall be paid into the miscellaneous receipts of the United States.
3. Before the funds are turned into the Treasury, creditors whose claims arose in relation to specific assets of a particular debtor shall be paid. For example, payments shall be made to creditors of the Japanese branch banks and to custodians and agents who are entitled to compensation for preserving particular assets. If any of these persons themselves are subject to vesting, their claims obviously should be vested.
4. The payment of proceeds into miscellaneous receipts should signalize the complete and irrevocable elimination of German and Japanese interests and no return, direct or indirect, should be made by the United States to the former owners. The use of the receipts is a question to be decided by Congress, as in the case of all unappropriated monies, but if the opinion of the Treasury and the Custodian is requested, it shall be urged that the funds redound to the benefit of the taxpayers of the United States and not be used to compensate creditors of Germany and Japan and their nationals. Creditors should be remitted to whatever remedy they can obtain at the peace conference.
5. No decision was reached on the view to be taken regarding creditors otherwise excluded from payment who have secured judgments subsequent to the freezing of property vested.

6. If the Alien Property Custodian feels that legislation is required to effectuate any of the foregoing points, Treasury will join with him in urging the legislation, provided that the whole program is outlined to Congress in a manner definitely committing the Custodian.

7. The technique of vesting must insure that the Custodian shall participate in unfreezing and other Foreign Funds activities to no greater extent than he is now entitled to act under Executive Order No. 9193.

8. The vesting of German and Japanese assets now under Treasury jurisdiction should be accomplished through a delegation of power by the Secretary to the Custodian, with a letter restricting the Custodian's activities to cases which of record are German and Japanese or are specifically designated by the Treasury.

9. No decision was reached on the ultimate limits of vesting, although there was much discussion on the question of Germans and Japanese leaving enemy territory after certain dates, June 6, 1944 and December 7, 1941.

10. The Secretary and the Custodian should join in a memorandum to the President explaining their program and asking his approval.

CC: Messrs. Coe, Aarons, Alk, Arnold, Day, Minskoff, Richards, Glasser
Mrs. Shwartz

EArnold:as

MEMORANDUM FOR THE FILES

January 15, 1945

Subject: Vesting of Enemy Assets

Harry Dexter No Location

A meeting was held in Mr. White's office on January 13, 1945 to discuss a proposal made by the Alien Property Custodian in his letter of January 10, 1945 that all enemy assets in the United States be vested by the Alien Property Custodian. Participants were Col. Bernard Bernstein and Messrs. White, Inxford, Balbis, Taylor, Glasser, Schmidt, Arnold, and Richards.

Willis No Location
Col. Bernstein indicated that the Allied Military authorities in defeated Germany will see that complete information concerning German external assets is obtained in Germany and that the German interest in all such assets is vested in some central agency in Germany.

It was agreed that the U. S. Government should, as soon as possible, eliminate completely all German interest in property in the United States by an effective and vigorous vesting program. Similarly, all Allied and associated countries should be encouraged to vest German interests in property within their respective jurisdictions. It was the consensus that this action would not interfere with but would complement the vesting action to be taken in Germany. It was felt that each Allied and associated country would have first claim to vested German assets within its jurisdiction, but could, after German defeat, renounce such claim in whole or in part, in which case the German assets renounced would vest in the post-armistice vesting authority in Germany.

It was also urged that the Allied authorities in Germany, in requiring declarations of interest in external assets, should provide a specified period for filing such declarations after which persons in Germany would be precluded from compensation in reichsmarks. Such action would be particularly beneficial in those cases where property which is cloaked through neutrals has been vested by an Allied country because of suspicion of German interest, since the real German owner might be induced to reveal his interest rather than risk losing any possibility either of getting the property returned or of getting compensation in local currency for it. Such revelations would be helpful in verifying the Allied contentions that the property was German and not neutral.

While there was general agreement on the desirability of a vesting program in the United States if it were the right kind, there was little to be gained in substituting one form of control for another. It was agreed that in answering the APO's letter we should ask him to explain the nature of his proposed program and indicate what would be gained by vesting. It was recognized that we should, before agreeing to vesting in the APO of German assets now under Treasury jurisdiction (bank accounts, securities, etc.), (1) make certain that the vesting program of the APO would really be effective in permanently removing the German interest, and (2) make certain that the responsibility rests conclusively with Treasury for determining whether there is any German interest in property held in this country through persons in liberated and neutral

countries and that the APC will have an interest in such property only after the Treasury has determined that there is a German interest.

The same considerations apply to Japanese assets. Italian, Hungarian, Rumanian, and Bulgarian assets, however, would not be included in such a United States vesting program.

J. S. Richards

cc: Mr. White ✓
Mr. Luxford
Mr. DuBois
Mr. Glasser
Mr. Alk
Mr. Arnold
Mr. Schmidt
Mrs. Shwarts

JSRichards:ems

March 9, 1945

MEMORANDUM FOR THE FILES

Re: Conference with representatives of Alien Property Custodian and Department of Justice concerning vesting, on March 8, 1945

Present: For Alien Property Custodian: Messrs. McNamara, Greighton and Cutler
For Department of Justice: Messrs. Jones and Parker
For Treasury: Messrs. Cee, ~~Lee~~, ~~Arnold~~, Alk, Arnold, Day, Friedman, ~~Slagter~~, Richards, ~~Saxon~~, Mrs. Gold
Virginus Frank
Harold *No Loc-hi*

In leading the discussions, Mr. Cee followed, in general, the agenda and answers circulated on March 1 by Alk and Arnold.

1. General objective.

When Mr. Cee stated in general terms the objective of completely and irrevocably eliminating German and Japanese interests, Mr. McNamara replied that the Custodian's office is in full accord. It proposes to vest property, liquidate it, and put the proceeds in special accounts in the Custodian's name with the Treasury.

2. Sale and conversion into cash.

Again Mr. McNamara agreed in principle with the Treasury views. Mr. Cee inquired what the Custodian was doing about the disposition of large properties such as General Aniline and Film. Mr. McNamara replied that the Custodian was preparing to sell. He said that it was hoped to offer General Aniline within three months but I. G. Chemie had threatened a suit which [under Sec. 9(a) of the Trading with the enemy Act] would prevent the sale. Mr. McNamara stated that representations against sale made by foreign governments were an obstacle in some cases. Moreover, because of protests by the Dutch Government, the Department of State has held up the vesting of extensive rayon interests.

In response to a question, Mr. McNamara said that the Custodian does not need assistance in facilitating sales. One of the problems of policy troubling the Custodian's office is methods of keeping enemy interests out of property sold as long as possible, by devices such as voting trusts or consent decrees under the anti-trust laws. Mention was also made of clearing up patent and contract relationships. When Mr. Cee expressed some fear that the prospects for prompt sales did not appear good, Mr. McNamara indicated that he hoped to see substantial sales in 1945, unless suits prevent.

Mr. Coe said that the Treasury was troubled by the fact that Halbach had not been discharged by General Dyestuffs. He indicated that the retention of such a person in a concern under the jurisdiction of the Custodian appears to indicate an inconsistency between the domestic policy followed by this Government and that which it was urging abroad with respect to the discharge of German fronts. Mr. McManara responded that the difficulty is a conflict between the policy of the Government, concerning blocked nationals and the business judgment of the General Dyestuffs directors who find Halbach a valuable employee. Halbach's resignation has been submitted and the Custodian has informed the Board that he must leave the employ of the Company, but a vote on the matter has been postponed for a month. Mr. Jones then inquired whether clearing out suspect personnel is not at least as vital a matter as the termination of German and Japanese property interests. The Treasury representatives agreed heartily and Mr. Coe asked whether there are other cases than that of Halbach to be cleared up. Messrs. McManara and Cutler took the position that the Halbach matter is a "peculiar case".

Mr. Jones said that the Hebersee Finanz-Korporation, a Swiss company owned by the Von Opel interests, has brought a suit testing the same question as that which I. G. Chemie threatens to raise. Although the case will be argued soon, Mr. Jones indicated, in response to questions, that it will not be concluded before the Circuit Court of Appeals in less than a year. Mr. Cutler commented that the case will decide whether a person of foreign nationality can enjoin sale under Sec. 9(a) or whether only citizens of the United States enjoy the benefits. The position of the Swiss corporations is, of course, that any friendly alien may proceed under the section. Mr. Alk asked what effect the legislation proposed a few months ago by the Custodian has on suits under Sec. 9(a). Mr. Cutler replied that the bill clearly deprives all foreign nationals of the right to procure injunctions.

Mr. Coe, in view of the facts concerning the ostensible ownership of General Aniline, Bosch, and other large vested enterprises, expressed apprehension that the prospects of early sale are decidedly dim if suits can be brought under Sec. 9(a). Since there seemed to be no real disagreement with this conclusion, Mr. Glasser inquired what the present status of the proposed legislation is. When Mr. Alk said he understood that the bill had been withdrawn, Mr. Cutler stated, in very general terms, that the Custodian and the Department of Justice were preparing a better draft. Mr. Cutler very obviously evaded a direct answer to Mr. Alk's question whether the new draft preserves the interdiction against injunction. He did, however, indicate that a draft would be given to the Treasury in the not distant future.

3 and 4. Covering proceeds into Treasury and recommendations to Congress against returns.

Messrs. Cutler and McManara stated that they did not know the Custodian's views on recommending to Congress that no returns or payments

be made to former German and Japanese owners. It was indicated by Mr. Cutler that their office is agreed there shall be no return of control over business enterprises but that no further decision has been made.

Mr. Coe then said that the Treasury wishes to cover proceeds of vested property into the miscellaneous receipts of the Treasury. This observation met serious question. Mr. Cutler felt that perhaps Congress would want to credit the payments on reparations and Mr. McNamara said that the view was contrary to Professor Berghard's arguments against non-confiscation. He continued that the question had been much discussed in the Custodian's office and that no decision had been reached. Mr. Aarons stated that the Treasury strongly inclines to think that the proceeds of vesting should redound to the benefit of general taxpayers and should not be returned or devoted to creditors. When the representatives of the Custodian expostulated that the time had not yet arrived for decisions on such matters, Mr. Alk took issue, saying that in his opinion the Custodian and the Treasury have an obligation to formulate and recommend a program to Congress at the earliest opportunity. In response to Mr. Alk's inquiry whether legislation would be needed to turn proceeds into the general funds, Mr. McNamara said "Yes" and Mr. Jones expressed the opinion that the outcome depended on whether Sec. 12 of the Trading with the Enemy Act is applicable. Mr. McNamara said that in any event he would hesitate to recommend to the Custodian that proceeds be covered into the general funds.

Thereupon, Mr. Glasser inquired what might be the benefit of vesting such liquid assets as bank deposits. Mr. Cutler said that it was advantageous to get title in the United States as soon as possible because whatever action Congress may wish to take will be facilitated. He felt that it was particularly important to act before the end of the war, for vesting afterward, even by Congressional direction, might present some difficulties. Mr. Alk strongly doubted that the labor of vesting would be worthwhile if the only purpose was to hold assets in special accounts until Congress acted. Mr. Cutler said that vesting would unquestionably facilitate Congressional action, while the turning of the proceeds into the general funds had little significance since Congress could always appropriate monies for the relief of former German and Japanese owners. Mr. McNamara agreed, stating further that placing proceeds in special deposit accounts does not deprive the United States of the use of the funds pending final decision. Messrs. Coe and Friedman strongly expressed the opinion that appropriation of general funds is less likely than the mere return of special deposit accounts. Mr. Coe said that the Treasury had strong opinions on the matter and he wondered whether the Custodian could not join in our views. Mr. McNamara promised to take the matter up with the Custodian.

Mr. Alk pointed out that the Treasury could vest liquid assets itself and direct their payment into the general funds, but Mr. Creighton questioned the Treasury's authority to control the Custodian's actions once the property had been vested.

Mr. Cutler, in summing up the viewpoint expressed by the Custodian's representatives, said that it seemed illogical to refuse to take an obvious first step because there was some doubt about the validity of further action.

5. Treatment of creditors.

The Custodian's policy concerning creditors, Mr. McNamara said, is set forth in the legislation which the Custodian had proposed. At present, no creditors are being paid. After some rather indefinite remarks by Messrs. McNamara and Cutler on the Custodian's policies and a number of creditors' claims which have been filed, Mr. Alk asked for a clearer statement of the Custodian's views on the type of claims which should be recognized. Mr. McNamara responded that in drafting the bill, the Custodian had limited his recommendations at Mr. Alk's specific request. Mr. McNamara then inquired pointedly what the Treasury's views on the question were. Mr. Alk answered that although the Treasury's position was not definitely settled, he felt that payments should be made only on the type of claim specified in the bill [i.e., "debt claims which arise prior to vesting with reference to or out of actions or transactions related to" property vested]. Mr. Cutler answered that this view would take care of the hardship cases and that he did not particularly urge the payment of creditors generally, but he felt there was an intermediate group who were entitled to serious consideration—persons having unobjectionable claims against specific debtors in many countries who possess assets in the United States. He felt it was not at all clear that the taxpayers should be preferred over such creditors. Mr. Alk said that in his opinion this class of persons is entitled to no consideration, but Mr. Cutler was not satisfied. Mr. McNamara said that, in a general way, creditors could be placed in five categories:

- (i) persons of the type whose payment was advocated by Mr. Alk, the so-called "house-painter" creditor;
 - (ii) American citizens having claims against debtors with property in the United States;
 - (iii) non-citizens having the same type of claims;
 - (iv) claims of American citizens against debtors with no assets here and also claims for war damage;
 - (v) claims of refugees for restitution of property taken from them in their native countries,
- 7

6. Need of legislation.

No special discussion was devoted to this point since it had been touched on extensively under items 3, 4, and 5.

7. Techniques of vesting.

Mr. Coe opened this topic by inquiring in general terms whether, if a program was agreed on by the Custodian and the Treasury, the Custodian would join in a memorandum to the President outlining the objectives and the steps to be taken, including any legislation which might be needed. No objection was registered to the suggestion.

Attention was then directed to the technique of vesting. Mr. Coe said the Treasury felt that a delegation of power by the Secretary to the Custodian was much more desirable than an amendment of the executive order. He believed that to avoid "friction" it was important to have only one agency in the field of unfreezing and he suggested that a sub-committee explore the details of conferring vesting authority. Mr. Aaron then said that the main point of the Treasury was that there should be no action on property held in the names of persons in non-enemy blocked countries until the Treasury had designated the property for vesting. Mr. McNamara stated that in an earlier meeting /covered in a memorandum of December 29, 1944 by Mr. Golding/ he had told Mr. Schmidt that the Treasury and the Custodian should coordinate their efforts so that the Alien Property Custodian would be fully informed on all "tainted" property in non-enemy names while the Custodian would turn back to the Treasury the "clean" cases over which he had assumed supervisory jurisdiction.

Mr. Alk expressed surprise that the Axis satellites had been included in the Custodian's latest letter since he had understood that action at this time was to be confined to Germany and Japan. On this matter, Mr. McNamara answered that the State Department had just written the Custodian that Bulgaria and Rumania should be treated like Italy while presumably Hungary should be classified with Germany. Mr. McNamara indicated with some heat that Mr. Alk's view showed a lack of confidence in the Alien Property Custodian's policies toward vesting. He said that the Custodian wants all the authority with respect to "vesting" while the Treasury should have it with respect to "unfreezing".

Mr. Jones interposed that the Department of Justice strongly favors a direct delegation from the President to the Custodian. It makes the situation much clearer, avoiding problems such as whether the person whose property is vested must sue one or two agencies in trying to recover it. He felt that a delegation approved by the President would not be very satisfactory and that if the President's approval was desirable and could be obtained, it would be as easy to have the executive order amended. It was tentatively concluded that Messrs. Cutler and Alk and

such other persons as they might desire would meet to explore the possibilities of technique in conveying vesting authority.

* * * * *

Mr. Cutler requested that the Treasury supply the Custodian with a memorandum of its views. After the meeting, most of the Treasury representatives stayed to discuss the outcome and it was agreed that we should comply with the request. Otherwise, it was concluded that the Treasury should not proceed further until some response is given by the Custodian to the numerous unsettled questions.

March 20, 1945

MEMORANDUM FOR THE FILES

Re: Meeting on vesting with J. W. Cutler, Office of the Alien Property Custodian

Mr. Cutler met with us, as we thought, to discuss alternative techniques under which authority to vest German and Japanese assets now subject to the jurisdiction of the Treasury might be transferred to the Custodian. For the purpose of furthering such discussions, which had been agreed on at the meeting of March 9 with representatives of the Custodian, Alk had sent to Mr. Cutler on March 14 an agenda of that meeting and a statement of the position taken by the Treasury representatives.

Instead of proceeding as anticipated, Mr. Cutler reviewed all of the points of the agenda consecutively. On the first point, general objective, and the second, prompt sale and conversion into cash, he indicated that there is no dispute of principle between the respective agencies. Later, Mr. Cutler inquired whether the Treasury is really serious about its program. He wondered why merely vesting the enemy assets would not suffice at present. Alk replied emphatically that the Treasury insists on a program clearly designed to eliminate German and Japanese property interests. He pointed out that the basic points had been thoroughly discussed in the Treasury and had been cleared with the Secretary. He also said that if the Custodian could not join in such a plan, the Treasury would be obliged to consider vesting action of its own.

With regard to point 3, turning proceeds of sale into the miscellaneous funds of the United States, Mr. Cutler stated that the Custodian was, as yet, unable to agree. He again advanced the arguments made by representatives of the Custodian at the meeting of March 9, adding that there might also be some difficulty about funds for the support of the Custodian's office. It appeared rather clearly that thought in the Custodian's office on the matter had not advanced beyond the earlier discussions.

Referring to point 4, recommendations to Congress, Mr. Cutler indicated that no determination to join the Treasury in making recommendations had been reached. At this juncture, Alk protested that he thought the purpose of the meeting was to discuss techniques of conferring vesting authority on the Custodian. Mr. Cutler reacted somewhat strongly, saying that although that might be the purpose, he could see no harm in canvassing the entire situation. After Alk suggested that disputed points would have to be discussed between Mr. Markham and Mr. Coe, the discussion proceeded to cover the remaining points of the agenda in order.

Alk # 2

On the next point, treatment of creditors, Mr. Cutler once more advanced the views expressed at the March 9 meeting. Although he was willing to concede that nothing should be done for creditors of debtors not having assets in this country, he still felt that persons who could find assets of their debtors should be allowed to recover. Concerning this point, especially, Mr. Cutler asked if Treasury had consulted State about its program. On receiving a negative reply, he said that the Custodian was not inclined to proceed without getting State's views. Alk answered that further discussion between the Treasury and the Custodian would be pretty difficult unless the latter settled his own mind upon the basis of such consultation as he might think desirable.

Mr. Cutler avoided any reference to point 6, further legislation. Later in the discussion we inquired whether the Custodian was entirely satisfied with his authority to proceed with sales and do the other acts covered by the legislation which had once been introduced. When Mr. Cutler responded that legislation of this nature was still considered desirable, we said that, in our own opinion, it offered a splendid opportunity for the Custodian and the Treasury to present their complete program to Congress, including the recommendations desired under point 4. Mr. Cutler was non-committal on our suggestion.

When we finally arrived at the stated purpose of the meeting, very little difficulty arose except on the question of whether the satellite enemy countries should be included in the delegation, however it was made. We strongly contended they should be omitted for the reasons advanced in the meeting of March 9. Although Mr. Cutler argued hard at first, we gathered the impression that his insistence on this point had greatly decreased by the end of the meeting.

On the main question of technique, Mr. Cutler, of course, contended strongly for amending the executive order. It was concluded that probably the best method of amendment would be to add a section 2(g) somewhat as follows:

- (g) any other property within the United States owned or controlled by Germany or Japan or any national thereof.

Mr. Cutler had originally proposed the insertion of comparable language in section 2(e) but when we pointed out some difficulties in phrasing, he inclined to agree with our suggestion.

When we showed Mr. Cutler our tentative drafts of a delegation of power from the Secretary and an accompanying letter, he said that if a delegation were agreed on, the drafts appeared a reasonable starting point. In fact, he seemed pleasantly surprised at the breadth of the delegation. We agreed to supply him with copies of the drafts.

Mr. Cutler appeared to sympathize moderately with the Treasury's position on the preservation of its authority over unfreezing. At the outset, he did not seem to have a very clear grasp of the implications but even when they were thoroughly canvassed he expressed no objection to confining action by the Custodian to cases designated in some manner by the Treasury. He was conciliatory with regard to the need for a letter defining the respective spheres of authority.

Alk also explained the desirability of a memorandum to the President explaining the program and requesting approval. Mr. Cutler seemed to have no objection. We said that the draft of such a memorandum was not quite up-to-date in view of the meeting of March 9 and that we could not furnish a copy at once but that we hoped to send one ultimately.

I. G. Alk

E. Arnold

cc: Messrs. Aarons, Coe, Day, Friedman, Glasser, Richards, Schmidt

Mr. Lesser

Mr. Golding

Oct. 31, 1945

Re: Restoration of German and Japanese Assets

In case you have not seen it, I should like to call your attention to Resolution VIII of the Final Declaration of the Thirty-First National Foreign Trade Convention, which provides as follows:

"Recognition of the inviolability of private property against confiscation is essential as an inducement to the supply of international capital and credit which are the cornerstone of world economic development. This principle should be re-emphasized by the United States as a condition of all international cooperation; should be included in all treaties and agreements entered into with foreign nations and should control our Government's actions in foreign relations."

This paragraph appears under the heading "Protection of American Foreign Property Rights and Interests - Inviolability of Private Property against Confiscation". I think it is particularly important to note the context in which it occurs. Thus, the next paragraph states as follows:

"Restoration of private properties confiscated or transferred during the present war.

"The Axis powers are understood to have extensively practiced confiscation and transfer of ownership of properties or interest therein under the pretense of legality. The restoration to their rightful owners of title to properties or interest therein should be a condition precedent to any settlements reached by the United States with the Axis powers."

In my opinion, the foregoing is very significant. It will be noted that there is no express declaration against confiscation of enemy property, such as has appeared heretofore in statements by the Chamber of Commerce of the United States and the American Bar Association. It would appear that, in its context, the purpose of the first resolution may not be to declare against the confiscation of enemy property by the United States, but rather, to indicate that the United States should not cooperate internationally with foreign governments who confiscate private property. Similarly the second resolution does not have any evident or precise application to property within the United States.

Of course neither resolution has any implications with regard to what is meant by the term "confiscation". The report may or may not have reference to the process of taking privately-owned German or Japanese assets with provision for a compensating credit by the enemy government.

I think that the language of the Foreign Trade Council report affords an entering wedge for discussing the issues involved with private interests which heretofore has not been apparent.

cc: Mr. Arnold

November 7, 1944

MEMORANDUM

(1) Whether the United States should undertake a more extensive program of vesting enemy assets than is being undertaken by the Alien Property Custodian has been under consideration for some time. An early decision now seems imperative in view of the present state of the war and the current formulation of plans for the post-war treatment of Germany and Japan.

(2) With the foregoing in mind, it is recommended that the Treasury vest all assets in the United States not within the jurisdiction of the Alien Property Custodian, belonging to: (a) Germany or Japan or any agency, instrumentality or political subdivision of either of them; (b) any citizen of Germany or Japan resident in either of such countries or in territory controlled by them, or wherever resident, who is in the employ of either Germany or Japan; (c) any organization created under the laws of Germany or Japan except an organization which is wholly owned by citizens of the United States or other United Nations or which is a subsidiary of an American or other United Nations organization that is not itself a national of a designated enemy country; (d) any organization created under the laws of any other country, except one of the United Nations, or any investment or holding organization created under the laws of any of the United Nations, which is owned or controlled, directly or indirectly, by one or more entities or individuals falling within categories (a), (b), or (c) above; and (e) any organization created under the laws of any country, except of one of the United Nations, 25% or more of whose outstanding securities of any class, or 25% of whose indebtedness not represented by securities are owned, controlled or held by one or more entities or individuals falling within categories (a), (b), (c), or (d) above.

(3) Every entity and individual falling within any of the foregoing categories either is or could be determined to be a "national of a designated enemy country" as that term is defined in Section 10 of Executive Order No. 9193. With respect to the last category, however, it is assumed that ownership or control of 25% of any class of securities or other obligations of a corporation is, in the light of Section 11 of Executive Order No. 9389, to be deemed "control" for the purposes of Section 10(a) of Executive Order No. 9193.

Certain nationals of Germany and Japan who are "nationals of a designated enemy country" have been expressly excluded from the foregoing categories. Thus, it is not recommended that the Treasury vest at this time property belonging to a German or Japanese subsidiary of an American or other United Nations corporation (or which is wholly owned by Americans or citizens of other United Nations) unless the parent is itself a national of a designated enemy country. This exception is made because it is believed that further study should be made of the problems involved before property which in equity belongs to United Nations enterprises is vested.

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There have also been excluded from the proposed vesting program the property of any corporation organized in one of the United Nations and which is a national of a designated enemy country, unless such corporation is merely a holding or investment company. This exception is made in order to conform the proposed vesting program with arrangements tentatively agreed to by the Alien Property Custodian and the Canadian and British authorities in an attempt to resolve conflicting custodial claims which have already arisen. The distinction between operating companies and holding or investment companies seems logical. A German-owned business enterprise operating in Holland is a unit of Dutch economy and its assets in this country form an integral portion thereof. On the other hand, a German-owned holding company organized in Holland has little or nothing there beyond its statutory office and may properly be considered Dutch in name only.

The most obvious category of property omitted from the proposed vesting program is, of course, that which belongs to designated enemy countries and nationals of designated enemy countries other than Germany or Japan. With respect to Italy, and probably Roumania, this Government seems to have adopted a policy which renders vesting of their property or that of their nationals certainly not imperative, and perhaps inappropriate, except on an *ad hoc* basis. This Government's policy with respect to Bulgaria and Hungary is not as yet apparent and until it is clarified no decision on vesting need be made.

Finally, in speaking of "German" property, property belonging to Austrians should be excluded, since it seems to be the settled policy of the United Nations to consider Austria not as a part of Germany but rather as a conquered country, which, like Czechoslovakia, will be restored to independence when victory is finally won. The inclusion of Austria as a separate country in Section 3(j) of Executive Order No. 8389, supports this position.

(4) The vesting of German and Japanese assets falling within the categories listed above would seem to be required by the views of the Department with respect to the post-war treatment of Germany and Japan. Thus, if Germany and Japan are to be required to reimburse the United Nations and make restitution not by periodic payments out of income but rather by one payment out of capital assets, Germany's and Japan's external investments are clearly among the capital assets most readily available. Moreover, if Germany and Japan are to be stripped of their external assets as a defensive measure against the further political misuse thereof, no exception should be made with respect to their property within the United States. If to accomplish these purposes the Allied High Commissioners are going to attempt to vest the external assets of defeated and occupied Germany and Japan, it would seem that German and Japanese assets in this country might with propriety be vested now. Indeed, the vesting by the Allied High Commissioners of Germany and Japanese properties within the United Nations might well give

rise to serious problems which will be avoided if each of the United Nations vests the property within its borders and leaves to the High Commissioners only the task of vesting German and Japanese properties in the neutral countries.

Finally, not to vest German and Japanese funds in this country subject to Treasury jurisdiction may result in an inconsistency by the United States in the ultimate treatment of German and Japanese assets. While the divergent practices of the Treasury and the Custodian are explicable as reflecting only the needs of different war-time controls for enemy property of different kinds, it may be that the difference between vested property and blocked property may afford some basis for making a distinction in their ultimate disposition.

In recommending the vesting of the assets of neutral corporations in which there is a majority non-enemy interest, there have not been overlooked the complications that may arise in view of the well-established principle that assets of friendly aliens may not constitutionally be seized without compensation. The vesting of the property of such corporations is to be viewed, however, primarily as leverage to induce them to rid themselves of their German or Japanese interests and thus to achieve the purpose intended to be accomplished through the vesting by the Allied High Commissioners of enemy properties in neutral countries. Accordingly, property vesting in such cases would be returned upon showing that the corporation has purged itself of its enemy interests and that the capital representing the same was re-exported to Germany or Japan after the allied occupation thereof or was otherwise placed at the disposal of the United Nations.

5. The vesting of the enemy property here under consideration can be effected either by the Treasury or by the Alien Property Custodian acting pursuant to a waiver by or delegation from the Treasury. While the latter course would shift the administrative burdens of vesting from the Department to the Custodian, it is believed that there are countervailing considerations. Thus, the vesting of blocked accounts held by banks may create problems so closely related to freezing control, that the interposition of the Custodian may cause confusion. It is, therefore, proposed that the Treasury undertake to issue the requisite vesting orders, although it might be possible to arrange with the Custodian for clerical and other assistance.

It is further proposed, that individual vesting orders be addressed to institutions and individuals who are believed to hold property for or to be indebted to entities or individuals falling within the categories of persons whose property is to be vested. The necessary information would be secured primarily from TFE-300 reports, and to a very limited extent, from other sources. We believe the statement of

the reporter on Form TFR-300 that he holds property for or is indebted to a person who falls within the enumerated categories is a sufficient basis for the finding of ownership which is a prerequisite to vesting. A proposed form of vesting order is attached.

The validity of a general order purporting to vest all property in which German and Japanese citizens have any interest is doubtful upon the precedents arising from the operations of the Alien Property Custodian in the First World War and under general considerations of proper administrative action. Moreover, the extreme explicitness followed by the present Alien Property Custodian in his vesting orders makes it difficult for the Treasury to take the position that persons with whom it deals should be left to make their own detailed determination based on a general order. It would, perhaps, be feasible to draft a general order that covered many of the cases without inviting attack, but it is believed that it would be wiser to proceed entirely by serving on each person thought to hold property for a national of Germany or Japan an order vesting all property "held for" the national. Where we were aware of cloaking or other concealments, the description of the manner of holding would be more particularized. We do not consider it necessary for the vesting order to describe the property to be vested except in unusual cases. If we were to assume that the property must be described, it would be necessary to take a new census or carry out some equivalent project before the orders could issue because, in view of the various general licenses, the precise form and amount of the property to be vested may have changed considerably since the dates of the TFR-300 reports.

An analysis of reports on Form TFR-300 indicates that the maximum number of cases to be covered would be 8,000 for Germany and 2,000 for Japan. These numbers make a general allowance for vestings by the Alien Property Custodian, but would probably be further reduced by the detailed checking that will be necessary before the vesting orders can be issued.

In general, the reports on Form TFR-300 will cover most, if not all of the property to be vested. Public Circular No. 4 requires that whenever a person holding property on the census date subsequently learns of the existence of a national interest not previously known, such interest must be reported. The general policy of the Control has been to require such reports in cases which it discovered, and it is known that the larger banking institutions have filed many correction reports on their own initiative. It is true that when a foreign interest arose after the census date or property in which a national had an interest came into this country after that date, no report on the form has been required. However, it seems fair to conclude that the only cases of this kind which have the slightest significance are decedent estate and testamentary trust cases, which are within the

jurisdiction of the Alien Property Custodian. These cases are covered by reports which the Alien Property Custodian requires, and presumably are vested by the Custodian in ordinary course. For the protection of the Treasury, public attention should be directed at the time the vesting program is initiated to the requirement that interests discovered after the census date be reported, but we do not feel that it is necessary to go any further.

In addition, however, to the ordinary TFR-300 reports, vestings may also be based on Series L reports of identifications received by banks under General Ruling No. 17 and upon information contained in our own and the Custodian's investigation files. Since TFR-300 reports (other than Series L) were not required to reflect holdings of a value less than \$1,000, the program herein outlined will not reach, in most cases, property that was worth less than that amount on both reporting dates. Just how much property is thus exempted from the program is unknown, and must remain unknown unless a further census is taken.

(6) Under Section 11 of Executive Order No. 9193 it will be necessary to secure the approval of the Secretary of State before the vesting program here recommended can be put into operation.

(7) Under Executive Order No. 9193, all vestings by the Treasury, except vestings of governmental and central bank assets, must be in the Alien Property Custodian. The Treasury may, however, prescribe the terms upon which property shall vest in and be dealt with by the Custodian. We recommend that the Department prescribe terms that will require the Alien Property Custodian to return vested property or its proceeds, in whole or in part, if the Secretary of the Treasury should find such action to be in the national interest. We also recommend that a term be prescribed which would require the concurrence of the Secretary of the Treasury before any claim was allowed by the Alien Property Custodian with respect to vested property. We believe that these two conditions are basic to the Treasury's continued interest in the disposition of enemy assets and we believe that such interest should be continued.

In view of the wide latitude permitted the Treasury in imposing terms, it would seem preferable to vest even governmental and central bank assets in the Custodian. Thus, the Department can determine the policies to be followed in connection with such properties, but leave to the Custodian the administrative details and burdens.

Since the Alien Property Custodian normally takes physical custody of vested property and reduces them to cash to be deposited with the Treasury as soon as possible, consideration might be given to the imposition of terms which would require the Custodian to leave vested cash and securities with the banking institutions holding them "until further notice". Such a condition would continue the Treasury policy of

leaving enemy assets where they are found until their ultimate disposition can be determined. On the other hand, such a condition will result in the necessity of determining, at some future time, when, where, and how to liquidate vested securities instead of their being liquidated by the Custodian in normal course as they are vested. The making of such a determination may involve the assumption of responsibilities and of risks which neither the Department nor the Custodian may wish to assume. We, therefore, make no recommendation in this connection.

The terms imposed by the Secretary of the Treasury need not be spelled out in the vesting order but should be the subject of correspondence between the Secretary and the Custodian, somewhat in the form of the attached proposed letter. There is also attached a proposed Special Regulation No. 2 under Executive Order No. 9193, which prescribes definitions and the means whereby property vested under this program is to be transferred, etc. to the Alien Property Custodian.

(8) No consideration has been given to the merits of any of the numerous proposals for the ultimate disposition of enemy assets, nor to the formulation of any plan whereby enemy governments might be required after the war to compensate their nationals for the property vested. On the other hand, the program suggested in this memorandum would not have been put forward if there appeared to be any reasonable chance that enemy property would be returned in its present form.

Lawrence S. Lesser

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OFFICE OF ALIEN PROPERTY CUSTODIAN
WASHINGTON, D. C.

JAN 10 1945

Dear Mr. Secretary:

At a recent conference between representatives of your department, the Department of State and my Office, discussion was had of the pending problems surrounding the unblocking of frozen French assets. At that conference I understand it was indicated that the Foreign Funds Control representatives did not believe that the appropriate time had as yet arrived for discussion of the action to be taken with respect to the frozen assets of enemy nationals.

As a result of studies by this Office, including attention to the historical phases of the treatment of enemy property and to the current problems of American and friendly alien creditors against enemy nationals, as well as other claims of non-enemies, it is my considered judgment that the national interest may best be served by the vesting of all strictly enemy assets by the Alien Property Custodian.

In view of the progress of the war in Europe and the prospective review by the Congress of related problems, I believe the matter is one of substantial urgency. I should therefore greatly appreciate your early consideration of this suggestion and an opportunity to discuss it with you in the near future, in anticipation of calling the matter to the attention of the President.

Sincerely yours,

(signed) James E. Markham

James E. Markham
Alien Property Custodian

Honorable Henry H. Rowland, Jr.
Secretary of the Treasury
Washington, D. C.

A P C

JAN 16 1945

My dear Mr. Markham:

I have your letter of January 10, 1945, in which you recommend the vesting by the Alien Property Custodian of "all strictly enemy assets" located in this country. I assume that you are referring to German and Japanese assets.

It is my firm conviction that control by this Government of German and Japanese assets should be only the first step in a program for the complete and irrevocable elimination of all German and Japanese interest in such assets. Although the freezing controls administered by the Treasury Department are serving effectively to deprive enemy nationals of control over such assets, I would favor immediate vesting if it were an integral part of a complete program for the final disposition of such assets, in accordance with the foregoing objective. However, I see little to be gained by vesting at this time if it amounts merely to a change in the type of control exercised by this Government.

It would therefore be helpful to me in considering your proposal if you would furnish me with an informal memorandum outlining your complete program with respect to German and Japanese assets, indicating what you have done with those already vested by you and what you plan to do with any additional assets which might be vested. In this connection I should also like to have copies of the studies to which you refer in your letter.

As soon as we have had an opportunity to study this material we shall be happy to discuss the matter with you in more concrete terms.

Sincerely yours,

(Signed) H. Morgenthau, Jr.

Mr. James A. Markham,
Alien Property Custodian,
Washington 25, D. C.

Alk:Schmidt:rg 1-15-45

(COPY)

OFFICE OF ALIEN PROPERTY CUSTODIAN

JAN 31 1945

Dear Mr. Secretary:

I thank you for your letter of January 16, 1945, in response to mine of January 10th in which I recommended vesting by the Alien Property Custodian of all strictly enemy assets located in this country.

I note the statement of your conviction that control by this government of German and Japanese assets should be the first step in a program for the complete and irrevocable elimination of all German and Japanese interests in such assets. I share that conviction. It is likewise my view that the proposed vesting should be part of a program of consistent treatment of all enemy assets, and it was with this in mind that my suggestion was made. I am unable to apprehend that any type of control can as effectively accomplish the complete and irrevocable elimination of all German and Japanese interests in such assets as the vesting of title to all such assets in the United States.

The policy of Congress as reflected in the Trading with the Enemy Act, as amended, seems to indicate that the ultimate disposition of enemy money or other property received or held by the Alien Property Custodian is a matter for Congress to determine after the end of the war. Congress expressly reserved such disposition by section 12 of the Act, and the history of returns after the last war illustrates Congressional insistence on exclusive exercise of this prerogative.

As you know, bills looking to the ultimate disposition of such assets have been introduced in the 76th Congress; I refer, for example, to the so-called G cartart bill, H. R. 3672, and the Glass-Satterfield bill, H. R. 5118 and S. 2036, all of the 76th Congress. While I do not wish to be understood as expressing myself on the particular provisions of these bills at the present time (beyond the answers this office furnished to the Congressional Committees' requests for our views thereon), I believe their introduction serves to indicate the substantial correctness of my opinion that the Congress will be the arbiter as to the ultimate disposition of enemy property.

- 2 -

In order to enable Congress to act in a concerted fashion with respect to all enemy property, in whatever direction and by whatever means it may ultimately decide to act, I believe it is of the utmost importance that all such property be under a single jurisdiction and in a single legal status, with title thereto lodged in the United States. This alone will enable Congress to adopt a consistent overall program such as we both agree is desirable, and at the same time to safeguard the rights of American creditors who may have legitimate claims against the enemy owners or former owners. Moreover, I believe that enemy property should be fully vested before the cessation of hostilities with the objective of avoiding the possibility that post-armistice or post-surrender vesting might be regarded as a "punitive" measure. My immediate objective is and obviously must be to retain and deal with such assets against the day when Congress will determine their final disposition. Pending such disposition, I have taken, and shall continue to take, all steps which I believe to be consistent with the national interest, within the scope of the powers conferred on me, permanently to eliminate enemy interest and control with respect to properties under my jurisdiction.

I trust the foregoing for present purposes answers your inquiry as to what I have done with the assets already vested and what I plan to do with any additional assets which may be vested.

Since I believe my proposal constitutes the essential first phase in a complete program such as your letter envisages, I renew my request for your consideration of the matter at the present stage.

Sincerely yours,

(Sgd.) James E. Markham

James E. Markham
Alien Property Custodian

Honorable Henry Morgenthau, Jr.
The Secretary of the Treasury
Washington, D. C.

FEB 19 1945

My dear Mr. Markham:

I have your letter of January 11, 1945 with further reference to the vesting of all German and Japanese assets in the United States.

I am happy to note that you share my conviction that German and Japanese property interests in this country should be completely and irrevocably eliminated and that you view the proposed vesting of the pertinent assets under Treasury control as only the first phase of an overall governmental program to accomplish this objective.

Accordingly, I have asked Mr. Frank Coe to arrange a meeting with you to explore the matter further.

Sincerely yours,

(Signed) H. Morgenthau, Jr.
Secretary of the Treasury

Mr. James E. Markham

Alien Property Custodian

February 21, 1945

Mr. Aarons

Messrs. Alk and Arnold

Re: Meeting on Vesting with the Alien
Property Custodian

Attached are: (1) a statement of the problems which we believe should be definitely decided before a meeting on vesting with the Alien Property Custodian; (2) our suggested answers, with brief statements of reasons; (3) drafts of a delegation of power, letter to the Alien Property Custodian, and memorandum to the President.

Attachment

cc: Messrs. O'Connell, Coe, Friedman, Glasser, Richards, Day.

Arnold:ers 2-21-45

**Problems Requiring Decision before Vesting
on Vesting with the Alien Property Custodian**

Questions of Policy

Should the Treasury insist that:

(1) the Custodian commit himself definitely to join in an ultimate recommendation to Congress that no plan for the final disposition of the proceeds of vested property should make provision for any return or payment, direct or indirect, by the United States to former German and Japanese owners?

(2) an understanding be reached on recommendations for the ultimate disposition of vested assets, including particularly the treatment to be accorded creditors?

(a) Should the Custodian be asked to agree that he will not recognize attachments subsequent to freezing as creating liens against vested property?

(3) all vested German and Japanese property, except patents, copyrights, and trademarks, be sold promptly and the proceeds be turned into the general funds of the United States?

(4) the Custodian immediately re-examine conditions in vested enterprises for the purpose of discharging undesirable personnel and eliminating any other sources of enemy influence?

(5) the Custodian admit that he has authority under existing law to effect any action required under the foregoing headings?

(6) the arrangements for vesting be such that the Custodian will participate in unfreezing to no greater extent than he is now entitled to act under Executive Order No. 9193?

(7) the categories of German and Japanese nationals whose property is to be vested should now be clearly defined (a) for purposes of an immediate program and (b) with regard to the ultimate resolution of all vesting problems.

Administrative Questions

(1) Should the vesting of German and Japanese assets now under Treasury jurisdiction be accomplished through

- (a) amendment of Executive Order No. 9193?
- (b) delegation of power by the Treasury to the Custodian?
- (c) a general directive license, or specific licenses, issued by the Treasury?
- (d) a general vesting order, or specific orders, issued by the Treasury?

(2) Should the Treasury and the Custodian join in a memorandum to the President explaining their program and asking his approval before they effectuate the program?

**Suggested Answers to Problems Requiring Decision
before Meeting on Vesting with Alien Property
Custodian**

Questions of Policy

(1) Recommendation to Congress against return of vested property to former German and Japanese owners. We believe that the Treasury should insist that the Custodian commit himself definitely to join in an ultimate recommendation to Congress that no plan for the final settlement of claims to the proceeds of vested property should make provision for any return or payment, direct or indirect, by the United States to former German and Japanese owners.

The complete and irrevocable elimination of German and Japanese interests, stressed by the Treasury's letter of January 16 to the Custodian, can be achieved with certainty only through the adoption of a policy by Congress, as the history of enemy property in the last war shows beyond doubt. The great emphasis which the Custodian's reply places on the role of Congress further increases the difficulty of maintaining that executive action in itself has much significance in relation to the objective the Treasury has announced. Insistence on administrative steps alone will deprive the Treasury's views of breadth and content and place the Department in the position of merely disputing details with the Custodian.

Later we propose that the Treasury and the Custodian join in a memorandum to the President explaining their program. Such a document would offer an excellent medium for recording the commitments which are wanted from the Custodian. If the latter insists that any legislative action is required under other parts of Treasury's program, a joint letter of explanation to Congress would afford a further and more direct method of expressing the desired recommendations.

(2) Recommendation on ultimate disposition. In our opinion, no recommendations on the ultimate disposition of the proceeds of German and Japanese assets should be made at present.

A recommendation against the return of vested assets in any form naturally raises the question: What do you propose be done with them? A number of courses might reasonably be suggested, including the use of the proceeds to compensate American creditors and claimants. However, since the potential claims so greatly exceed the known assets, at least in the case of Germany, creditors would be obliged in any case to rely heavily on a general settlement, if they were to be made whole. In view of the determination at the Yalta Conference that reparations ordinarily should be made in kind, it is difficult at present to envisage what program ought to be followed. Accordingly, the recommendation against return should be coupled only with a general statement that ultimate

disposition should be in the interests of the United States and its nationals, as may appear from further developments.

The question of attachment liens might well be left in abeyance for the present, since its resolution is not essential to a determination of the broad questions which must be settled with the Custodian now.

(3) Sale of vested property and payment into general funds. We recommend that all vested German and Japanese assets, excepting patents, copyrights, and trademarks, should be sold promptly, but we do not consider it essential to urge that the proceeds should be turned into the general funds of the United States if a commitment for a recommendation to Congress is obtained.

The strongest step toward the complete and irrevocable elimination of German and Japanese interests which executive agencies could take without legislative concurrence would be to turn vested assets into cash and mingle the proceeds with the general funds of the United States. The Custodian, at present, merely holds his cash in special accounts with the Treasury. Turning the proceeds into the general funds is subject, however, to several operational objections. It would raise problems concerning the return of property wrongfully vested, would involve questions concerning the applicability of certain sections of the Trading with the Enemy Act, particularly section 12, and would deprive the Custodian of the financial resources now supporting his office. We believe, therefore, that it would be better not to insist on turning the proceeds into the general funds if some reasonable equivalent is available. In our opinion, obtaining the Custodian's commitment on recommendations to Congress is the appropriate and necessary alternative.

As we have already indicated, the Treasury's position is weak unless it insists on such a general principle. The first annual report of the Custodian (pp. 66, 69-70) commits him abundantly to a policy of reducing vested property, except patents and the like, to cash. Although our latest information is that there is only about \$30,000,000 in cash out of \$200,000,000 of vested property, simply to emphasize the Custodian's slowness in following his own ideas has the effect of inter-agency squabbling, particularly since most of the unliquidated assets are interests in business enterprises which do involve serious problems.

The Treasury should, however, insist on prompt conversion into cash as an integral part of the broader program. Early action will not only remove the present enemy interests, but will tend to forestall any efforts of agents to purchase property in behalf of former owners because such activity is void without Treasury license.

We think that the Treasury should take no position with regard to the treatment of patents, trademarks, and copyrights. This field, which presents special and difficult problems, was entrusted particularly to the Custodian by the President.

(4) Discharge of personnel and elimination of other sources of enemy influence. It appears to us that the Custodian should not be specially asked to re-examine conditions in vested enterprises for the purpose of discharging undesirable personnel and eliminating any other sources of enemy influence.

A special demand on this point would surely have the appearance of inter-agency factionalism unless very difficult problems of investigation and proof were surmounted. It would be much better merely to indicate somewhat pointedly Treasury's concurrence in the Custodian's expressed policy that all enemy influences must be removed before he returns properties to private hands.

(5) Admission of authority to proceed under existing law. While such an admission would be helpful, it should not be demanded forcefully.

The Custodian has long claimed that he needs additional legislative authorization for acts which the Treasury has believed he is already empowered to perform. Notable are certain powers in connection with sales and with the return of property wrongfully vested. Presumably it would be very hard to change the Custodian's position. In our opinion, a better approach would be to join with him in a reasonable program of legislation, provided he agreed to a joint presentation to Congress of the general principles which we desire to further.

(6) Extent of Custodian's participation in unfreezing. We urge that the vesting of assets now under Treasury jurisdiction should not result in giving the Custodian greater participation in unfreezing than he is now entitled to exercise under Executive Order No. 9193. At the same time, the Treasury should be as cooperative as possible in meeting the problems which may disturb the Custodian in carrying out his activities.

The division of functions in Executive Order No. 9193 between the Treasury and the Custodian was based on the fundamental principle that the Treasury could best deal with matters involving broad considerations of a financial and monetary nature while the Custodian should handle property which required domestic management. This principle is of even greater importance in connection with unfreezing than it has been hitherto.

The major problems which arise are of the type with which the Treasury is best equipped to deal and, at the same time, the difficulties of their

solution will be increased by the participation of an additional agency viewing matters on a much narrower basis. We have, for example, abundant evidence of this fact in the difficulties over the Custodian's fees in estate cases. It, therefore, should be clearly understood with the Custodian that the primary responsibility toward unfreezing will remain with the Treasury and that the vesting arrangements which are made should confine the Custodian to clear categories plus any additional cases the Treasury may designate. The Custodian should be invited to point out such cases when they come to his attention, but it is obviously impossible that all French holdings, for instance, should be subjected to minute scrutiny by American agencies before release.

(7) Property to be vested. We suggest that the property to be vested immediately on a broad basis be restricted to that which belongs to:

(a) Germany or Japan or any agency, instrumentality or political subdivision of either of them;

(b) Any citizen of Germany or subject of Japan resident in enemy or enemy-occupied territory;

(c) Any organization created under the laws of Germany or Japan, except an organization which is wholly owned by citizens of the United States or other United Nations or which is a subsidiary of a United States or other United Nations organization that is not itself a national of a designated enemy country.

It appears undesirable at present to attempt a formulation resolving all vesting problems, such as the question of recent emigrants from Germany.

For the reasons given under the preceding point, and because of serious questions of international policy and jurisdiction, the arrangements for vesting in a broad, automatic manner should be confined to clear cases of enemy interests. In speaking of "strictly enemy assets", the Custodian's letter of January 10 shows a tendency toward this position, although presumably only in relationship to the international aspects. We think, however, that in order to preserve the Treasury functions in unfreezing, it will be necessary to insist not only on the categories stated above but also on the qualification that the Treasury shall relinquish primary responsibility only on those assets which appear of record in this country to belong to persons in the categories. With respect to assets held in the names of non-enemy blocked persons, the Custodian should have no responsibility except to vest when the Treasury specifically points out a case to him. Of course, his cooperation in calling any suspicious cases to our attention should be sought.

The questions which must be settled in finally deciding the scope of vesting are neither essential to the present discussions with the Custodian nor easy of solution. Such matters as dealing with recent emigrants from Germany and with corporations which have organized in non-enemy countries but in which there is an enemy interest can hardly be settled at this moment, although the Treasury certainly should not delay in formulating its position.

Administrative Questions

(1) Method of vesting. We recommend that the vesting of German and Japanese assets now under Treasury jurisdiction be accomplished through a general delegation of power to the Custodian by the Treasury under Executive Order No. 9193, with a letter from the Secretary making exclusions consistent with points (6) and (7), above. Copies of a proposed delegation and letter are attached.

Undoubtedly, the legally soundest method of vesting is the use of specific orders, and the issuance of such orders by the Treasury would give this Department the greatest measure of flexible control over the vesting program. However, since it is believed undesirable administratively for the Treasury to issue orders, we think that a general delegation of power to the Custodian, who may be expected to employ specific orders, will be the best approach. We contemplate that the Treasury will not concern itself with the technique to be used by the Custodian beyond being sure that it has no manifest absurdities and is expeditious.

The suggestions for general vesting orders and general directive licenses are somewhat subject to legal question. Since there is no longer any feeling that such approaches are needed for coordination with the proposed vesting decrees to be issued by the Allied Military Government of Germany, we suggest they be discarded.

(2) Memorandum to the President. The Treasury and the Custodian should join in a memorandum to the President explaining their program and asking his approval before they effectuate it.

The memorandum would be most helpful not only in making sure that the program does not conflict with any broader plans of the President but also in committing the Custodian on the points which the Treasury considers essential. A draft is attached.

My dear Mr. Marthan:

Pursuant to Section 3 of Executive Order No. 9183, I have, as of even date, delegated to the Alien Property Custodian power and authority under Section 5(b) of the Trading with the enemy Act, as amended, to vest any property or interest of Germany or Japan, or any national thereof.

As was pointed out in conversations between members of our agencies it is intended that the Treasury Department shall continue to exercise the primary responsibility for dealing with property held by or through persons in blocked countries other than Germany or Japan. Accordingly, it is understood you will not vest under the authority delegated to you any property which is registered or inscribed in the name of, or which on the records of the obligor, custodian, or other such person in the United States, is owing to or held for any person in or organization created under the laws of a blocked country other than Germany or Japan. Whenever the Treasury concludes that any such property should be vested as belonging to Germany or Japan or any national thereof, your office will immediately be notified. This Department will of course welcome any information which you may acquire concerning the possible existence of any German or Japanese interest in blocked property.

It is further understood that until determination has been made on policies to be followed, the authority delegated to you will not be employed to vest the property ^{of} citizens of Germany or subject of Japan who are outside enemy territory, the property of organizations created under the laws of countries other than Germany or Japan which are nationals of either such country, or the property of organizations created under the laws of Germany or Japan which are wholly owned by citizens of the United States, or other United Nations, or which are subsidiaries of organizations created under the laws of the United States or of any of the United Nations.

Yours very truly,

Secretary of the Treasury

Honorable James E. Marthan
Alien Property Custodian
Washington 25, D.C.

Arnold:Sc: 2-22-45

MEMORANDUM FOR THE PRESIDENT:

Under Executive Order No. 9193, the authority to deal with enemy property in this country was allocated between our offices. The Treasury was given control of dollar balances, securities and other liquid assets, while the Custodian's Office was empowered to deal with property requiring active management. The Order provides, however, that if the Treasury should decide to vest any property, it shall be vested in, and dealt with by, the Custodian upon the terms directed by the Treasury.

We believe that the national interest now requires the complete and irrevocable elimination of German and Japanese interests in property in the United States. As a first step to this end, we are prepared, if you approve, to join in a coordinated program under the Executive Order for vesting in the Custodian German and Japanese property held under Treasury control. All vested property, except patents, copyrights, and trademarks, will be converted into cash as quickly as possible and the proceeds will be deposited with the Treasurer of the United States. The Treasury will continue to exercise the primary responsibility of dealing with property held in the names of persons who are nationals of blocked countries other than Germany and Japan.

Subject to your concurrence, we are also fully agreed to recommend to Congress at the appropriate time that no plan for final disposition of the funds realized from vested property should make provision for any return, direct or indirect, by the United States to the former German and Japanese owners.

- 2 -

To accomplish the vesting program, the Secretary of the Treasury will delegate to the Custodian his authority to vest property of Germany and Japan and their nationals, and the Custodian will issue the necessary vesting orders. If you agree with the program which we have advanced, it is requested that you sign the attached original of the delegation of authority.

cc - Mr. Branigan

cc - Mr. Tompkins
Nichols.

THE DIRECTOR

November 18,
1953

~~SECRET~~

D. M. LADD

11/30/88 5042 PWT/PS

ALGER HISS

2009001

DECLASSIFIED BY SP-5 JHT/ky
ON 6/22/83

Pursuant to your request, there is attached a memorandum setting forth complete dissemination data regarding Alger Hiss while employed by the United States Government. You may recall that Hiss ceased employment with the State Department on 1-15-47 to accept a position as President of the Carnegie Endowment for International Peace.

The attached material includes the dissemination of monographs on Soviet espionage, summaries on Alger Hiss, liaison contacts and various conversations you had with Secretary of State Byrnes, Under Secretary of State Dean Acheson and the Attorney General regarding Hiss.

RECOMMENDATION:

It is strongly recommended that no dissemination of the attached material be given to a Congressional committee for the following reasons:

- Up to the time Hiss left the Government in January, 1947, the Bureau had no evidence to prove a case against Hiss. We had Whittaker Chambers' story given by him in 1942 and 1945 naming Hiss as a member of the Harold Ware underground group of the Communist Party in Washington, D. C., during the middle 1930's. (No espionage allegations were received from Chambers regarding Hiss until November, 1948, when Chambers produced documentary evidence in the form of the "Baltimore documents," which resulted in Hiss' conviction for Perjury.) The Bentley espionage allegations involving Hiss in 1945 had not been proven, and Gouzenko's allegation in 1945 regarding a Soviet agent in the State Department who was an assistant to an Assistant Secretary of State had not been identified as Hiss, although there was a strong possibility this person could have been Hiss.

ENCL
Filed with original

Classified by 4872
Exempt from GDS Category 1
Date of Declassification Indefinite

101-2668
Attachment
FLJ:djb
cc 65-56402

6-480
53 JAN 20 1954

~~SECRET~~

105-56402 ✓
NOT RECORDED
INITIALS ON ORIGINAL

ORIGINAL

Office Memorandum

UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: Nov. 24, 1953

FROM : L. B. Nichols

SUBJECT: IRVING FRIEDMAN

Bob Morris told me that they were contemplating having Irving Friedman in next Wednesday before the Jenner Committee, after talking to Jaffe. Jaffe indicated that Irving Friedman and Andrew Roth were in the Young Communist League together.

Morris also advised that he was sending up the testimony of Sonia Gold and that he thought we should study this very carefully. Sonia Gold admitted giving summaries of memoranda to Ullman and Harry Dexter White, as alleged by Elizabeth Bentley, who claimed this was in the line of duty. Further, that when she first moved to Washington with her husband, they moved in with Henry Collins, another subject in the Silvermaster case. Gold stated when they moved, Herman Zap moved in with them. Zap is one of the UN subjects. Morris further stated that Helen Lynd, of Sarah Lawrence College, connected with the Joe Barnes crowd, advised Sonia Gold on how to handle herself. Morris stated that Joe Barnes, Helen Lynd and that group are the smartest he has seen.

cc: Mr. Ladd
Mr. Belmont

LBN:arm

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/20/88 BY SP5 [signature]

11/28/88

2042/PWTS

L. Jaffe

65-56402-

NOT RECORDED

38 DEC 29 1953

Jaffe

Tolson
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Gearty
Mohr
Winterrowd
Tele. Room
Holloman
Gandy

Handwritten notes and initials on the right margin.

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. D. M. Ladd

DATE: December 5, 1953

FROM : Mr. A. H. Belmont

SUBJECT: NATHAN GREGORY SILVERMASTER, et al
ESPIONAGE - R

- Tolson
- Ladd
- Belmont
- Clegg
- Glavin
- Harbo
- Rosen
- Tracy
- Gearty
- Mohr
- Winterrowd
- Tele. Room
- Holloman
- Simms
- Miss Gandy

Reference is made to the Director's memorandum dated December 4, 1953, reflecting that Mr. Olney advised that certain memoranda and documents had been made available by the Treasury Department to former Secretary of the Treasury Snyder and former Under-Secretary of the Treasury Foley to assist in the preparation of their testimony before the Jenner Committee. In the absence of Mr. Olney, I secured copies of the material in question from Mr. Yeagley of the Department on the evening of December 4, 1953.

Photostatic copies of the material are attached hereto for your information. In accordance with your request, we are preparing memoranda regarding Foley and Spingarn. We are also analyzing the attached material and are preparing a memorandum to refute any allegation the Treasury might make to the effect that Perlo, et al, were retained by the Treasury Department to assist our investigation. We will also cover in the memorandum the question of the Gregory summary loss for several months by the Treasury Department.

Enclosure

AHB:rac

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/30/83 BY SP5 rjg/ky

11/30/88 3042 RWT/PS

G. I. R. 10.

7

ENCLOSURE FILE

77
This handled
in memo 12/7/53
Belmont to Ladd
Some caption as above
Filed in 65-56402
11/15/54 rjg

65-56402-4047

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404-256

DEC 23 1953

ESP. SBR.

JRG

79 JAN 28 1954

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FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

_____ Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- Deleted under exemption(s) _____ with no segregable material available for release to you.
- Information pertained only to a third party with no reference to you or the subject of your request.
- Information pertained only to a third party. Your name is listed in the title only.
- Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

26 Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

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For your information: _____

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65-56402-4049X enclosure

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X FOR THIS PAGE X
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Office Memorandum • UNITED STATES GOVERNMENT

TO : A. H. Belmont

FROM : W. A. Branigan

SUBJECT: OFFICE OF ALIEN PROPERTY

DATE: December 10, 1953

Tolson _____
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 Nichols _____
 Belmont _____
 Glavin _____
 Harbo _____
 Rosen _____
 Tracy _____
 Gearty _____
 Mohr _____
 Winterrowd _____
 Tele. Room _____
 Holloman _____
 Sizoo _____
 Miss Gandy _____

11/28/88
 3042 PWT/JS
 #246,845
 AP7 Memo/ite 2/18/86
 ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 7/30/82 BY SP3CCL/AR
 #223,503

SYNOPSIS:

William A. Kolar, former Special Agent now employed by the Senate Judiciary Subcommittee inquiring into the administration of the Office of Alien Property, furnished on 11-18-53, certain material. This material indicates possible subversive connections in the establishment of a policy dealing with German and Japanese assets in this country during World War II. The various Treasury Department memoranda cover a period from 10-31-44, up to 6-13-45, reflecting results of conferences between representatives of the Treasury Department and the Office of Alien Property. Included in material was memorandum dated 1-15-45, setting forth policy regarding German and Japanese assets arrived at in a conference held on 1-13-45, in Harry Dexter White's office at the Treasury Department. The various other memoranda reflect differences of opinion during the initial conferences. Virginus Frank Coe from February, 1945 until May, 1945, was active in various conferences furthering points agreed on in conference held in White's office on 1-13-45. In May of 1945, Coe submitted for Secretary Morgenthau's approval a memorandum advising of informal agreements being reached by Treasury, State and the Alien Property Custodian for control of German and Japanese assets. A result of these various conferences was the issuance of an Executive Order on 6-8-45, which provided for the seizure of all German and Japanese assets. Persons having a connection with the establishment of a policy relative to the seizing of all German and Japanese property interests in the United States include Harry Dexter White, Virginus Frank Coe, Harold Glasser, William Henry Taylor, Mrs. Sonia Gold and Irving S. Friedman. Any investigation conducted to determine influence of various people in Treasury Department to formulate monetary policy would be an investigation to evaluate influence of various people on monetary policy and would occur years after these people left the Treasury Department. This type of investigation would appear to be administrative function within province of Treasury Department. File reviews indicate proper dissemination of pertinent data made and further investigation to determine extent of influence, mainly of Gregory case subjects, is not being recommended.

RECOMMENDATION:

This is for your information and no action is being recommended. I recommend inspection and review this to make certain recommendations are sound.

RECORDED - 32 65-56402-4050

ENCLOSURE
DEC 31 1953

- 65-56402
- cc - 101-4053
- cc - 100-364447
- cc - 101-3699
- RGJ:blb
- cc - 100-365890
- cc - 100-370362
- cc - 138-932

12/12
 25
 (Signature)

DETAILS:

William A. Kolar, former Special Agent, called on Supervisor R. J. Lamphere on 11-18-53. Kolar is now employed on the Senate Judiciary Subcommittee under Senator Dirksen, which is inquiring into the administration of the Trading with the Enemy Act (Office of Alien Property). At the time of this call Kolar furnished a series of memoranda covering the period from 10-31-44, up to and including 6-13-53, reflecting the part played by Harry Dexter White, Virginius Frank Coe, Harold Glasser, William H. Taylor, Sonia Gold, Irving S. Friedman and others in forcing on the Alien Property Custodian a recommendation to the President that enemy property seized during World War II never be returned. The memoranda were made available to Kolar by Elbert Tuttle, General Counsel, Treasury Department.

It should be noted that in no place in the various memoranda are the people identified beyond the listing of their surnames.

In a previous memorandum from Mr. Belmont to Mr. Ladd dated 10-6-53, it was pointed out that Kolar advised the Senate Judiciary Subcommittee was having a report prepared that may have a section devoted to possible subversive connections between the establishment of the Office of Alien Property and its administration.

Included in material furnished by Kolar was a memorandum for the files dated 1-15-45, listing the subject "Vesting of Enemy Assets." This memorandum tells of a meeting held in Mr. White's office on 1-13-45, to discuss a proposal made by the Alien Property Custodian. The meeting ended in general agreement that before agreeing to vesting in the Alien Property Custodian control of German assets now under Treasury jurisdiction, it should be first made certain that the vesting program of the Alien Property Custodian would be effective in permanently removing the German interests. Second, make certain the responsibility rests exclusively with Treasury for determining whether there is any German interest in any of the property held in this country and that the Alien Property Custodian will have an interest in such property only after the Treasury has determined that it is a German interest. Third, the

same considerations as listed above are to apply to Japanese assets. Fourth, Italian, Hungarian, Rumanian and Bulgarian assets would not be included in such a program.

The other memoranda furnished by Kolar dated subsequent to 1-15-45, reflect results of conferences and correspondence with representatives of the Office of the Alien Property Custodian and Treasury Department representatives. These various memoranda indicate differences of opinion during the initial conferences.

Virginus Frank Coe from February, 1945 until May, 1945, was active in various conferences in furthering the points agreed upon in the conference held in Harry Dexter White's office on 1-13-45.

Another memorandum of pertinence furnished by Kolar is one dated 5-25-45. This memorandum was addressed to Secretary Morgenthau and was forwarded by Virginus Frank Coe. This memorandum advised Secretary Morgenthau of the informal agreements made with the State Department and the Alien Property Custodian providing for the vesting of German and Japanese interests in the United States by the Custodian.

Among the points submitted for Secretary Morgenthau's approval in the afore-mentioned memorandum were: (a) Complete elimination of existing Japanese and German interests in the United States is the major objective. (b) All German and Japanese property vested by the Custodian should be liquidated and sold as soon as practicable. (c) American creditors who have claims against persons whose property has been vested should be paid to the extent the vested assets of the debtor permit. (d) Subject to (c) the decision as to the disposition of the proceeds of vested property should be deferred. (e) No provisions for return or compensation to the German or Japanese owners shall be made by the United States. (f) The Custodian and Treasury should jointly recommend to Congress legislation necessary to effectuate the program. This memorandum bore the initials FC and was marked "approved" and also bore what appeared to be the initials of Secretary Morgenthau.

Subsequently, by memorandum dated 6-23-45, Harold Glasser requested airgrams be sent various Treasury representatives abroad informing them of Executive Order 9567 signed on 6-8-45, which amended Section 2 (c) of Executive Order 9095 of 3-11-44. This Executive Order provided for the seizure of all German and Japanese assets. Glasser in his memorandum also stated the objective of the program of which the Executive Order was a part was the complete elimination of existing German and Japanese property interests in the United States.

As you will recall the Morgenthau Plan contained a provision for the confiscation of all German external assets. In this connection it is pointed out that Elizabeth Bentley on 6-30-53, testified before the Senate Internal Security Subcommittee that the Morgenthau Plan was the work of Harry Dexter White. She also testified that White was under Soviet instructions to cause the complete devastation of Germany so that country would never be a barrier between the Soviet Union and the western world.

Of interest it should be noted all the people mentioned in this memorandum as having assisted in formulating the policy concerning German and Japanese assets have been identified by Elizabeth Bentley as having been involved in Soviet espionage. The one exception is Irving S. Friedman who has been, however, the subject of a loyalty investigation and also the subject of a Loyalty of United Nations Employees case based primarily on his association with people involved in the Gregory case.



On 8-8-52, a memorandum was prepared for you which considered the need for additional investigation to determine the extent of Communist influence upon the monetary policy of the United States. The people mentioned in instant memorandum were discussed in some detail in the memorandum of 8-8-52. Certain observations were made at that time which are applicable to the situation concerning the freezing of German and Japanese assets. These observations were:

- (1) None of these individuals are employed by the Treasury Department at the present time.
- (2) The extent of the influence of this group on the monetary policy of the United States is now history.
- (3) An investigation of this type would be one of evaluating influence wielded by various individuals in the Treasury Department which would be contrary to our position as a fact finding agency.
- (4) Our investigation which was conducted in the Gregory case was of an espionage nature and not to determine the influence of any individuals on policy of any Governmental agency or department.
- (5) Any investigation conducted by us at this time would be a delayed investigation occurring many years after the policy of the Treasury Department was formulated. The Bureau might be subject to criticism for a delayed investigation of this type.
- (6) An investigation to determine possible influence of various individuals upon monetary policy of the Treasury Department would appear to be within the province of an administrative inquiry by the Treasury Department or possibly a Congressional committee.

From a review of the files it is felt proper dissemination was made of pertinent information as it became available to us. Further investigation to determine the extent of Communist influence, mainly of the Gregory case subjects, upon the monetary policy of the United States is not being recommended.

As a matter of interest, William A. Kolar advised
copies of the memoranda which he made available to us were also
furnished to the Department on 11-18-53.

I think we should verify this

12/12

W.A.
K.

D

R.G.

FEDERAL BUREAU OF INVESTIGATION

Room 5730-
Extension 875.

To:

- Director
- Mr. Tolson
- Mr. Ladd
- Mr. Nichols
- Mr. Belmont
- Mr. Clegg
- Mr. Glavin
- Mr. Harbo
- Mr. Rosen
- Mr. Tracy
- Mr. Mohr
- Mr. Holloman
- Mr. Callahan
- Mr. Mason
- Mr. H. L. Edwards
- Mr. M. A. Jones
- Miss Gandy
- Mrs. Coumbe
- Miss Campsey
- Reading Room
- Personnel Records

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<input checked="" type="checkbox"/>	Mr. Ladd
<input checked="" type="checkbox"/>	Mr. Nichols
<input checked="" type="checkbox"/>	Mr. Belmont
<input checked="" type="checkbox"/>	Mr. Clegg
<input checked="" type="checkbox"/>	Mr. Glavin
<input checked="" type="checkbox"/>	Mr. Harbo
<input checked="" type="checkbox"/>	Mr. Rosen
<input checked="" type="checkbox"/>	Mr. Tracy
<input checked="" type="checkbox"/>	Mr. Mohr
<input checked="" type="checkbox"/>	Mr. Holloman
<input checked="" type="checkbox"/>	Mr. Callahan
<input checked="" type="checkbox"/>	Mr. Mason
<input checked="" type="checkbox"/>	Mr. H. L. Edwards
<input checked="" type="checkbox"/>	Mr. M. A. Jones
<input checked="" type="checkbox"/>	Miss Gandy
<input checked="" type="checkbox"/>	Mrs. Coumbe
<input checked="" type="checkbox"/>	Miss Campsey
<input checked="" type="checkbox"/>	Reading Room
<input checked="" type="checkbox"/>	Personnel Records

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 7/31/82 BY SP3/clc/bpc
#223 003 1/21/88

Room _____

See Me Pls.
Phone Me Pls.

For Appropriate Action

Page 5, items 1 thru 6 cover heart of
problem. Senate Subcommittee has
furnished same information to Depart-
ment.

C. D. DeLoach

Office Memorandum : UNITED STATES GOVERNMENT

TO : Mr. Tolson *V. J. [unclear]*

DATE: 12/18/53

FROM : H. H. Clegg *[Signature]*

SUBJECT: OFFICE OF ALIEN PROPERTY
(COPY 3014)

- Tolson
- Ladd
- Nichols
- Belmont
- Mohr
- Winterrowd
- Tele. Rm.
- Holloman
- Nease
- Gandy

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The attached memorandum dated 12/10/53 from Mrs. Branigan to Mr. Belmont referred to the Alien Property Custodian and named Harry Dexter White, Virginius Frank Coe, Harold Glasser, William Henry Taylor, Mrs. Sonia Gold, and Irving S. Friedman as having varying degrees of influence relating to German and Japanese assets in United States during World War II. Former SA William A. Kolar, now with Senate Judiciary Subcommittee, inquiring into the administration of the Office of Alien Property Custodian, furnished certain documents indicating these persons, all employed by Treasury Department, connected with establishment of policy agreed to by Departments of Treasury and State and Alien Property Custodian resulting in Executive Order on 6/8/45 providing for seizure of all German and Japanese assets. Kolar also furnished copy of documents to Michael J. Horan, Justice Department. This confirmed 12/17/53. None of persons named now employed by U. S. Government, although Taylor is Assistant Director, Middle East Department of International Monetary Fund. Among observations in Branigan's memorandum are: the extent of influence of this group on monetary policy of U.S. is now history; an investigation of this type would be one of evaluating influence wielded by various individuals which would be contrary to our position as a fact-finding agency; our investigation in the Gregory case involving these individuals was of an espionage nature and not to determine the influence of any individuals on policy of any government agency or department; any investigation conducted would be a delayed investigation occurring years after the policy of the Treasury Department was formulated and Bureau might be subjected to criticism for a delayed investigation of this type; an investigation to determine possible influence upon monetary policy would appear to be within the province of an administrative inquiry by Treasury or possibly a Congressional Committee. The Domestic Intelligence Division recommended no further action. The Director wanted this matter reviewed to see whether the recommendations are sound.

Inspector G. C. Gearty reviewed this matter thoroughly and in view of the fact dissemination previously made of pertinent Bureau information, concurred in the recommendation that no investigation should be conducted. He discussed the matter

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 F-495
 52 JAN 20 1954
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 DEC 31 1953
[Signatures]

with Mr. Belmont and suggested that the Department be referred to documents furnished by Kolar for record purposes and advised Bureau taking no action. Memorandum to Olney prepared so indicating under date 12/18/53.

*Recd.
12-22-53
HNS per [unclear]*

RECOMMENDATION: None - - - for information.

J
*✓ [unclear]
12-21*

Director, FBI (134-435)

12/22/53

SAC, New York (65-14603)

ELIZABETH T. BENTLEY
ESPIONAGE - R

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 6/27/83 BY SP5/mt
11/28/88 3042/PWT/JS

ReBuair-tel, 12/10/53 and my letter 12/16/53.

Forwarded herewith are clippings of articles by ELIZABETH T. BENTLEY which appeared in the "New York Daily Mirror" on 12/17 and 18/53. These are the last two of a series of six articles which appeared in this newspaper. Comments made in referenced New York letter of 12/16/53 also appear to apply to the enclosed articles.

Attention is called to remarks contained in the article of 12/17/53, concerning WILLIAM BATT of the WPB, in which Miss BENTLEY states, "I recall that one official about whom the Russians never seemed to be able to obtain enough information was a WILLIAM BATT of the War Production Board. His name came up time and again.

"The members of the espionage rings would be asked to give their evaluation of the 'attitude' of the U. S. official under study, and these reports would then be handed back to the Russians for their guidance."

These remarks appear to place somewhat more emphasis on the Russian's curiosity concerning BATT than has been furnished by BENTLEY heretofore. However, it is noted that in her book, "Out of Bondage", on pages 169 and 170, she makes the following statements:

"What the Russians wanted to know was practically limitless. They asked for information on Communists they were considering taking on as agents, on anti-Soviet elements in Washington, on the attitudes of high up Government officials in a position to help or hinder the Soviet Union -- such as WILLIAM BATT of the War Production Board."

In the article of 12/18/53, BENTLEY stated that WHITE had proposed to Secretary of Treasury MORGANTHAU that the Treasury exchange secret information with other strategic Government agencies and that when this plan was ultimately in full operation the Treasury was trading information with seven or eight agencies, all of which vital data funneled through WHITE and he, in turn, passed it on to the spy ring.

- Encls. (2)
- 1 - Bufile 65-56402
- 1 - Bufile 65-59144
- 2 - New Orleans (134-89)
- 1 - NY 134-182
- 1 - NY 65-15314
- 1 - NY 124-2911

NOT RECORDED
185 DEC 24 1953

LOG:MTH

364

134-435-94
ORIGINAL FILED OVER

Letter to Director
NY 65-14603)

It is believed these remarks may be based, in part, on information which BENTLEY has picked up from other sources concerning WHITE and "dressed up" for publication at this time because of the current interest in WHITE.

New Orleans should interview Miss BENTLEY fully regarding the identities of her principals, who made the inquiries concerning WILLIAM BATT, and the identity of persons who furnished information concerning him, together with the nature of any such information furnished to her.

New Orleans should also question Miss BENTLEY further with regard to the basis for her remarks concerning WHITE having been instrumental in persuading Secretary of Treasury MORGANTHAU into formulating a policy of exchanging secret information with other Government agencies. She should be asked if she at this time recalls any further information which was furnished to her by WHITE as a result of this policy.

MR. A. H. BELMONT

December 30,
1953

V. P. KEAY

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 12/22/83 BY SP-5 J. S. [unclear]
11/28/88 3042 PWT/JS

**TRANSFER OF OCCUPATION CURRENCY
PLATES - ESPIONAGE PHASE
HEARINGS BEFORE THE SUBCOMMITTEE
ON GOVERNMENT OPERATIONS ABROAD OF
THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
UNITED STATES SENATE, OCTOBER 20 & 21, 1953**

Bureau received Printed Public Report entitled "Transfer of Occupation Currency Plates & Espionage Phase" relative to hearings before the Senate Subcommittee on Government Operations Abroad of the Permanent Subcommittee on Investigations, held in Washington, D. C., October 20 & 21, 1953. Witnesses before the Committee included V. Frank Coe, Harold Glasser, Nathan Gregory Silvermaster and William Ludwig Ullman, all former employees of the Treasury Department, who were uncooperative. Other witnesses were Elizabeth Bentley, Daniel Bell, Alvin W. Hall, Howard R. Sacks and Edward K. Shultz. Bell and Hall, Treasury Department Officials and Sacks and Shultz, Army Representatives, as well as Bentley were cooperative witnesses.

This Printed Public Report was previously furnished the Bureau on 12/8/53, by a representative of the McCarthy Committee and was reviewed. The results of that review are set out in a memo to you from Mr. Branigan dated 12/16/53, captioned "Transfer of Occupation Currency Plates - Espionage Phase Interim Report and Hearing, Subcommittee on Government Operations Abroad of Permanent Subcommittee on Investigations, October 20 & 21, 1953," wherein it was noted that no action by the Bureau was necessary. The 12/16/53 memo to you did recommend that Mr. Nichols advise the McCarthy Committee of the Bureau's jurisdiction and responsibility under Executive Orders 10422 and 10459. No further action appears necessary at this time.

ACTION:

- (1) A copy of the Joint Public Report "Transfer of Occupation Currency Plates & Espionage Phase" is being placed with the original of this memorandum in the McCarthy Control File (62-98810)
- (2) Yellow copies of this memorandum are being designated for the individual main files as indicated.

Attachment

- 1 - 62-98810
- 1 - Mr. Nichols
- 1 - Mr. Branigan

- cc: 101-786 (Silvermaster)
- cc: 100-364447 (Coe)
- cc: 100-364197 (Ullman)
- cc: 101-3599 (Glasser)
- cc: 65-56402 (Gregory)

JAN 7 1954

INITIALS ON ORIGINAL

JAN 14 1954 364

ORIGINAL COPY FILED IN 62-98810-211

Office Memorandum • UNITED STATES GOVERNMENT

TO : A. H. Belmont

DATE: January 6, 1954

FROM : W. A. Branigan *WABay*

SUBJECT: NATHAN GREGORY SILVERMASTER, et al
ESPIONAGE - R

- Tolson _____
- Ladd _____
- Clegg _____
- Glavin _____
- Nichols _____
- Rosen _____
- Tracy _____
- Harbo _____
- Belmont _____
- Mohr _____
- Tele. Room _____
- Nease _____
- Gandy _____

For record purposes it is noted that Mr. William Foley of the Criminal Division called you on the afternoon of 12-30-53, and referred to the dissemination which we had furnished to the Criminal Division by memorandum of 12-3-53. In the dissemination on Harold Glasser, Mr. Foley pointed out that the report dated 1-13-42, at Cleveland, Ohio, was forwarded to the Department of Justice on 1-21-43. Mr. Foley wondered if the date 1943 was not a typographical error. You told Mr. Foley this matter would be checked and subsequently you called him back and informed him that the date of 1-21-43, was correct.

Your attention is directed to the fact that a number of other reports were also disseminated to the Department of State on 1-21-43. It appeared from the conversation with Mr. Foley that the Jenner Committee had questioned this particular item.

ACTION:

None. This is to record the telephone call of Mr. Foley on this matter.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5 [signature]

11/28/88
30420 [signature]

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EX - 118

165-56402-4051

JAN 7 1954

55 JAN 13 1954
65-56402
RJL:blb *blb*

[Handwritten initials]
B-R-L

Office Memorandum • UNITED STATES GOVERNMENT

TO : A. H. Belmont

DATE: January 6, 1954

FROM : W. A. Branigan WABaz

SUBJECT: OFFICE OF ALIEN PROPERTY

Gregory

- Tolson
- Ladd
- Nichols
- Belmont
- Clegg
- Glavin
- Harbo
- Rosen
- Tracy
- Gearty
- Mohr
- Winterrowd
- Tele. Rm.
- Holloman
- Sizoo
- Miss Gandy

By memorandum dated 12-10-53, you were advised that William A Kolar, former Special Agent now employed by the Senate Judiciary Subcommittee inquiring into the administration of the Office of Alien Property, furnished certain material on 11-18-53. This material consisted of Photostats of various Treasury Department memoranda covering the period from 10-31-44 to 6-13-45. Kolar also advised he was making copies of the same material available to the Department on 11-18-53.

On 12-29-53, Special Agent Robert G. Jensen reviewed the Photostats of the afore-mentioned material in the possession of the Office of Alien Property, Department of Justice. It was determined that the material in our possession is identical with that in the possession of the Office of Alien Property. The material was reviewed in the presence of Mr. Sol Lindenbaum, an attorney in the Legal and Legislative Section, Office of Alien Property, Department of Justice.

RECOMMENDATION:

None. For your information.

Handwritten signature

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 DATE 6/22/83 BY SP5/raj/tyr
 11/30/88 3042 PWT/JS

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 JAN 7 1954

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65-56402
 RGJ:blb
 JAN 14 1954

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Office Memorandum • UNITED STATES GOVERNMENT

TO : D. M. Ladd

FROM : A. H. Belmont

SUBJECT: TESTIMONY BEFORE THE SENATE SUBCOMMITTEE ON INTERNAL SECURITY (JENNER COMMITTEE) IN PUBLIC SESSION ON 12-3-53, IN WASHINGTON, D. C. VOLUME 27

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 6/22/83 BY [signature]

DATE: December 29, 1953

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gearty _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Gandy _____

GREGORY

On 12-3-53, the Jenner Committee met in public session in connection with its inquiry into the "Interlocking Subversion in Government Departments." This testimony was received on a confidential basis from the Committee and the original has been returned. At this session was entered into the record the information received from the Justice Department which showed the dates information was disseminated to various Government agencies on Virginus Frank Coe, Solomon Adler and Victor Perlo. A review of this testimony reflects that the dissemination discussed by the Committee is identical with the information made available by the Bureau on Coe, Adler and Perlo to Assistant Attorney General Olney on 12-3-53, by memorandum captioned "Nathan Gregory Silvermaster, et al, Espionage - R." The following errors in this regard were noted in the testimony: Page 294, line 1 - Bufiles reflect two copies of the report in question were transmitted to Assistant Attorney General Quinn and Thomas J. Donegan on 7-23-47, instead of two copies to Quinn alone as reflected in the testimony. (65-56402-2693) Page 294, line 12 - Bufiles reflect the report in question was sent to the Secretary of the Treasury on 3-4-46, instead of 4-4-46, as reflected in the testimony. (65-56402-529)

This testimony contains summarizations of the federal employment of Coe and Perlo. The Director's testimony on 11-17-53, before this Committee regarding Coe is set out verbatim. A curriculum vitae and a summarization of Adler's federal employment are also set out. Adler's associations with Irving Kaplan, formerly of the National Research Project, Virginus Frank Coe, Harry White and Harold Glasser were pointed out by means of pertinent Treasury Department correspondence entered into the record. After hearing the dissemination data and the federal employment history of Coe, Adler and Perlo, the Chairman observed that each was retained in federal employment and promoted in spite of derogatory information forwarded by the Justice Department to various Government branches.

Correspondence from H. L. Lurie, Executive Director of the Council of Jewish Federations and Welfare Funds in New York City, to Robert Morris regarding Glasser's employment with the Council and the statement by the President of the Council, Julian Friedman, regarding the relationship of Glasser and White to the Council were entered into the record.

RECORDED-57 JAN 8 1954

INDEXED 10

Attachment 65-56402 JAN 20 1954

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A review of this testimony reflected no new or pertinent information requiring further investigation at this time. Photostats of this testimony were sent to WFO and New York in captioned case by letter dated December 29, 1953, and a Photostat is being filed in the Gregory case, 65-56402.

RECOMMENDATIONS:

(1) It is recommended that the Jenner Committee be contacted by a Bureau representative who should point out to the Committee the errors in this testimony so that the Committee's record can be corrected.

*would advise to
will correct
1/6 1954*

(2) It is further recommended that the attached Photostat of this testimony be filed in the Gregory case, 65-56402.

(3) It is also recommended that the attached letter to New York, cc's WFO, enclosing Photostats of this testimony, be approved for transmittal.

[Handwritten signature]

WFO
WFO

Open

STENOGRAPHIC TRANSCRIPT OF

HEARINGS

SUBCOMMITTEE TO INVESTIGATE THE ADMINISTRATION
OF THE INTERNAL SECURITY ACT AND OTHER INTERNAL
SECURITY LAWS

COMMITTEE ON THE JUDICIARY

UNITED STATES SENATE

Washington, D. C.

December 3, 1953

Volume 527

ALDERSON REPORTING COMPANY

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Subcommittee to Investigate the
Administration of the Internal
Security Act, and other Internal
Security Laws, of the Committee
on the Judiciary

STATEMENT BY JULIAN FREEMAN, PRESIDENT, COUNCIL OF
JEWISH FEDERATION AND WELFARE FUND.....315

INTERNAL SECURITY
INTERLOCKING SUBVERSION IN GOVERNMENT
DEPARTMENTS

THURSDAY, December 3, 1953.

United States Senate,

Subcommittee to investigate the
Administration of the Internal
Security Act, and other Internal
Security Laws, of the

Committee on the Judiciary,

Washington, D. C.

The subcommittee met at 12:00 o'clock noon, pursuant to notice, in the Old Supreme Court Room, The Capitol, Senator William E. Jenner (chairman of the subcommittee) presiding.

Present: Senators Jenner (presiding), Welker, and Hendrickson.

Present Also: Robert Morris, subcommittee counsel; J. G. Sourwine, full committee counsel; Benjamin Mandel, director of research; Robert McManus, professional staff member; and James Walter, professional staff member.

The Chairman. The committee will come to order.

Mr. Morris. Mr. Chairman, we have received from the Department of Justice, in response to our request, information which shows the dates in regard to the record of V. Frank Coe, Solomon Adler and Victor Perlo, which were disseminated to

the various executive branches of the agency.

In connection with Frank Coe, there is a limitation on this if you will notice in the letter we have received from the Justice Department. It reads: "The data regarding the dissemination of records mentioned herein were furnished to the Attorney General by the Federal Bureau of Investigation by memorandum dated August 4, 1948. The F.B.I. has been requested to furnish any dissemination additional to the foregoing which may be contained in its reports, and these will be furnished to your committee as soon as received from the Bureau." That is August 4, 1948.

This morning I called the Attorney General's office again asking what Communist records were disseminated after that date. They told us they are not yet ready; we will have them in the future.

On Frank Coe there was a summary dated February 21, 1946, wherein Coe was mentioned was furnished by letter dated February 25, 1946, to General Vaughan.

Summary memorandum dated February 21, 1946, including mention of Coe furnished to Attorney General on February 23, 1946.

Summary dated February 21, 1946, including information on Coe furnished to Attorney General on February 25, 1946.

Summary dated February 21, 1946, including information on Coe furnished to Secretary of the Treasury by letter of March

4, 1946.

The Chairman. Our records show who was Attorney General, who was Secretary of State, etc., at that time?

Mr. Morris. That is right.

The Chairman. Does our record also show how long Coe remained in government? When did he leave the Federal Government?

Mr. Morris. I have that here.

The Chairman. I think that should become part of the record at this time.

Mr. Morris. In June, 1946, Coe was the Director of Monetary Research. At that time he resigned from his job as Director of Monetary Research to join the staff of the International Monetary Fund. He served as Secretary of the International Monetary Fund until December 31, 1952, which was the day after he appeared before the Internal Security Subcommittee and invoked his privilege under the Fifth Amendment in connection with questions regarding his then current espionage activities.

Senator Welker. Mr. Chairman.

The Chairman. Senator Welker.

Senator Welker. That means from February, 1946, until the date of his resignation in 1952 he remained in the employment of the Monetary Research as Director and on the International Monetary Fund, notwithstanding the reports furnished to the different agencies by the Department of Justice in 1946, is that correct?

The Chairman. Not only the Department of Justice but to General Vaughan.

Senator Welker. By the Department of Justice to the other agencies?

The Chairman. That is correct.

Mr. Morris. That is correct.

The Chairman. The record so shows.

Mr. Morris. In connection with the investigation conducted by this subcommittee last year into the United Nations, American citizens of the United Nations, it was determined at that time that personnel problems affecting American citizens of the United Nations were handled by the State Department, but that personnel matters concerning American citizens working in the International Monetary Fund were handled by the Treasury Department.

The Chairman. These reports, as our records show, were sent to General Vaughan and General Vaughan has been before this committee and testified he transmitted all reports to the President of the United States. Also to the Attorney General and to the Secretary of the Treasury.

Mr. Morris. There is one other rundown in our record. Mr. J. Edgar Hoover testified before this committee and told us of certain dates that he disseminated information on Frank Coe, and they will be available before this session is over.

The Chairman. We will complete the record when we get the

information.

Mr. Norris. I have here a summary in regard to the position that Coe held in government.

The Chairman. I think it should be read into the record.

Mr. Norris. From June, 1934, to September, 1934, he was Economic Consultant with the Treasury Department.

June, 1936, to September, 1936, Principal Economist, Division of Research and Statistics, Secretary's Office, Treasury.

April, 1939, to September, 1939, Principal Economist, Division of Monetary Research, Treasury.

September, 1939, to July, 1940, Economic Consultant, Federal Security Agency.

July, 1940, to September, 1940, Principal Economist, Advisory Commission to Council on National Defense.

September, 1940, to February, 1942, Assistant Director, Division of Monetary Research.

June, 1941, to December, 1941, Special Assistant to Ambassador Winant, London.

November, 1941, to June, 1942, Executive Secretary, Joint War Production Committee United States and Canada.

February, 1942, to June, 1942, Assistant to Executive Director, Board of Economic Warfare.

June, 1942, to November, 1942, Assistant to Director, Office of Economic Warfare.

November, 1942, to January, 1943, Assistant to Director, Office of Economic Warfare.

Economic Administration.

February, 1945, to June, 1946, Director of Monetary Research.

June 10, 1946 resignation to join staff of International Monetary Fund.

The Chairman. Then he was on the Monetary Fund in February of 1952?

Mr. Morris. December 3, 1952.

Senator Welker. Mr. Chairman.

The Chairman. Senator Welker.

Senator Welker. Counsel, may we assume that from February, 1945, to June, 1946, up until the time of V. Frank Coe's resignation that he received promotions and increases in salary?

Mr. Morris. He certainly received an increase in salary and he held the position of Secretary of the International Monetary Fund.

Senator Welker. That would be considered a promotion if he received an increase in salary?

The Chairman. I think his salary was \$20,000.

Mr. Morris. He was receiving a \$20,000 tax-free salary.

The Chairman. I would consider that a promotion and a raise in salary.

Mr. Morris. We have the case of Solomon Adler. We have received from the Department of Justice, in response to our inquiry when the communist record was disseminated to various

officials, the following rundown was sent on Solomon Adler:

A summary dated February 21, 1946, containing mention of Adler furnished by letter of February 25, 1946, to General Harry H. Vaughan, Military Aide to the President.

Summary dated February 21, 1946, containing information regarding Adler furnished to Attorney General on February 23, 1946.

Summary dated July 25, 1946, containing information on Adler furnished to Attorney General by memorandum of July 25, 1946, pursuant to request of Attorney General by Clark M. Clifford, Special Counsel to the President. Departmental records show transmittal letter of July 25, 1946, from the Attorney General to Mr. Clifford. A copy was also furnished to the Attorney General for his information.

Summary dated October 21, 1946, containing allegations concerning Adler furnished by memorandum of December 16, 1946, to Mr. George Allen, then Presidential Adviser.

Summary dated February 21, 1946, containing information on Adler furnished to Attorney General February 23, 1946.

Summary dated February 21, 1946, containing information on Adler furnished to Attorney General by memorandum of February 25, 1946.

Summary dated October 21, 1946, containing information on Adler was furnished to the Attorney General by memorandum dated November 27, 1946. A copy of same was furnished to Mr. A. D. Vanech, Special Assistant to the Attorney General, on December

6, 1948, and two copies were made available to Assistant Attorney General T. Vincent Quinn on July 23, 1947. An additional copy to Mr. Quinn on August 7, 1947.

A summary of basic data from FBI files concerning Adler was forwarded to the Attorney General on March 7, 1947.

Report concerning Adler dated April 9, 1948, furnished to Assistant Attorney General Quinn on April 14, 1948.

Investigative reports furnished on Adler to Assistant Attorney General T. V. Quinn on July 22, 1948.

Summary containing information relating to Adler dated February 21, 1946, made available to the Secretary of the Treasury by letter dated April 4, 1946.

Summary containing information on Adler dated October 21, 1946, was furnished by memorandum of March 6, 1948, to Assistant Attorney General Quinn for delivery to Mr. Edward Foley, Treasury Department.

Investigative reports on Adler were furnished to the Civil Service Commission on July 22, 1948, for transfer to the Treasury Department under established procedure.

As I say, anything after August 4, 1948, that was transmitted will be furnished at a later date.

Senator Welker. Mr. Chairman, may I have a question?

The Chairman. Senator Welker.

Senator Welker. When did Solomon Adler leave government

Mr. Morris. I have that. I have a letter from Solomon Adler dated May 11, 1950.

The Chairman. What is the date again?

Mr. Morris. May 11, 1950. It is addressed from 2721 Dumbarton Avenue.

"2721 Dumbarton Avenue

Washington, D. C.

May 11, 1950

Mr. George H. Willis
U. S. Treasury Department
Washington 25, D. C.

Dear George:

"I hereby submit my resignation from the Treasury Department as of the close of business today. I request payment into my account at the Riggs National Bank of all salary due me and of my unchallenged annual leave, and make claim for payment of additional annual leave which was improperly charged to me for the period August 4, 1948, to October 1, 1948. During that period I was performing services for the Treasury Department at the Treasury Department's direction, and such time may not properly be charged as annual leave.

"Any correspondence should be addressed to me care of Milton Kramer, Esq., 1625 K Street, N.W., Washington 6, D. C.

With best personal wishes,

Sincerely yours,

/s/ SOLOMON ADLER //

The Chairman. Does our record show who Solomon Adler was? Was he an American citizen?

Mr. Morris. I have a Curriculum Vitae here.

The Chairman. I think it should be read into the record.

Mr. Morris. This is a Curriculum Vitae taken from the files of the Treasury Department. It reads as follows:

"Name:	Solomon Adler
Born:	August 6, 1909, Leeds, England.
1927:	Open Scholarship in Modern History at New College, Oxford, England.
1927-1930:	Undergraduate education at the University of Oxford.
1930:	B.A. - First Class Honors in Economics, Philosophy and Politics at Oxford University.
	Awarded the George Webb Medley Senior Research Scholarship in Economics (value, \$1500 per annum) by the University of Oxford for two years.
	Awarded the Jevons Scholarship in Political Economy of University College London, for one year.
1930 - 1933:	Graduate work at the London School of Economics.
1932:	M.Sc. Econ., University of London.
	Awarded the Sacher Exhibition, New College, Oxford.
1933:	Awarded the Francis Hutcheson Silver Medal for distinction in research by London School of Economics for M.Sc. Thesis on 'Wicksell's Theory of Interest

1933 (January - June): Research Assistant in Money and Banking to Professor Whale, the London School of Economics.

1933 - 1934: Awarded an Acland Fellowship to visit the United States.

The Chairman. That was 1934?

Mr. Morris. Yes.

1935 - 1936: Instructor in Economics, People's Junior College, Chicago, Illinois.

The Chairman. Have we any record on the People's Junior College, Chicago, Illinois?

Mr. Morris. The Dean was Harold Glasser.

The Chairman. That is a familiar name.

Mr. Morris. I think the records show that they resided together while they were at People's Junior College.

1936 (February - December) Associate Economist on the New York staff of the National Research Project on Re-employment Opportunities and Recent Changes in Industrial Techniques.

The Chairman. Do not our records show that the National Research Project is where many of these folks started?

Mr. Morris. Yes. We have a large section in our report showing many communist agents entered the government by means of the National Research Project. I think the committee has characterized it as a trap-door.

The Chairman. He was at the right place at the right time.

Senator Welker. May I inquire?

The Chairman. Senator Welker.

Senator Welker. Counsel, does the record show from 1934 until May 11, 1950, Mr. Solomon Adler was employed by the Government of the United States and at no time was an American citizen?

Mr. Morris. No. He became an American citizen just at the time of his employment. I think it was two days before or after.

Senator Welker. That was in 1934?

Mr. Morris. No.

Senator Welker. I wanted to get that complete because I was not here before.

Mr. Morris. I have some records here that I would like to put into the record. Suppose I put these in and then if there are any questions unanswered, I will try to answer them. May I do it that way?

The Chairman. Yes.

Mr. Morris. I have a letter dated January 16, 1936, reading as follows; and, Mr. Chairman, I might say our procedure has been that ordinarily when we put these records in, and in this case it came from the Treasury Department files, we try to have the witness here. We have made every effort to get Mr. Adler here over the past three years.

The Chairman. I think the record should show where he is.

Mr. Morris. Mr. Adler, to the best of our knowledge,

The Chairman. How long has he been there?

Mr. Morris. More than three years.

The Chairman. Has he lost his American citizenship?

Mr. Morris. The American Embassy in London was directed to pick up his passport because he was out of the country for more than three years. I understand he would be subject to denaturalization proceedings inasmuch as he is a naturalized citizen.

We have a record here that Adler was naturalized in 1940.

The Chairman. In other words, he went into the employment of the Government in 1934 and worked in these important positions and did not even become a citizen of this country until 1940?

Mr. Morris. But he could have applied before that.

Senator Welker. He could have but he did not.

Mr. Morris. It would take some years.

The Chairman. It does not take six years to become a citizen of this country.

Mr. Morris. Almost, Mr. Chairman.

This is a letter dated January 16, 1936, from Irving Kaplan to Mr. Solomon Adler, Peoples Institute, Chicago, Illinois.

"Dear Mr. Adler:

"It has been suggested to us that you may be interested in work on our project. If after reading the enclosed outline of the Study you are interested, will you please write us indicating the nature of your interest the function

interested in performing on this project, the nature of your training and experience and the terms at which you would be available for work in Philadelphia.

Sincerely yours,

/s/ Irving Kaplan

Associate Director."

The Chairman. This letter was from Glasser?

Mr. Morris. No, this is from Kaplan.

The Chairman. It may go into the record and become a part of it.

Mr. Morris. Mr. Kaplan has been identified in our hearings as a Communist agent.

I have another letter dated November 16, 1936, from 66 Perry Street, New York City:

"Dear Mr. Gourvitch:

"It is with great regret that I have to tender my resignation from the National Research Project as from November 30th. There is no need for me to say how much I have enjoyed working here with you, but the position I have been offered in the Treasury is so tempting that it is impossible for me to refuse it.

With best wishes, I am

Sincerely yours

(signed) Solomon Adler."

The Chairman. It will go into the record and become a part

of it.

Mr. Morris. I have a copy of a telegram from Solomon Adler to Irving Kaplan in which he said that he accepted the New York assignment. It reads as follows:

"Accept New York assignment at salary stated Ready to begin work Wednesday February twenty sixth at latest.

Solomon Adler."

The Chairman. It may go into the record and become a part of it.

Senator Welker. What is the date of that?

Mr. Morris. February, 1936. Chronologically that should have come in before.

I have a letter dated May 29, 1942, addressed to a Mr. W. N. Thompson from H. D. White.

"Subject: Promotion of Solomon Adler

"It is recommended that Mr. Adler be promoted from Sr. Economic Analyst, P-5, \$4600 per annum to Pr. Economic Analyst, P-6, at \$5600 per annum.

"Mr. Adler's duties and responsibilities have increased since his detail in Chungking, China. He is now acting as the Treasury's economic adviser to the United States member of the Chinese Currency Stabilization Board."

The Chairman. It may go into the record and become a part of the record.

Mr. Morris. I have here an application form filled out

by Mr. Adler, and the purpose is to indicate Harold Glasser was his employer at the People's Junior College in Chicago from February, 195, to February, 1936.

The Chairman. It may go into the record and become a part of the record.

(The document referred to follows:)

Mr. Morris. I have here Mr. Adler's next promotion.

This is a letter from the Administrative Assistant to the Secretary of the Treasury. His name is Charles S. Bell.

There is no date on this letter, but it reads:

"My dear Mr. Adler:

"On the recommendation of Mr. Frank Coe, Director of Monetary Research, you are hereby promoted from Grade P-7, \$6500 per annum, to Grade P-8, \$8000 per annum, effective May 1, 1945.

By direction of the Secretary:

Very truly yours,

s/ CHARLES S. BELL

Administrative Assistant
to the Secretary."

The Chairman. It may go into the record and become a part of the record.

Mr. Morris. There is an approval signed by F. Coe, or rather two approvals. It was also endorsed by Harold Glasser, Bureau or Division head.

The Chairman. It may go into the record and become a part of it.

(The document referred to follows:)

Senator Welker. May I interrogate counsel? Do you have any information with respect to the initials at the bottom of this letter that you just supplied, HWD?

Mr. Morris. I presume that is Harry White.

The Chairman. It looks like four or five sets of initials here. The exhibit will speak for itself.

Mr. Morris. I have here an oath executed by Mr. Adler July 18, 1946, at Washington, D.C., which indicates that Mr. Adler's place of employment at that time was the American Embassy in Nanking, China.

The Chairman. What was the date?

Mr. Morris. July 18, 1946. It reads:

"I, Solomon Adler, do hereby swear (or affirm) that I am not engaged in any strike against the Government of the United States and that I will not so engage while an employee of the Government of the United States; that I am not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, and that I will not while a Government employee become a member of such an organization.

/s/ Solomon Adler."

I thought that was an oath saying that he was never a communist, but it is not.

The Chairman. It may go into the

Mr. Morris. Also from the files of Mr. Adler at the Treasury a summarization of some of the assignments that he had which would indicate the importance of his position while in China.

The Chairman. March or April, 1946. Treasury proposal to assign Adler temporarily to Bangkok opposed by General Marshall on basis that Adler's presence in China required in view of financial discussions in progress.

July - August, 1946. Called to Washington for consultation concerning pending surplus property and yuan expenditure settlement.

August, 1946. Accompanied Thomas B. McCabe to China and served as financial adviser to his mission in concluding surplus property agreement of August 30, 1946.

July - August, 1947. Prepared financial material for and consulted with the Wedemeyer Mission in China.

November, 1947. Secretary Marshall announces that the Department of State is preparing a program of economic aid to China.

December, 1947. Adler recalled to Washington for consultation, arrived December 16.

December, 1947. February, 1948 - Consulted with Department of State on financial aspects of proposed aid to China, participated in NAC working group study of China program, participated in discussions with Chinese Technical Mission.

of aid to China submitted to Congress, February 18, 1948.

February - August, 1948. Participated in further discussions with Chinese Technical Mission, participated in preparation of NAC studies pertaining to financial aspects of ECA aid, participated in inter-agency discussions re U. S. position on settlement of Chinese war accounts.

August - November, 1948. On annual leave.

November, 1948 - February, 1949. Assigned to investigation of long range outlook for U. S. foreign investment and effect of European exchange rates on balance of payments and dollar requirements.

February, 1949, - October, 1949. On leave of absence; taught at Harvard during spring term, 1949.

October 1949 to present. Assigned to analysis of possible stages in progress toward convertibility of world currencies.

I want the record to show this summary from 1946 to the present time, or rather May 11, 1950, that he left the Government that despite the information which was derogatory furnished by the Justice Department this man not only remained on the payroll but was assigned to some of the most important assignments this Government had to offer, with increased salary.

Mr. Morris. We have not been informed by the Justice Department as to what has been in these summaries, but we do have the testimony of Whittaker Chambers and Elizabeth Bentley and several incidental things that have come up in our record.

Yesterday the memorandum of Whittaker Chambers dated March, 1945, mentioned Solomon Adler. Whittaker Chambers subsequently testified about him. Elizabeth Bentley has mentioned Solomon Adler in her open testimony. The date of her imparting the details of her espionage was November, 1945, to the FBI.

Senator Welker. You say Chambers mentioned him and Elizabeth Bentley mentioned him. How? As Communists?

Mr. Morris. As a member of the Communist party. Elizabeth Bentley said she collected his dues through Silvermaster.

Senator Welker, in answer to your question, I have a letter which seems to be undated, again from the Treasury Department files. It is addressed to the United States Civil Service Commission, Washington, D. C., and reads as follows:

"Gentlemen:

"In connection with the establishment of my classified status with the Civil Service Commission I have been asked to execute a residence form. I have no voting residence and I consider the District of Columbia my legal residence.

"I was naturalized in the United States District Court September 3, 1940, by petition #12497, and since then I have spent a great proportion of my time in Chungking, China, where I have been stationed on official business of the Treasury Department.

Very truly yours,

The Chairman. It may go into the record and become a part of the record.

Mr. Morris. Since the last reference to Mr. Coe we have here Mr. Hoover's testimony about V. Frank Coe. I would like to put it into the record.

The Chairman. You want this to go in in relation to the Coe testimony?

Mr. Morris. Yes.

The Chairman. You may read that.

Mr. Morris. Mr. Hoover said: "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 substantiated 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."

This is in answer to the question about the nature of the summary on Coe that was sent on to the proper agency.

I have here a Personnel Division Position Description in regard to Solomon Adler executed on February 21, 1941. The several things that are noted here show his immediate superior was H. D. White. "The name of the person who assigned your work to you," as it is phrased here, "H. D. White" and the name and official title of the reviewer of "your work" that is given as H. D. White and V. Frank Coe. May this go into the record?

The Chairman. It will go into the record and become a part of it.

(The document referred to follows:)

Mr. Morris. The next name we have is Victor Perlo. We have a summary received from the FBI on Perlo. In connection with Perlo, he has been identified by three witnesses before this committee: Whittaker Chambers, Nathaniel Weyl, and Elizabeth Bentley.

Perlo is mentioned in the letter of November 8, 1945, to General Vaughan to which the Attorney General referred in his testimony of November 17, 1953.

Summary dated February 21, 1946, containing information on Perlo was furnished to the Attorney General on February 23, 1946.

Summary dated February 21, 1946, mentioning Perlo was furnished to General Vaughan by letter of February 25, 1946.

Summary dated March 5, 1946, containing information on Perlo was furnished to Admiral Leahy on March 7, 1946.

Summary dated February 6, 1946, containing reference to Perlo was furnished to the Attorney General on February 7, 1946.

Summary dated July 25, 1946, containing information on Perlo was furnished to the Attorney General by memorandum dated July 25, 1946, pursuant to request of the Attorney General by Clark M. Clifford. Department files show transmittal letter to Mr. Clifford of July 25, 1946.

Summary dated October 21, 1946, containing reference to Perlo was furnished by letter dated December 16, 1946, to Mr.

George Allen, then Presidential Adviser

Summary dated October 21, 1946, containing information regarding Perlo was furnished to the Attorney General by memorandum of November 27, 1946, and to Special Assistant to the Attorney General A. D. Vanech by memorandum dated December 6, 1946.

Summary of basic data regarding Perlo was furnished to the Attorney General by memorandum of March 7, 1947.

Summary dated February 21, 1946, containing information regarding Perlo was furnished to the Secretary of the Treasury by letter dated March 4, 1946.

Memorandum dated September 6, 1946, concerning Perlo was personally delivered on September 12, 1946, to Mr. Lawson Moyer, Personnel Investigation Section, Treasury Department.

The Chairman. Does our record show when Mr. Perlo first went with the Government?

Mr. Morris. Yes.

September 13, 1933, he was Special Assistant, National Recovery Administration, \$2,300.

June 5, 1935, Assistant Statistician, Home Owners Loan Corporation, \$2,600.

September 18, 1939, expert, Office of the Secretary of Commerce, \$4,000.

November 1, 1940, principal economic analyst, Council of National Defense Advisory Committee, \$5,600.

December 11, 1942, head economist, Office of Price

Administration, \$6,500.

February 17, 1943, head financial economist, Office of Production Vice Chairman, War Production Board, \$6,500.

October 18, 1944, economist, Office of Director, Bureau of Planning & Statistics, War Production Board, \$6,500.

May 1, 1945, economist, War Production Board, Office Bureau of Program & Statistics, War Production Board, \$6,750.

December 17, 1945, economic analyst, Division of Monetary Research, Treasury Department, \$7,437.50.

March 27, 1947, resignation as Economic Analyst, \$8,778, to accept position with Intergovernmental Committee on Refugees.

This was an international organization.

The Chairman. Again this man remained in government from 1933 to 1947 in face of these various reports and summaries forwarded to the Executive Branch of government. He continued to remain in government, received promotions and an increase in salary. Am I correct?

Mr. Morris. That is right.

There is one other thing in connection with that data.

The covering letter from the Attorney General's Office mentions that the report of November 27, 1945, which the Attorney General referred to in his testimony of November 17, 1953, contains references to Solomon Adler, Harold Glasser and Victor Perlo.

So that will be an additional listing in the data of those

three people.

In connection with the Harold Glasser exchange with a Mr. H. L. Lurie, which was introduced into the record about ten days ago, I called Mr. Lurie to ask about the advisability and need for his testimony in connection with those letters. He has written the following letter which I would like to read to you at this time:

"December 2, 1953

"Mr. Robert Morris

Room 424-C Senate Office Building

Washington, D. C.

Dear Mr. Morris:

"You telephoned to me last night asking for a statement from me on the relationship of our organization to Mr. Harold Glasser.

"In response to that request, I am enclosing a recent statement made by our President, Mr. Julian Freeman of Indianapolis, at the time of our general assembly which was being held in Cleveland. The information given in that statement corresponds with my own knowledge of the fact.

"The only information I can add that would seem to be relevant is as follows: On December 18, 1947 we addressed a letter to Mr. John W. Snyder, then Secretary of the Treasury, and to Dean Acheson, at that time in private law practice, asking for reference on Mr. Glasser who had applied to us for the

position of Research Economist. I am enclosing a copy of that letter.

"Mr. Acheson replied under date of December 24, 1947 and Mr. Snyder replied under date of December 26, 1947.

"On August 3, 1948 following the charges made about Mr. Glasser which had not previously come to our attention, I wrote again to Secretary of the Treasury. A copy of my letter is enclosed. Mr. Snyder replied to this letter on August 10, 1948.

"Copies of letters I received from Mr. Snyder and from Mr. Acheson have been published in the hearings of your Committee. Since replies to letters of reference are requested on a confidential basis, our organization has not released these replies but they have been made available to your Committee perhaps from the files of the Department of the Treasury or from other sources.

"If there is any further information which you would like to have, please let me know.

Yours truly,

H. L. LURIE

Executive Director."

The Chairman. Inasmuch as Mr. Lurie has set out here all the information that we needed for our committee to complete our files, I see no need to call Mr. Lurie as a witness before this committee. I think the committee should write Mr. Lurie and thank him for his cooperation in this

Mr. Morris. He has adverted in those letters to a release given out by his organization of November 20, 1953. It reads:

"STATEMENT BY JULIAN FREEMAN, PRESIDENT, COUNCIL OF
JEWISH FEDERATION AND WELFARE FUND

"I have been asked for information about the relationship of Harold Glasser and Harry Dexter White to the C.J.F.W.F. These are the facts:

"In 1947, with the continuing increase in the volume of philanthropic aid provided by American Jewish philanthropists for Europe and Israel, it was felt that an independent report and analytical service on the work of Jewish philanthropic agencies operating in these areas should be set up to aid in achieving maximum effectiveness of programs. Some initial exploratory studies were made for the Council by Dr. Mordecai Ezekiel.

"Accordingly, it was felt desirable to organize a larger supervisory committee of technical experts composed of economists and officials of the national agencies involved in these programs and some professional community executives to survey the entire situation and to recommend to us the types of studies which would be most helpful in providing the needed information.

"Dr. Isador Lubin, former head of the Bureau of Labor Statistics and later with the United Nations, consented to serve as Chairman on this group of advisors. Other persons who served at various times with the committee include:

"Dr. Moses Abramovitz - of the National Bureau of Economic

Research.

"Dr. Salo Baron - Professor of History at Columbia University.

"Dr. Louis Dublin - at that time a Vice-President of the Metropolitan Life Insurance Company and now retired.

"Oscar Gass - Economic Consultant.

"Samuel A. Goldsmith - Executive Director of the Jewish Federation of Chicago.

"Dr. William Haber - Professor of Economics at the University of Michigan.

"A. D. J. Kaplan - Economist with the Brookings Institute.

"Henry Montor - who was then Executive Vice-Chairman of the United Jewish Appeal and is now professional head of the American Financial and Development Corporation for Israel.

"Robert Nathan - Economic Consultant.

"Dr. Nathan Reich - Professor of Economics at Hunter College.

"Dr. Martin Eosenbluth - at that time a financial advisor to the Jewish Agency for Palestine.

"Isadore Sobeloff - Executive Director of the Jewish Welfare Federation of Detroit.

"Harry Greenstein - Executive Director of the Associated Jewish Charities of Baltimore and formerly advisor on Jewish affairs to the U. S. Military Government in Germany.

"John Slawson - Executive Director of the American Jewish Committee.

"Moses Leavitt - Executive Director of the Joint Distribution Committee.

"Harry Dexter White worked under this committee to outline the specific types of additional studies that would be most appropriate and helpful to the projected Institute on Overseas Studies. He served on a part-time basis for these projects alone from August 15, 1947 to early in October, 1947. At that time he suffered a heart attack which invalidated him for a period of six months, which made it impossible for him to complete the assignment. The Council then turned to the Advisory Committee for continuing help in planning and setting up the Institute on Overseas Studies. For this assignment Mr. Harold Glasser was chosen from a group of economists submitted for the Technical Advisory Committee. We cleared his references with Mr. John W. Snyder, the then Secretary of the Treasury; Dean Acheson, then out of government service, and others. He was highly recommended to us as a qualified economist and able research worker. Mr. White did not suggest Mr. Glasser for the post, but in response to the letters sent out on behalf of the Committee indicated that Mr. Glasser was a qualified economist. He went to work for the Council on January 1, 1948.

"When Miss Elizabeth Bentley testified before a Congressional Committee, about six months later we wrote to Mr. Snyder ex-

pressing our qualms at these charges, and asked for an additional statement on Mr. Glasser. Mr. Snyder replied, re-affirming his original endorsement. Mr. Glasser was carrying out his assignment with great ability and was producing successful results.

"In April, of this year, Mr. Glasser testified before the Jenner Committee. To our knowledge this is the first time that Mr. Glasser was called to testify before a Congressional Committee of this nature. Because of this publicity, he felt that his continuing employment might be embarrassing to the Council and he, therefore, tendered his resignation. The responsible officers and Executive Committee of the Council considered this request at several meetings. Following full consideration it was decided in June, 1953, to accept Mr. Glasser's resignation, effective as of September 15. This was later confirmed by the Council's Board of Directors.

"In his work with the Council, Mr. Glasser compiled an exceptionally fine record as Director of the Overseas Institute. His objective and impartial studies have been helpful to the agencies concerned in analyzing the role of foreign exchange in Israel's economy, development of agriculture, vocational training and other elements in his constructive solution of refugee problems in Europe and Israel."

The Chairman. That may go into the record and become a part of the record.

Mr. Morris. I have no other business at this time.

The Chairman. If there is no further business to come before the committee, we will adjourn. Senator Hendrickson? Senator Welker? If not, we will close.

Mr. Morris. I have a few more files concerning Mr. Adler that I would like to go into the record.

The Chairman. You may put them into the record and they will become a part of the record.

(The documents referred to follow:)

The Chairman. We will stand adjourned if there is no further business.

(Whereupon, at 12.50 p.m., the committee was recessed, subject to call.)

DATE OF MAIL 1-6-54

HAS BEEN REMOVED FOR MR. LAMPHERE TO BE KEPT PERMANENTLY IN HIS OFFICE, ROOM 1736

SEE FILE 66-2554-7530 FOR AUTHORITY.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY JAS/rgkcy
3042 PWT/JMW 4/5/88

SUBJECT JUNE MAIL

REMOVED BY 59 JAN 14 1954

FILE NUMBER 65-56402-4054

PERMANENT SERIAL CHARGEOUT

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD

DATE: December 1, 1953

FROM : MR. A. H. BELMONT

SUBJECT: NATHAN GREGORY SILVERMASTER, ETAL
ESPIONAGE - R
Bufile 65-56402

11/30/88 3042/wt/83
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5 rjg/hay

- Tolson
- Ladd
- Nichols
- Belmont
- Clegg
- Glavin
- Harbo
- Rosen
- Tracy
- Gearty
- Mohr
- Winterrowd
- Tele. Room
- Holloman
- Sims
- Miss Gandy

The Director previously asked for memoranda on individuals who were employed in the Treasury Department and who have been mentioned in recent publicity. Under date of November 23, 1953, there were submitted summary-type memoranda on Harold Glasser, Victor Perlo, Solomon Adler, and Virginius Frank Coe. On November 17, 1953, in a memorandum from Mr. Stanley to Mr. Rosen, information was set forth concerning Irving Friedman. Information concerning William Taylor was set out in a memorandum from you to the Director dated November 9, 1953. There are being submitted herewith summary memoranda on Maurice Hyman Halperin, Nathan Gregory Silvermaster, Irving Kaplan, Abraham George Silverman, and William Ludwig Ullman.

ACTION

There are attached summary-type memoranda on Halperin, Silvermaster, Kaplan, Silverman, and Ullman.

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OTHERWISE

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RJL:awn
Attachments

RECORDED-30

65-56402-4055
DEC 22 1953

Detached and handled
separately. See record in
obj. files. 58 JAN 15 1954

Handwritten signature/initials

Mr. B. H. Ladd

December 7, 1953

Mr. A. H. Belmont

Original cannot be located and is not on record. When original is received in Files Division it will be filed either with this copy or may be given a new serial.

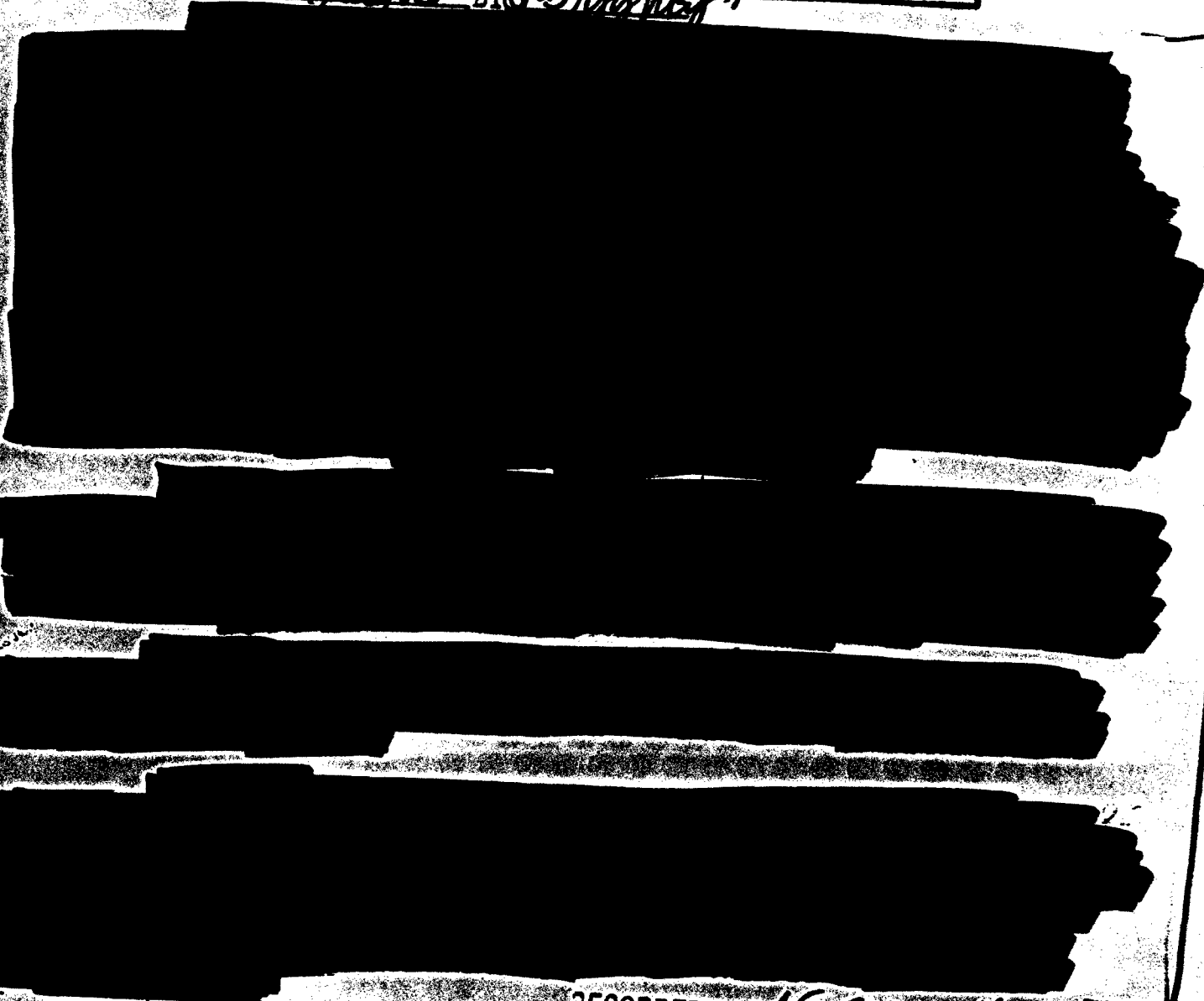
NATHAN GREGORY SILVERMASTER, ETAL
ESPIONAGE - R

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SYNOPSIS

DATE 02/2/83 BY SP5 MCH/STP

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11/54 - 675



- Tolson
- Ladd
- Nichols
- Belmont
- Mohr
- Winterrowd
- Tele. Room
- Holloman
- Gandy

RECORDED-33 65-56402-4055

59 FEB 18 1954

FEB 12 1954

Attachment
B. J. Casper

Refer
14 DEC 1953

[REDACTED]

There is being set forth in the details of this memorandum information which reflects the weakness in the position of Snyder and Foley. Our February 21, 1946, summary in this case which went to Secretary of the Treasury Vinson on March 4, 1946, was very detailed and started out with a section which served as an evaluation of the reliability of our main informant Bentley, who was designated by the cover name of Gregory, and the summary then set forth full details of allegations regarding various Treasury Department employees, as well as on others involved in the case. This February 21, 1946, summary was apparently misplaced by Treasury officials and was not found until February, 1947. The fact remains that we had provided the details to the Treasury Department as early as March 4, 1946, and they did not remove employees based on the facts set forth in that summary.

Harold Glasser (named by Bentley as part of the apparatus) testified before the Federal Grand Jury in the Southern District of New York on September 30, October 1, and 2, 1947.

[REDACTED]

bs
Sub (6)(e)

[REDACTED]

b3

Relative to the efforts by the Treasury Department to obtain information in 1947, our files reflect on February 19, 1947, the Director had a conversation with Secretary Snyder at which time the Director informed the Secretary that we had already sent information to the Treasury Department and the Attorney General felt there should be some inquiry by Grand Jury or otherwise before taking any open action in the case. The Director pointed out that it was his understanding that the Attorney General felt there was need for further investigation or interviews of the subjects and that in this event interviews by the various Departments such as the Treasury Department should be deferred until a decision was made by the Department of Justice.

On February 20, 1947, a memorandum was directed to the Attorney General referring to the conversation between the Director and the Secretary of the Treasury and stating the Secretary of the Treasury had referred to the fact that he did not wish to have an exposure of Treasury employees by some outside group to the embarrassment of the Treasury Department and, therefore, wanted the Treasury official to proceed on the matter as pertaining to their own employees. It was pointed out to the Attorney General that the Secretary of the Treasury had been advised that any such contemplated action would be unwise until the Attorney General had reached a decision as to what further action was to be taken by the Department of Justice.

In a memorandum from Mr. Fann to the Director dated December 8, 1947, it was set forth that Mr. Vanech had indicated the Treasury Department wanted more information on Treasury employees involved in the case and Foley wanted to know who the informants were but Mr. Vanech declined to provide this information. Foley was described as hostile and critical and Vanech pointed out that the Bureau had furnished to Secretary Vinson a summary on the case at an early date but that this summary had been lost by the Treasury Department. (The Treasury Department had found the summary in February, 1947, in a safe in the Treasury Department.)

On April 15, 1949, a memorandum was directed to the Attorney General in which we pointed out that we had learned that the Treasury Department was attempting to get the Attorney General to exonerate the Treasury Department from blame in continuing to employ Victor Perlo after Treasury officials were advised of his participation in the espionage ring. It was pointed out that any such action had been done without the knowledge of the FBI and that the maintenance of Perlo in Government employment was not continued either at the suggestion of any representative of the Bureau or with the concurrence of the Bureau. (See Exhibit No. 2)

ACTION:

This is for your information.

DETAILS:

ANALYSIS OF THE CORRESPONDENCE WHICH HAS BEEN
FURNISHED TO FORMER SECRETARY SNYDER AND FORMER
UNDER SECRETARY OF THE TREASURY EDWARD FOLEY

Former Secretary of the Treasury John Snyder and former Under Secretary Edward Foley have obtained from the Treasury Department correspondence which they intend to use in connection with their testimony before the Jenner Committee. We have received photostats of this correspondence, and photostats are attached hereto. In the analysis which is being set forth hereinafter, it will be noted that the Treasury Department holds a pretty good paper record reflecting their demands for more information in 1947. The actual facts, as will be shown in the body of this memorandum, are that they had enough information to take action but they elected to adopt a procedure of hesitancy claiming to be seeking additional information. The correspondence reflects efforts by the Treasury Department starting on December 16, 1946, to get additional information from the Department of Justice concerning Treasury employees. The correspondence clearly indicates the Treasury officials were not aware of the data in the FBI summary of February 21, 1946, delivered to Secretary Vinson on March 4, 1946, and, as is set forth separately, the February 21, 1946, summary was apparently mislaid in the Treasury Department until February, 1947.

The above letter apparently ignores the fact that we had furnished them detailed and specific information in the February 21, 1946, summary. *Ryan*

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XXXXXX
XXXXXX

FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

_____ Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- Deleted under exemption(s) _____ with no segregable material available for release to you.
- Information pertained only to a third party with no reference to you or the subject of your request.
- Information pertained only to a third party. Your name is listed in the title only.
- Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

2 Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

For your information: _____

The following number is to be used for reference regarding these pages:
65-56402-4055X pg 5-6

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INFORMATION SHOWING HOW DETAILED OUR FEBRUARY 21, 1946,
SUMMARY WAS WHICH WAS DISSEMINATED TO SECRETARY OF THE
TREASURY VINSON ON MARCH 4, 1946;

Our February 21, 1946, summary entitled "Underground Soviet Espionage Organization (NKVD) in Agencies of the United States Government" was disseminated to Secretary of the Treasury Vinson on March 4, 1946. This summary exclusive of the index is 194 pages in length. It represented the sum total of our knowledge of the espionage apparatus as of February, 1946. Our opening paragraph is being quoted to show the predication of the summary:

"The purpose of this memorandum is to set forth certain charges against officials and employees of the Federal Government. These charges will be dealt with in detail and information arising from other sources and investigation will be coordinated in an effort to give an over-all view of the situation concerning underground Soviet espionage activities in the United States Government at the present time."

We then had a section entitled "Background of Gregory," (the cover name we used to designate Elizabeth Bentley) and we then gave a summarization of her background and how she came to be involved in the espionage apparatus. This material covered five pages and went so far as to state "in April, 1941, the U. S. Service and Shipping Corporation, 212 Fifth Avenue, New York City, was organized and Gregory became an official of this organization." In other words we did everything possible to enable the Government agencies reading the summary to be able to evaluate the character of the information in the summary and to understand the reliability of our informant.

It should also at this point be noted that our summary of December 12, 1945, entitled "Soviet Espionage in the United States" was also sent by letter to Secretary of the Treasury Vinson on March 5, 1946, and delivered on March 6, 1946. This earlier summary contained information from Elizabeth Bentley on pages 17, 18, 45, 65, and 70. In this summary we actually named Bentley as our source. It included information on a number of the Treasury employees.

From the foregoing it will be seen that as of March, 1946, the Treasury Department was in possession of all of the essential allegations from Elizabeth Bentley and we had placed no restrictions on them from dismissing various persons in their employ named in the summaries.

The following are employees of the Treasury Department concerning whom Elizabeth Bentley furnished information. This information was included in the above-mentioned memorandum dated February 21, 1946, furnished to Secretary Vinson on March 4, 1946. It is noteworthy that five of these individuals upon leaving the Treasury Department continued employment with the United States Government or with an international organization.

1) Nathan Gregory Silvermaster left the Treasury Department in March, 1946, and was employed with the War Assets Administration until November 30, 1946, when he resigned to enter the construction business.

2) Harry Dexter White resigned from the Treasury Department on May 1, 1946, to accept employment with the International Monetary Fund where he remained until April 7, 1947.

3) Irving Kaplan resigned from the Treasury Department on May 19, 1946, and was employed by the Office of War Mobilization and Reconversion until January 31, 1947, when that agency was discontinued. On February 9, 1948, he was employed with the Economic Development Section of the United Nations. This employment was terminated on May 29, 1952. His appeal to the United Nations Administrative Tribunal for reinstatement was denied on August 21, 1953, and he was specifically denied reimbursement of legal costs.

4) **Virginus Frank Coe** resigned from the Treasury Department on June 17, 1946, to join the International Monetary Fund from which organization he resigned on December 2, 1952.

5) **William Henry Taylor** resigned from the Treasury Department on December 14, 1946, to accept employment with the International Monetary Fund. He is still employed with that organization as Assistant Director, Middle East Department, to which position he was promoted in May, 1953.

6) **Victor Perle** resigned from the Treasury Department on March 27, 1947, and became employed by the Progressive Party in the campaign of Henry Wallace for President of the United States.

7) **William Ludwig Ullman** resigned from the Treasury Department on April 29, 1947, and entered the construction business with **Nathan Gregory Silvermaster**.

8) **Sonya Gold** resigned from the Treasury Department on August 31, 1947, and did not obtain further Government employment. She is now employed at Pennsylvania College for Women, Pittsburgh, Pennsylvania.

9) **Harold Glasser** resigned from the Treasury Department on December 31, 1947, and subsequently became Director, Overseas Institute, Council of Jewish Federations and Welfare Funds (a private organization) from which position he resigned on September 17, 1953.

10) **Solomon Adler** resigned from the Treasury Department on May 11, 1950, and is reportedly employed by the Department of Applied Economics, University of Cambridge, England.

DETAILS SHOWING THE TREASURY DEPARTMENT REPORTEDLY MISLAID THE FEBRUARY 21, 1946, SUMMARY

A memorandum for the Attorney General dated December 23, 1946, enclosing a summary on **Harry Samuel Magdoff**, was prepared and the Attorney General was requested to give careful consideration to the desirability of making widespread dissemination of the material. It was pointed out in the memorandum that the Bureau had furnished

a copy of an earlier summary report (this refers to the February 21, 1946, summary) to then Secretary of the Treasury, the Honorable Fred Vinson. The Bureau had been advised that this copy of the summary had been "lost" and no trace of it could be found.
(65-56402-1823)

In a memorandum from Mr. Tamm to the Director dated February 10, 1947, it is reported that Mr. Edward H. Foley, Assistant Secretary of the Treasury, had informed the Attorney General that the report which the Bureau had furnished to the Treasury Department in the Gregory case had been found in a safe in the Treasury Department.
(65-56402-2054)

A memorandum from Mr. Tamm to the Director dated December 8, 1947, discloses that Mr. Gus Vanech of the Department of Justice had met with Edward H. Foley, Assistant Secretary of the Treasury, and had pointed out to Mr. Foley that the Bureau had early in the case furnished the Secretary of the Treasury with a summary of the developments of this case and that this report had subsequently been lost by the Treasury Department. (65-56402-2992)

DETAILS REFLECTING HOW A DECISION TO FIRE VICTOR PERLO
IN DECEMBER, 1946, WAS COUNTERMANDED BY UNDER SECRETARY
OF THE TREASURY FOLEY:

A memorandum from Mr. Strickland to Mr. Ladd dated September 6, 1946, reflects a request had been received from Mr. Lawson Moyer of the Personnel Investigations Section of the Treasury Department for a summary on Victor Perlo. A short summary was prepared dated September 5, 1946, and this was furnished to Mr. Moyer on September 12, 1946. This summary which is only one page in length very briefly summarized the data from Whittaker Chambers naming Perlo as part of the Communist underground group from 1933 to 1937 and also the data from Bentley naming Perlo as the head of an espionage network. Neither Chambers nor Bentley's names were revealed.
(65-56402-1519)

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Rule (6)(e)

[REDACTED]

b3

[REDACTED]

(65-56402-3154)

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[REDACTED]

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[REDACTED]

(65-58402-2212)

TREASURY EFFORTS TO OBTAIN ADDITIONAL DATA
IN LATE 1946 AND EARLY 1947:

Refer

In a memorandum dated December 10, 1946, from Mr. [REDACTED] to the Director, it was pointed out that Mr. James H. McInerney of the Criminal Division said he had finished with the review of the up-to-date summary in the Gregory case (presumably the October 21, 1946, summary) and that he, McInerney, was of the definite opinion that a full and complete distribution thereof should not be made to all employing agencies and Departments as such distribution would undoubtedly result in revealing information to unauthorized persons and might "blow" the case from a security standpoint. The Attorney General had discussed this matter with Assistant Attorney General T. L. Candle of the Criminal Division and the Attorney General felt no general distribution should be made to all employing agencies.

(65-58402-1817)

In a memorandum dated December 26, 1946, to the Attorney General, there was attached a detailed summary on Harry Samuel Magdoff and we recommended the full facts on the Gregory case not be made available to the heads of Government departments because we felt that in such an event the facts would be widely discussed throughout the Government and the press would learn of the case which would jeopardize our investigation. We stated we felt no distribution should be made of the facts until a final decision had been reached as to possible criminal prosecution. (65-58402-1837)

[REDACTED]

Refer

R. L. [unclear]

[REDACTED]

(65-56402-1876)

In a memorandum dated December 20, 1946, from Mr. Tamm to Mr. Ladd it was pointed out on December 26 Mr. Vanech advised that the Attorney General had instructed him, Vanech, to furnish to Foley of the Treasury Department the facts with reference to Victor Perle and any other persons employed in the Treasury Department. Mr. Tamm pointed out he had told Mr. Vanech that the Director had addressed to the Attorney General a memorandum protesting the release of information prior to the time that the Department had reached a decision on prosecution. Mr. Vanech was told the Bureau felt otherwise there would be leaks and publicity making further investigation impossible.

On December 27, 1946, Mr. Vanech advised Mr. Tamm that he had conferred with Mr. Foley and had furnished him generally with the facts concerning Perle and other employees of the Treasury Department. The Attorney General had then told Mr. Vanech that he had received a memorandum from the Director protesting against the furnishing of any information and the Attorney General told Mr. Vanech that the Department would not give out any more copies of the summary report in the Gregory case but that Mr. Vanech should orally furnish to Mr. Foley the facts concerning employees of the Treasury Department. (65-56402-1874)

By memorandum to the Attorney General dated January 27, 1947, the Director furnished his views as to recommended courses of action raised by the Attorney General in a conference with Mr. Tamm on January 23, 1947. The courses of action were: (a) The Bureau continuing the case as an intelligence operation, (b) the Bureau or a grand jury interrogating selected subjects, or (c) the Department furnishing to the employing agencies basic data on the subjects for administrative action by these agencies. The Director stated that unfortunate publicity from a Departmental source had made courses (a) and (b) impossible, leaving only course (c) left. The Director stated if the Attorney General desired to follow that course of action, summaries would be prepared. The Attorney General noted "Please do this," next to the paragraph in this letter advising that summaries would be prepared if he so desired. (65-56402-2163)

In a memorandum from the Director to Mr. Tolson dated January 20, 1947, it was pointed out that Mr. Gus Vanech had contacted the Director and reported that Foley of the Treasury Department had advised that when John Snyder appeared before the Appropriations Committee he was questioned on subversives in the Treasury Department and that some Committee member stated that he understood from the FBI that there were subversives in the Treasury Department. It was pointed out that the Treasury Department had been aroused by the Gregory case on which the Attorney General had asked them not to do anything. Mr. Vanech stated the Treasury officials wanted to know if the Department was going to make a criminal prosecution in the Gregory case and they apparently desired to take some action on subversives in their Department. The Director pointed out that he had previously indicated to the Attorney General that he felt the only alternative was to submit summary memoranda to the heads of Government agencies. (65-56402-1934)

On February 19, 1947, the Director in a memorandum to Mr. Tolson set forth that Secretary of the Treasury, John W. Snyder, had asked the Director whether the Director had discussed the Gregory case with the Attorney General. The Director advised 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 FBI 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 FBI and, therefore, it was the Director's understanding that "before any action was taken the individual Departments would be advised." The Director assured the Secretary that he would be kept informed on the matter. (65-56402-2056)

In a memorandum to the Attorney General dated February 20, 1947, the Director pointed out that the Secretary of the Treasury had called him telephonically on the previous afternoon and wanted to know whether the Director had discussed with the Attorney General the aspects of the Gregory case pertaining to Treasury Department employees. The Director pointed out to the Secretary of Treasury that he had discussed the matter with the Attorney General. The Secretary of the Treasury referred to the fact that he did not wish to have an exposure of Treasury employees by some outside group to the embarrassment of the Treasury Department and for that reason he had considered the advisability of the Treasury officials proceeding in this matter as pertaining to their own employees.

The Director informed the Attorney General that he had told the Secretary of Treasury that he thought any such contemplated action would be most unwise at the present time until the Attorney General reached a decision as to what action was to be taken by the Department of Justice and, consequently, any action by other Government agencies might seriously impair any plan which the Attorney General might have in mind. The Director pointed out to the Attorney General that summaries had been prepared to be forwarded to other agencies but that if the Attorney General was planning to reconsider the entire matter it was the Director's suggestion that the summaries not be forwarded to the various agencies until a decision was made as otherwise they would inevitably proceed with some investigation of their own. A copy of the memorandum to the Attorney General dated February 20, 1947, is attached to the instant memorandum. (65-56402-2067)

On February 24, 1947, the Director in a memorandum concerning a telephone conversation with Douglas W. McGreger, the Assistant to the Attorney General, stated that the Attorney General had outlined his proposed way of handling the case, and that he, the Attorney General, was of the opinion that pending his decision, no more information on the case should be furnished to the executive departments. (65-56402-2060)

In a memorandum from Mr. E. A. Tamm to the Director dated December 8, 1947, it is set forth that Mr. Vanech had indicated the Treasury Department wanted more information on Treasury employees involved in the Gregory case and Foley wanted to know who the informants were but Mr. Vanech declined to provide this information. Foley was described as hostile and critical and it was pointed out to Mr. Vanech that we had previously given a summary to Secretary Vinson. The Director pointed out: "In fact the AG, Vinson and I had lunch in the AG's office at which time the matter was widely discussed. H." (65-56402-2992)

ATTEMPTS BY TREASURY OFFICIALS TO OBTAIN A STATEMENT
FROM THE ATTORNEY GENERAL FOR PRESENTATION TO A
FEDERAL GRAND JURY IN NEW YORK IN 1948

On April 15, 1948, a memorandum was directed to the Attorney General pointing out to him that we had heard from an outside source in New York that the Treasury Department wanted to have the Attorney General concur in some course of action which

to retain in its employ an individual against whom a suspicion of disloyalty has been raised. Although I understand that rumors have been circulating in Washington to the effect that certain of the individuals mentioned by Elizabeth Bentley were maintained in their positions for the convenience of the FBI in maintaining surveillances, you, of course, know how ridiculous this is and how untrue it is. I mention it only because of the injustices which I feel are being done to you as Attorney General, the Department of Justice, and the FBI, by the situation which makes it impossible to tell our story because any public announcement would involve the criticism of other agencies in the government who failed to act when they should.

COPY

February 20, 1947

Original cannot be located and is not on record. When original is received in Files Division it will be filed either with this copy or may be given a new serial.
2/11/54-675

MEMORANDUM FOR THE ATTORNEY GENERAL

Yesterday afternoon the Secretary of the Treasury called me by phone and inquired of me as to whether you had discussed with me the aspects of the Gregory Case as they pertained to the employe of the Treasury Department. I gathered from the conversation of the Secretary of the Treasury that someone was with him when he was talking to me about this matter.

I told the Secretary of the Treasury that you had in fact that morning discussed with me phases of the Gregory Case and that I believed you were giving your personal attention to this matter and had in mind some further inquiry and study by the Department of Justice. The Secretary of the Treasury referred to the fact that he did not wish to have an exposure of Treasury employees by some outside group to the embarrassment of the Treasury Department and for that reason he had considered the advisability of the Treasury officials proceeding in this matter as pertaining to their own employees.

I pointed out to the Secretary of the Treasury that I thought any such contemplated action would be most unwise at the present time, at least until the Attorney General had reached a decision as to what further action was to be taken by this Department. I stated to the Secretary of the Treasury that I believed the Attorney General had in mind having some further study and analysis made of the investigative reports in order to determine the possibility of further developments in this case with a view towards prosecution if possible and that consequently any action by any other Governmental Agencies along the line of interviews or hearings might very seriously impair any plan which the Attorney General might have in mind. I told the Secretary of the Treasury that I would call to your attention his conversation with me in order that you might advise him of what your decision finally was in this matter so that he might be guided accordingly.

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DATE 11/30/82 BY SP-5 JAK/MS
11/30/82

- Tolson _____
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- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gearty _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Sizoo _____
- Miss Gandy _____

In connection with the Gregory Case you will of course recall that several weeks ago you decided at that time that it would be desirable for the FBI to prepare summaries upon the various persons involved in this case so that these summaries might be forwarded by me to the various Departments in the Government, it having been determined at that time that no further prosecutive or investi-

65-56402-2067

ENCLOSURE

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Memorandum for the Attorney General

gative action was to be taken. These summaries are now about completed and will be transmitted within a few days. However, if it is your intention to reconsider this entire matter and have further study and analysis made of it I would of course suggest that the summaries not be forwarded to the various Governmental Agencies at this time for the reason that they would inevitably proceed with some investigation of their own and possibly conduct certain hearings which might impair any further investigative action you desire in this matter and affect any prosecutive action which you might finally decide upon.

Respectfully,

John Edgar Hoover
Director

Tolson _____
Ladd _____
Nichols _____
Belmont _____
Clegg _____
Glavin _____
Harbo _____
Rosen _____
Tracy _____
Gandy _____
Miss Gandy _____

JSH:EH

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PERSONAL AND CONFIDENTIAL

April 15, 1946

THE ATTORNEY GENERAL

Director, FBI

VICTOR PERLO

65-56402-3205

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/20/83 BY SP-5 rjg/hcy

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

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

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

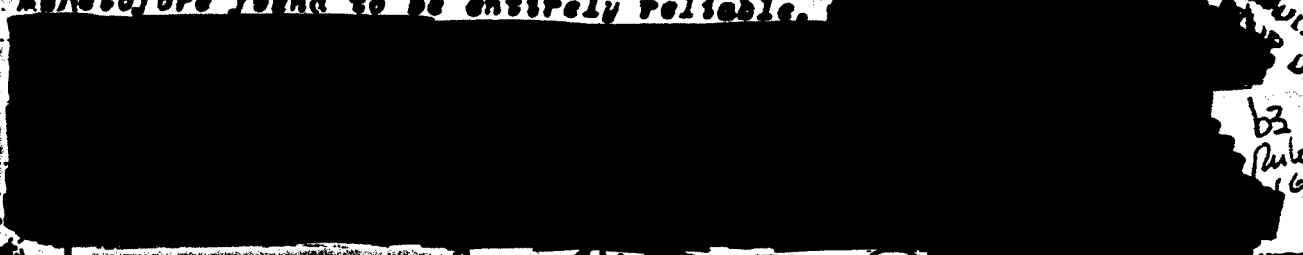
You will recall that as early as March 4, 1946, a detailed summation of the Gregory Case, including the participation of Treasury employees, was furnished to the Secretary of the Treasury. At the request of Mr. Lawson Moyer, of the Personnel Investigations Section of the Treasury Department, he was furnished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

The Bureau has been advised from a confidential source heretofore found to be entirely reliable.

G. I. R. 9

5/10/46
11/30/48
8/10/49

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn
- Mr. Nease
- Miss Gandy



72 APR 23 1946

Exhibit No. 2.

ENCLOSURE

APR 15 1946
FBI - NEW YORK

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The Attorney General

[REDACTED]

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

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

The Attorney General

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

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

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

DATE: December 1, 1953

FROM : A. H. BELMONT

TOP SECRET

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OTHERWISE

SUBJECT: ABRAHAM GEORGE SILVERMAN, with aliases
ESPIONAGE - R;
INTERNAL SECURITY ACT OF 1950

Classified by SR5MG/Kay
Declassify on: OADR 1/30/88

- Tolson
- Ladd
- Nichols
- Belmont
- Clegg
- Glavin
- Harbo
- Rosen
- Tracy
- Gearty
- Mohr
- Winterrowd
- Tele. Room
- Holloman
- Nease
- Miss Gandy

SYNOPSIS:

Abraham George Silverman

Silverman was investigated in the "Gregory Case" after Bentley's allegations on November 7, 1945. He was born in 1900 in Poland, was naturalized in Boston in 1921, and received a Ph.D. degree from Harvard in 1927. He was employed by the U. S. Government from 1939 to August, 1945. He is unemployed at present and resides in New York City. He has proved uncooperative on interviews in April, 1947, December, 1947, and December, 1948. He was uncooperative before Congressional Committees in August, 1948, August, 1950, and April, 1952.

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HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

Silverman was identified by Elizabeth Bentley on November 7, 1945, by Whittaker Chambers on August 30, 1948, and by Katherine Perle on April 16, 1944, as a member of a Communist underground group in Washington, D. C., in the late 1930's and early 1940's.

Investigation pending.

ACTION:

b2 For your information. (u)
b3 rule (6)(e)
b1

Classified by 4842
Exempt from GDS, Category 2 & 3
Date of Declassification Indefinite

TOP SECRET

65-56402-4055 x1

RECORDED - 28

INDEXED - 28

DEC 22 1953

NOV 25 1953

HWS:jk

OCT 22 1957

Unrecorded Filed In 100-363633-1

~~TOP SECRET~~

BACKGROUND:

Silverman was investigated by the Bureau as one of the subjects in the "Gregory Case" after the revelation by Elizabeth Bentley on November 7, 1945, indicating that Silverman was a member of a Soviet underground group operating in Washington, D. C., in the early 1940's. It should be noted that Silverman left Government service in August, 1945, several months before Bentley made her allegations against him. U

Silverman was born in 1900 in Poland. He arrived in the United States at Boston in 1906, and was naturalized in Boston in 1921. He attended Boston University, Stanford University and Harvard University between 1917 and 1927, and in 1927 received a Ph.D. degree from Harvard University. He was first employed in the Government by the Labor Advisory Board, National Recovery Act, in 1933 and 1934. From 1934 - 1936 he was employed by the U. S. Tariff Commission and the Federal Coordinator of Transportation, and from 1936 to 1942 he was employed by the Railroad Retirement Board. He was employed by the Materiel Division, Army Air Force, from March, 1942 to August, 1945, when he left Government service. Thereafter, he was employed outside the Government in Washington, D. C., and New York City. In early 1953, Silverman suffered two coronary attacks. As of May, 1953, he was unemployed and resided with his wife, Sarah, at 255 West 23rd Street, New York City. U

Silverman was contacted by Bureau Agents on April 15, 1947. He denied having engaged in espionage activities, knowing of any espionage activities on the part of Silvermaster and that he was a Communist Party member. He was reinterviewed on December 22, 1947, and on December 5, 1948, but proved uncooperative. He was uncooperative in appearance before the House Committee on Un-American Activities on August 12, 1948, and August 31, 1950, and he was uncooperative in appearance before the McCarran Committee on April 2, 1952. During these appearances he exercised his privilege under the Fifth Amendment.

[REDACTED]

~~TOP SECRET~~

TOP SECRET

ALLEGATIONS:

On November 7, 1945, Elizabeth Bentley furnished Bureau Agents in New York City information which was incorporated in a signed statement on November 30, 1945, relating to the Silvermaster espionage apparatus. In a hearing before the House Committee on Un-American Activities from July 31, 1948, to September 9, 1948, and on various other occasions, Bentley identified two Communist espionage groups composed of Government employees and Government officials in Washington, D. C. Bentley named Silverman as a member of the Silvermaster espionage group. She advised that during the period of Silverman's employment with the Army Air Force, he brought Government documents pertaining principally to aircraft matters to the home of Silvermaster where they were photographed. Whittaker Chambers in testimony before the House Committee on Un-American Activities on August 30, 1948, on interviews in December, 1948, and on various other occasions identified Silverman as a Communist and as a member of a Soviet espionage group operating in Washington, D. C., in 1936 and 1937. U

Katherine Perle, divorced wife of Victor Perlo (identified as a member of a Communist underground group in Washington, D. C., in the late 1930's and early 1940's), in a letter addressed to the President of the United States and postmarked at Fort Worth, Texas, on April 14, 1944, furnished a partial list of the Communist underground in Washington, D. C. The name of George Silverman of the Railroad Retirement Board appeared on this list. U

[REDACTED]

[REDACTED]

Investigation is pending. U

AHS (TS)
WABRY
b1
[Handwritten initials and marks]

TOP SECRET

Copy: sdc

Mr. A. H. Belmont

December 8, 1953

Mr. W. A. Branigan

ALGER HISS
ESPIONAGE - R
PERJURY

N. Gregory Silvermaster

With regard to the attached memorandum to Assistant Attorney General Warren Oleny III dated December 8, 1953, Mr. Nichols made the following suggestions:

1. That we point out in this memorandum that we did not furnish the results of our 1942 interview with Chambers to the Department of State inasmuch as the State Department had already obtained this information in 1939. This statement is now included in the attached memorandum.
2. That we include in the memorandum that Ray Murphy had interviewed Chambers in March, 1945.

With regard to the above, it is noted that on 10-9-47 Jim Walter of the Washington "Times-Herald" furnished Mr. Nichols with a memorandum purporting to be an interview conducted by Father Cronin with Whittaker Chambers on 3-20-45. Father Cronin when interviewed by Bureau Agents advised that he had never seen this memorandum but that early in 1945, Ray Murphy of the State Department gave him an affidavit which was similar to the one exhibited to him. Father Cronin made available a copy of the memorandum furnished to him by Murphy. This memorandum was analyzed and it was determined that it was not identical with the one furnished by Mr. Walter but that the contents of both memoranda were similar.

A number of inquiries were conducted during 1947 to establish who prepared the memorandum referred to above. Although no definite conclusions were reached, it was speculated that Murphy was the individual who interviewed Chambers on 3-20-45 and prepared the memorandum containing the results of this interview.

During the second Hiss trial memoranda dated 3-20-45 and 3-28-46, representing interviews by Ray Murphy of the State Department with Whittaker Chambers, were introduced into evidence. In these interviews Chambers furnished data concerning

RIS:nbs:wjw

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/26/87 BY SP-5/STP/RS

65-56402

RECORDED
FEB 5 1954

ORIGINAL FILED IN: 70-1332-57-11

a number of individuals including Alger Hiss. The information Chambers furnished to Murphy was never made available to the Bureau by the State Department.

Since it was determined during the second Hiss trial that Murphy had interviewed Chambers on 3-20-45 and 8-28-46, this information is being included in the attached memorandum.

3. Did we not send the data obtained from the interview with Chambers in 1942 to the Department of Justice prior to 1945?

With regard to the above, our files do not reflect that any dissemination was made to the Department of the information furnished by Chambers prior to 1945. The first dissemination was a summary memorandum dated 11-27-45 entitled "Soviet Espionage in the United States." This summary was furnished to the Department of Justice by memorandum dated December 4, 1945.

RECOMMENDATION:

None. For your information.

Assistant Attorney General
Warren Olney III

December 4, 1953

Director, FBI

ALGER HISS
PERJURY
ESPIONAGE - R

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/20/08 BY 60462/af/s

Reference is made to your memorandum dated November 10, 1953, requesting a list of the communications concerning the espionage activities of Alger Hiss, which were sent by this Bureau to the President, the Department of State, or the Attorney General prior to the time Hiss left Government service or the service of the United Nations, whichever was later in time.

For your information, Alger Hiss was never employed by the United Nations; however, at the time he resigned from the State Department on January 15, 1947, he was assigned to handle United Nations matters at the State Department.

The following communications were sent by this Bureau to the President, the Department of State and/or the Attorney General concerning the espionage activities of Alger Hiss:

SUMMARY MEMORANDUM DATED NOVEMBER 27, 1945, ENTITLED, "SOVIET ESPIONAGE IN THE UNITED STATES"

This summary was furnished to General Vaughan at the White House by letter dated December 4, 1945. (61-3499-199)

This summary was furnished to the Attorney General by memorandum dated December 4, 1945. (100-7826-39)

This summary was furnished to the Secretary of State by letter dated December 4, 1945. (61-3499-198)

On December 7, 1945, a copy of this summary was delivered to Mr. Frederick B. Lyon of the State Department and he was asked to see that it was personally delivered to Mr. Spruille Braden, then Assistant Secretary of State.

*Delivered personally
12/7/45
FBI*

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gearty _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Sizoo _____
- Miss Gandy _____

cc - 65-56402
ARJ:djb:plu

(61-3499-196)

65-56402

MEMORANDUM TO THE ATTORNEY GENERAL DATED NOVEMBER 28, 1945.

The memorandum dealt with the administrative handling of a phase of the Hiss investigation. (65-56402-94, 581X9) Request for tech.

MEMORANDUM TO THE ATTORNEY GENERAL DATED NOVEMBER 30, 1945.

This was transmitted to the Attorney General on December 1, 1945. (65-56402-94, 122)

REPORT OF SPECIAL AGENT THOMAS G. SPENCER, DATED DECEMBER 5, 1945, AT NEW YORK CITY, ENTITLED "H. GREGORY SILVERMASTER, WITH ALIASES, AND OTHERS, ESPIONAGE - R."

One copy of this report was sent to the Criminal Division of the Justice Department on December 23, 1946, and one copy of this report was sent to the Attorney General on August 14, 1948. (65-56402-3352)

SUMMARY MEMORANDUM DATED DECEMBER 12, 1945, ENTITLED "SOVIET ESPIONAGE IN THE UNITED STATES."

This summary is identical with the summary of November 27, 1945, insofar as allegations concerning Hiss are concerned.

A copy of this summary was transmitted to Admiral William D. Leahy by letter dated February 20, 1946. (61-3499-225)

This summary was transmitted to Mr. Frederick B. Lyon of the State Department by letter dated March 15, 1946. (61-3499-238)

On July 24, 1946, a copy of this summary was made available to Mrs. Stewart of the Attorney General's Office, along with five other summary memoranda which the Attorney General had requested. Mrs. Stewart advised that the Attorney General desired these memoranda so as to discuss them with the President.

On July 25, 1946, Mrs. Stewart advised that the summary dated December 12, 1945, was one of the five summaries left by the Attorney General with the President after their conference of July 24, 1946.
(61-3499-295)

LETTER TO BRIGADIER GENERAL HARRY HAWKINS VAUGHAN, MILITARY AIDE TO THE PRESIDENT DATED FEBRUARY 1, 1946.

This letter was delivered personally to General Vaughan on February 4, 1946, and enclosed a detailed memorandum concerning activities of Harry Dexter White, Assistant Secretary of the Treasury Department. This memorandum also included a statement of Hiss' participation in Soviet espionage.
(65-56402-72)

SUMMARY MEMORANDUM DATED FEBRUARY 6, 1946, ENTITLED, "SOVIET ESPIONAGE ACTIVITY."

This summary was furnished to the Attorney General by letter dated February 7, 1946.

(61-3499-213)

This is one of the five memoranda left by the Attorney General with the President on July 24, 1946. (62-39749-607)

By letter dated February 7, 1946, a copy of this summary was furnished to Mr. Frederick B. Lyon of the State Department, which was delivered personally to him on February 11, 1946. The letter of transmittal requested the memorandum be "brought to the attention of Mr. Byrnes, Secretary of State, at your earliest convenience."

(61-3499-214)

MEMORANDUM TO THE SECRETARY OF STATE DATED FEBRUARY 21, 1946.

On February 21, 1946, a letter was sent to the Secretary of State, enclosing a four-page summary memorandum concerning Alger Hiss. (65-56402-528)

SUMMARY ENTITLED, "UNDERGROUND SOVIET ESPIONAGE ORGANIZATION (NKVD) IN AGENCIES OF THE UNITED STATES GOVERNMENT," DATED FEBRUARY 21, 1946.

This summary was furnished to General Vaughan at the White House by letter dated February 25, 1946. (65-56402-573, 1219X)

By memorandum dated March 13, 1946, this summary was furnished to Admiral William D. Leahy. (65-56402-655)

A copy of this summary was furnished to the Attorney General by letter dated February 25, 1946. (65-56402-573)

This summary was furnished to James F. Byrnes, Secretary of State, by letter dated February 25, 1946. (65-56402-573)

SUMMARY MEMORANDUM ENTITLED, "THE COMMUNIST APPARATUS," DATED MARCH 5, 1946.

On March 7, 1946, a letter was directed to Admiral Leahy of the White House, transmitting to him a copy of the above summary. (100-190625-2054)

This summary was furnished to the Attorney General by memorandum dated March 7, 1946. (100-209591-5147)

The summary was furnished to James F. Byrnes, Secretary of State, by letter dated March 7, 1946. (100-190625-2053)

MEMORANDUM TO THE ATTORNEY GENERAL DATED MARCH 13, 1946, ENTITLED, "REORGANIZATION OF STATE DEPARTMENT."

This memorandum enclosed a two-page memorandum on Alger Hiss.

SUMMARY DATED JULY 25, 1946, ENTITLED, "SOVIET ESPIONAGE IN THE UNITED STATES."

This summary was furnished the Attorney General by memorandum dated July 25, 1946. Subsequently, on August 3, 1946, an additional copy of the referenced summary was furnished to the Attorney General's Office upon request of Miss O'Donnell. (100-345686-5)

SUMMARY MEMORANDUM DATED OCTOBER 21, 1946, ENTITLED, "UNDERGROUND SOVIET ESPIONAGE ORGANIZATION (NKVD) IN AGENCIES OF THE UNITED STATES GOVERNMENT."

A copy of this summary was furnished to the Attorney General by memorandum dated November 27, 1946. (65-56402-1756)

An additional summary was furnished to the Attorney General December 2, 1946. (65-56402-1754)

An additional copy of this summary was furnished to A. Devitt Vanech, Special Assistant to the Attorney General, by memorandum dated December 6, 1946. (65-56402-1837)

On July 23, 1947, two copies of this summary memorandum were furnished to T. Vincent Quinn, Assistant Attorney General, and an additional copy was personally delivered to him on August 7, 1947. (65-56402-3148)

On March 6, 1948, another copy of this summary was furnished to T. Vincent Quinn for Edward Foley, United States Treasury Department. (65-56402-3148)

By letter dated November 25, 1946, a copy of this memorandum was furnished to the Secretary of State. (65-56402-1886)

By letter dated December 12, 1946, a copy of this memorandum was personally delivered to Frederick B. Lyon, United States State Department. (65-56402-1859)

SECURITY INFORMATION - ~~TOP SECRET~~

A copy of this memorandum was delivered to George E. Allen, Director of Reconstruction Finance Corporation, by letter dated December 10, 1946. This memorandum was personally delivered to Mr. Allen on December 20, 1946. (65-56402-1817)

With reference to your inquiry as to the date and circumstances under which the FBI was first informed of the statement made on September 2, 1939, to Assistant Secretary of State Adolph Berle by Whittaker Chambers concerning Communist espionage in Washington, D. C., our files reflect the following information:

Through independent investigation conducted by this Bureau, Whittaker Chambers was identified as an alleged former high official of the OGPU (Russian Secret Political Police) in the United States. Chambers was first interviewed by FBI Agents on May 13, 1942, in his office at Time and Life Building, New York City.

At the outset, Chambers was advised that the Bureau had information suggesting he might be a reliable source of information concerning past activities of Russian agents in the United States. Chambers immediately informed he had given all the information in his possession to Mr. Adolph Berle of the State Department in Washington, D. C., in September, 1939, and he supposed all that information had been furnished to the FBI through the State Department. Chambers thereupon telephonically contacted Berle in Washington to obtain clearance to give the Agents the same information he had previously given to Berle. Apparently having received permission from Berle, Chambers furnished information concerning his Communist Party activities from 1924 to 1937 when he ceased connections with the Party. He stated from about 1933 to 1937 he was a member of the underground movement of the Communist Party in Washington, D. C., handling the organization of the Communist Party in the United States Government at the time the New Deal was blossoming.

Chambers stated he was not connected with the OGPU, but on the contrary his real position was with the underground movement of the Communist Party in Washington where he was sent to assist Harold Ware, who was the leader of the underground in the farm field. He named Alger Hiss and Donald Hiss as members of Ware's group. He advised that Alger Hiss was

employed in the Agricultural Adjustment Administration, went into the munitions investigations, later became Assistant Solicitor General of the United States, and then became assistant to the Assistant Secretary of State.

Chambers stated he was sort of a "moral officer" in the Washington underground since the recruits had to be guided in Party policy.

The remaining part of this interview was devoted to Chambers' knowledge of Party organization and activities, and a brief mention of a number of persons who had been connected with the Party and/or the CCPU in the past. No allegations were made by Chambers at that time concerning "Communist espionage" in Washington, D. C.

The information obtained from Chambers during the May 13, 1942, interview was not furnished to the State Department since Chambers had already related this information to Assistant Secretary of State Adolph Berle in 1939.

The fact that this information was not furnished to the FBI until May 13, 1942, was substantiated by Mr. Berle in an interview conducted September 3, 1948. Berle explained that he did not feel free to divulge the contents of Chambers' conversation to the FBI inasmuch as Chambers indicated he did not desire the FBI to be furnished with this information, particularly if he was to be named as the source.

In June, 1943, this information was furnished from Mr. Adolph Berle a copy of the original notes taken by Mr. Berle on the occasion of his interview with Chambers in September, 1939. The name of Alger Hiss was included in the notes as follows: "Alger Hiss - Ass't to Sayre - CP - 1937 Member of the Underground Com. - Active Baltimore boy - Wife - Priscilla Hiss - Socialist - Early days of New Deal."

(100-25824-27)
On May 10, 1945, Chambers was reinterviewed in New York City by FBI Agents. At this time he related considerably more information concerning his background, his Communist Party activities beginning in 1924, his activities in the Harold Ware group in Washington, and information concerning a number of individuals whom he was either told directly had belonged to the underground apparatus or he suspected were connected with the Russian Intelligence System.

During this interview Chambers furnished the following information concerning Alger Hiss:

When Alger Hiss became employed by the Nye Committee, investigating armaments, he was segregated from the Harold Ware Group and had no further official contacts with them, but he would meet socially with a lot of them. Chambers did not believe that Hiss had broken from the Communist Party, pointing out that one night, after Chambers had broken away from the Party, Chambers made a special trip to Alger Hiss' home and talked with Hiss all night long in an effort to persuade him to leave the Party. Alger Hiss gave as his reason for not breaking away from the Party his loyalty to his friends and principles.

In connection with Chambers' activities with the Ware Underground Group, Chambers was specifically asked if, while connected with this group, he had not actually participated in the activities of a Russian espionage ring or some branch of the Soviet Intelligence Service. He stated that he did not at any time suspect this nor did he have any reason to believe that his activities were concerned with other than the regular promotion of the Communist movement. He pointed out that he did not at any time consider himself a Comintern Agent or an agent of the OGPU.

During the second Hiss trial, information made available through testimony, reflected that Chambers had been interviewed on March 20, 1945, and August 28, 1946, by Raymond Murphy of the State Department. During these interviews Chambers furnished data concerning a number of individuals including Alger Hiss. Chambers made no reference, however, to any espionage activity on Hiss' behalf. The information furnished to Murphy was never made available to this Bureau by the State Department.

With regard to the date and circumstances on which the FBI was first informed of the statement made by Hedi Massing to Raymond Murphy of the State Department, concerning the espionage activities of Alger Hiss, our files reflect the following:

[REDACTED]

b2
Auth (6) (e)

[REDACTED]

[REDACTED]

[REDACTED] (65-9940-34, 33) b7c b7D

[REDACTED]

Our memorandum reflecting the results of this contact does not indicate that Alger Hiss was mentioned during the interview. (65-9940-47) *Refer*

This Bureau does not know why Murphy failed to furnish us with the results of his conversation with Massing in 1946; however, it is pointed out that Raymond Murphy has,

~~SECURITY INFORMATION - CONFIDENTIAL~~

in the past, voiced criticism of the FBI and its operations. As late as March, 1951, he furnished the Criminal Division of the Department with information concerning Soviet activities which he stated he would make available only to the Criminal Division. This information was furnished to this Bureau by a memorandum dated March 28, 1951, from former Assistant Attorney General James M. McInerney, your file 146-7-5424, entitled, "Raymond E. Murphy, State Department, Information Concerning."

(65-85541-18)

Office Memorandum • UNITED STATES GOVERNMENT

TO : A. H. Belmont

DATE: January 8, 1954

FROM : W. A. Branigan *WABAT*

- Tolson
- Ladd
- Nichols
- Belmont
- Clegg
- Glavin
- Harbo
- Rosen
- Tracy
- Gearty
- Mohr
- Winterrowd
- Tele. Rm.
- Holloman
- Gizo
- Miss Gandy

SUBJECT: NATHAN GREGORY SILVERMASTER et al
ESPIONAGE - R
65-56402

With reference to Mr. Hennrich memorandum to you dated January 6, 1954, this is to record the fact that on the afternoon of January 7, 1954, Mr. Lamphere delivered to Mr. William Foley of the Criminal Division the following reports in this case:

NAME OF AGENT BY WHOM REPORT MADE	DATE OF REPORT	PLACE WHERE MADE	SERIAL IN BUFILE 65-56402
Floyd L. Jones	1-28-46	Washington Field	466
Lambert G. Zander	3-11-46	Washington Field	674
Lambert G. Zander	8-29-46	Washington Field	1427
Howard C. Laduke	8-29-46	Albany	1589
M. Donald Aldrich	9-30-46	Los Angeles	1595X
Lambert G. Zander	10-17-46	Washington Field	1638X

This completes the delivery of reports corresponding to the reports which were made available to Messrs. Donegan and Quinn by the New York office on about February 25, 1947 as set forth in the memorandum from Mr. Hennrich to Mr. Belmont dated January 6, 1954.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE *6/22/83* BY *SP5 [unclear]*
11/30/88 *3042 JUT/JS*

EJL:plb *plb*

RECORDED-67

EX-108

165-56402-405
JAN 13 1954

JAN 15 1954

5. LAMPHERE

Office Memorandum

INDEXED - 106
UNITED STATES GOVERNMENT

TO : MR. TOLSON *Viper*

DATE: Dec. 8, 1953

FROM : L. B. NICHOLS

SUBJECT: TRANSFER OF OCCUPATION CURRENCY PLATES-
ESPIONAGE PHASE
INTERIM REPORT and
HEARING, SUBCOMMITTEE ON GOVERNMENT OPERATIONS
ABROAD OF PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
October 20 and 21, 1953

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5 [signature]

- Tolson
- Ladd
- Nichols
- Belmont
- Mohr
- Tracy
- Conroy
- Winters
- Tele. Rm.
- Holloman
- Miss Gandy

The United Press ticker of December 7 carried a story reflecting that the Senate Investigating Committee may press for an investigation of the International Monetary Fund and referred to a tentative draft of a report being considered by the McCarthy Committee.

I talked to Tom LaVenia of the Committee, who handled this phase, and he has made available the attached tentative draft of an interim report in mimeographed form. This report is presently regarded as confidential. It is not for release now but will be released at a later date.

There is also attached a copy of the testimony taken in connection with the transfer of the engraving plates for the printing of the so called occupation marks.

It is suggested these be reviewed from the standpoint of determining if there is anything of interest to the Bureau.

LBN:FML
Attachment

CC - Mr. Ladd
Mr. Belmont

INDEXED - 106
RECORDED - 78
~~RECORDED~~

EX-127

165-56402-4057

JAN 1 1954

4-10-53
ENCL
59

EX-127

*memo to Belmont
12-16-53
RGG/llh*

(5 REPLY)

55 FEB 23 1954

[Handwritten signature]

(SPIES)

SEN. JOSEPH R. MCCARTHY'S SENATE SUB-COMMITTEE MAY PRESS FOR AN INVESTIGATION OF THE INTERNATIONAL MONETARY FUND WHEN THE LATE HARRY DEXTER WHITE WORKED FOR IT. THE INVESTIGATION IS PROPOSED IN THE TENTATIVE DRAFT OF A REPORT BEING CONSIDERED BY THE MCCARTHY SUBCOMMITTEE. IT STATES THAT A CONGRESSIONAL COMMITTEE SHOULD STUDY "TRANSACTIONS" OF THE FUND WHILE WHITE WAS CONNECTED WITH IT TO DETERMINE WHETHER "ACTIONS WERE TAKEN INJURIOUS TO THE BEST INTERESTS OF THE UNITED STATES WHICH CAN NOW BE CORRECTED."

THE LATEST DEVELOPMENT IN THE REDS-IN-GOVERNMENT ISSUE CAME AS FORMER COMMUNIST COURIER ELIZABETH BENTLEY AGAIN SAID SHE ASSUMES TWO SPY NETWORKS ARE STILL OPERATING IN THE GOVERNMENT. AT THE SAME TIME, JUSTICE DEPARTMENT SOURCES DISCLOSED THAT THE FBI INVESTIGATION OF WARTIME SPY CELLS NEVER HAS BEEN CLOSED AND STILL IS IN THE "PENDING" STATUS. THEY ALSO SAID ATTORNEY GENERAL BROWNELL HAS NOT RULED OUT THE POSSIBILITY OF A NEW GRAND JURY INQUIRY IF THE EVIDENCE WARRANTS. BROWNELL PRESUMABLY WOULD TAKE THIS STEP IF CONGRESS GRANTS HIS REQUEST THAT WIRE-TAP EVIDENCE BE MADE ADMISSIBLE IN ESPIONAGE TRIALS.

12/7--GE939A

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/22/83 BY J25 [signature]

11/30/88

3042 PWT/JS

Handwritten:
12-8-53
VMM

WASHINGTON CITY NEWS SERVICE
12/7/53

65-56402-4057

ENCLOSURE

(SPIES)

XXXXXX
XXXXXX
XXXXXX

FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

_____ Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- Deleted under exemption(s) _____ with no segregable material available for release to you.
- Information pertained only to a third party with no reference to you or the subject of your request.
- Information pertained only to a third party. Your name is listed in the title only.
- Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

_____ Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

25 Page(s) withheld for the following reason(s):
NOT WITHIN PURVIEW of FOIA

For your information: _____

The following number is to be used for reference regarding these pages:
65-56402-4057 enclosure

XXXXXX
XXXXXX
XXXXXX

XXXXXXXXXXXXXXXXXXXXX
X DELETED PAGE(S) X
X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXXXX

ESTONIA

HEARING
BEFORE THE
SUBCOMMITTEE ON
GOVERNMENT OPERATIONS ABROAD
OF THE
PERMANENT SUBCOMMITTEE ON
INVESTIGATIONS
OF THE
COMMITTEE ON
GOVERNMENT OPERATIONS
UNITED STATES SENATE.

EIGHTY-THIRD CONGRESS

FIRST SESSION

PURSUANT TO

S. Res. 40

OCTOBER 20 and 21, 1953

Printed for the use of the Committee on Government Operations



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1953

20357

ENCLOSURE
65-56402-4057

Office Memorandum • UNITED STATES GOVERNMENT

TO : A. H. Belmont

DATE: December 16, 1953

FROM : W. A. Branigan *WAB*

SUBJECT: TRANSFER OF OCCUPATION CURRENCY
PLATES - ESPIONAGE PHASE
INTERIM REPORT AND HEARING,
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
ABROAD OF PERMANENT SUBCOMMITTEE ON
INVESTIGATIONS, OCTOBER 20 & 21, 1953

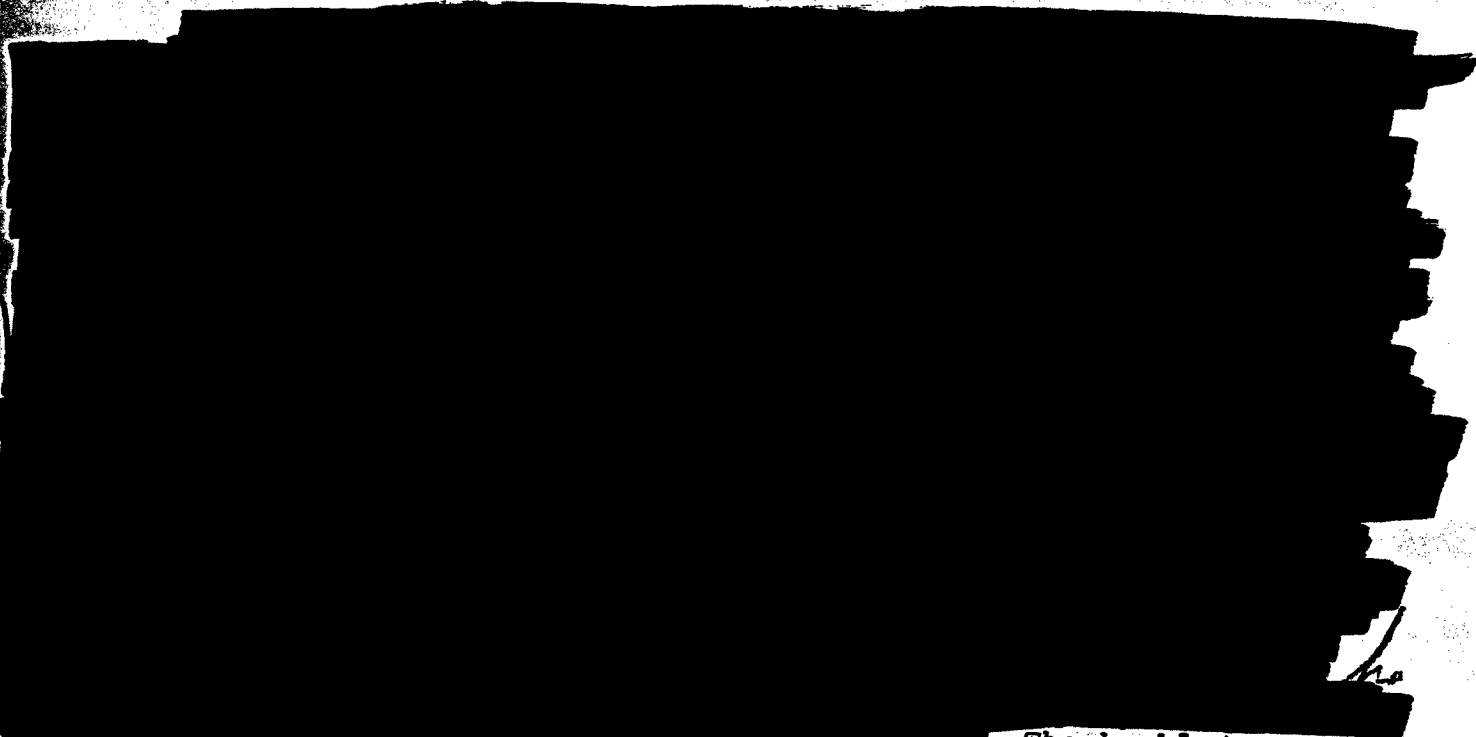
- Tolson
- Ladd
- Nichols
- Belmont
- Mohr
- Clegg
- Glavin
- Harbo
- Rosen
- Tracy
- Gandy
- Winterrowd
- Tele. Room
- Holloman
- Sizoo
- Miss Gandy

SYNOPSIS:

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5 *ng/ky*

*11/30/88 3042 JTS
NOT RECORDED
A. H. Belmont*

On 12-6-53, Thomas W. LaVenta, Assistant Counsel, McCarthy Committee, furnished copies of a tentative draft of a confidential interim report and a booklet. Both are captioned "Transfer of Occupation Currency Plates - Espionage Phase." The Director agreed with the suggestion made by Mr. Nichols in his memorandum to Mr. Tolson dated 12-6-53, that the material be reviewed for items of interest to the Bureau.



The booklet captioned "Transfer of Occupation Currency Plates - Espionage Phase" issued by the McCarthy Committee repeats in greater detail information contained in interim report with exception of conclusions and recommendations.

RECORDED - 78

65-56402 4058

NOT WITHIN
PUNISHMENT
FBI

65-56402
RGJ:blb

*memo Mr Tolson
12/19/53
WAB*

EX-127

60 FEB 5 1954

5 pgs

The booklet contains testimony given on 10-20, 21-53. Silvermaster and Ullman testified on 10-21-53, but claimed privilege and were uncooperative. Coe and Glasser in their appearances on 10-20-53, were also uncooperative. Bentley testified on 10-21-53, concerning involvement of the aforementioned group in Soviet espionage. Treasury Department representatives Hall and Bell testified on 10-20-53, concerning their opposition to transfer of currency plates to Russians. Howard R. Sacks and Edward K. Shultz, Army representatives, testified on 10-20-53, that Russians gave no accounting for money printed. No reference is made to FBI and no action is indicated.

RECOMMENDATIONS:

It is suggested Mr. Nichols should point out to Mr. LaVenia the following:

(1) The circumstances under which the FBI investigates employees of the United Nations or any public international organizations are regulated by Executive Order 10422 and Executive Order 10459 and that the Civil Service Commission conducts certain types of these investigations.

G.H.J.
12-16

✓

OK
H.

(2) The FBI does not conduct a full and complete check of all new Federal appointees. President Eisenhower's Federal Employees Security Program (Executive Order 10450) provides that the Civil Service Commission or employing agency conduct the bulk of these investigations. The FBI conducts full investigations when adverse loyalty data is developed.

G.H.J.
12-16

✓

OK
H.

(3) The Committee's recommendation that the FBI conduct a full and complete security check of all Federal employees is unrealistic. It would involve a tremendous expense, agent manpower utilized would be exorbitant and it is contrary to Executive Order 10450.

G.H.J.
12-16

✓

OK
H.

DETAILS:

Mr. Thomas W. LaVenia, Assistant Counsel, Senate Subcommittee on Government Operations (McCarthy Committee) furnished Mr. Nichols on 12-8-53, a tentative draft of an interim report and a copy of a booklet issued by the same Committee both captioned "Transfer of Occupation Currency Plates - Espionage Phase."

This material was reviewed from the standpoint of determining if it contained anything of interest to the Bureau in accordance with Mr. Nichols' suggestion in his memorandum to Mr. Tolson dated 12-8-53. The Director agreed with this suggestion.

The interim report is still classified confidential and had not been released for publication as of 12-8-53. This report contains the following headings.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Not
within
purview
FOIA

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65-56402-4058 pg 4-5

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[REDACTED]

Not within purview D.A.

Therefore, it is being suggested that Mr. Nichols should advise Thomas W. LaVenia of the McCarthy Committee there are certain discrepancies in their understanding of the administration of Executive Order 10422 and Executive Order 10450. It is also being suggested that it be pointed out it would be impractical for the FBI to investigate all Federal employees from the standpoint of expense and the fact that it would contradict existing Executive Orders.

The booklet entitled "Transfer of Occupation Currency Plates - Espionage Phase," issued by the McCarthy Committee covering testimony of 10-20-53 and 10-21-53, contains in greater detail the same material set forth in the interim report. There are, of course, no conclusions or recommendations in this booklet. The witnesses called, Silvermaster, Ullman, Coe and Glasser, were uncooperative and claimed the privilege of the 5th Amendment. Bentley testified concerning the involvement of the afore-mentioned group in Soviet espionage on 10-21-53. Hall and Bell testified concerning their opposition to the transfer of these plates to the Russians. Two additional witnesses,

Howard R. Sacks, Office of the Department Counselor, Department of the Army, and Edward K. Shultz, Chief of the Foreign Financial Affairs Office, Office of the Comptroller of the Army, appeared on 10-20-53. Both Sacks and Shultz testified they were unable to find any record of the Russians' having accounted for the amount of money they printed from the plates furnished them.

This report does not mention the FBI nor does it contain any new information that would require action by us at this time.

WAB

QJ

RGJ

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson *Vm*

DATE: Dec. 29, 1953

FROM : L. B. Nichols

SUBJECT:

o
GREY

11/30/88 3042 JWB/bs
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY *[signature]*

- Tolson ✓
- Ladd ✓
- Nichols ✓
- Belmont ✓
- Mohr ✓
- Winterrowd ✓
- Tele. Room
- Holloman
- Glavin
- Harbo
- Tracy
- Nease
- Miss Gandy

911

With reference to the recommendation in Mr. Branigan's memorandum dated December 16, 1953, I talked to Tom LaVenia, of the McCarthy Committee, regarding the recommendations in the report on the Transfer of Occupation Currency. I pointed out what the facts were with reference to our investigating employees of the United Nations and other international organizations, the role of the Civil Service Commission, the role of the Bureau under the Federal Employees Security program and the utter impossibility of the FBI's investigating all Federal employees. LaVenia stated that he thoroughly agreed. Now the problem is what to do.

I told him the only thing I knew was not to press the recommendations and in their annual report make it clear, when they get into this subject, what the role of the various organizations were.

In the meantime, I mentioned this to Roy Cohn. He had not seen the report, but he agreed that the phraseology was inadvisable and the recommendation should not have been made; that the thing to do would be to skip this in the annual report and not pursue the matter further.

I told him that this seemed to be the most plausible way out.

cc: Mr. Ladd
Mr. Belmont

LBN:arm

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65-56402-4059

EX-130

65-56402
JAN 13 1954

(326)

60 FEB 4 1954

[Handwritten signatures and initials on the right margin]

Office Memorandum • UNITED STATES GOVERNMENT

TO : *A. H. Belmont*

DATE: January 7, 1954

FROM : W. A. Branigan *WABet*

SUBJECT: NATHAN GREGORY SILVERMASTER et al
ESPIONAGE - R
65-56402

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE *6/22/83* BY *SP-5 [signature]*

With reference to Mr. Hennrich memorandum to you dated January 6, 1954, this is to record the fact that on the afternoon of January 6, 1954, Mr. Hennrich and Mr. Lamphere delivered to Mr. William Foley of the Criminal Division the following reports in this case:

NAME OF AGENT BY WHOM REPORT MADE	DATE OF REPORT	PLACE WHERE MADE	SERIAL IN BUFILE 65-56402
-----------------------------------	----------------	------------------	---------------------------

Thomas G. Spencer	11-16-45	New York	25
John P. Ryan	11-24-45	Philadelphia	74
Jess D. Weir	11-27-45	San Antonio	226
Floyd L. Jones	11-29-45	Washington Field	219
Harold V. Kennedy	12-3-45	New York	292
Thomas G. Spencer	12-5-45	New York	220
Brenton S. Gordon	12-6-45	Boston	276
Harold V. Kennedy	12-7-45	New York	248
George E. Taylor	12-12-45	Charlotte	277
Floyd L. Jones	12-13-45	Washington Field	234
Charles J. Harkins	12-14-45	Buffalo	227
Harold V. Kennedy	12-14-45	New York	236
Floyd L. Jones	12-18-45	Washington Field	269
Brenton S. Gordon	12-21-45	Boston	262
Harold V. Kennedy	12-21-45	New York	249
Harold V. Kennedy	12-29-45	New York	237
Harold V. Kennedy	1-7-46	New York	420
Raymond W. Johnson	1-10-46	St. Paul	332
Floyd L. Jones	1-11-46	Washington Field	464
Harold V. Kennedy	1-17-46	New York	483
Julius H. Rice	1-18-46	St. Paul	392
George E. Taylor	1-21-46	Charlotte	449
Edward W. Dooley	1-28-46	New York	487
M. Donald Aldrich	2-6-46	Los Angeles	696
Edward W. Dooley	2-11-46	New York	762
Maurits E. Gablon	2-14-46	Newark	627
Edward W. Dooley	3-1-46	New York	675
Floyd L. Jones	3-1-46	Washington Field	673
John R. Hayes	3-15-46	Anchorage	715
Lambert G. Zander	3-15-46	Washington Field	676
Brenton S. Gordon	3-21-46	Boston	716

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65-56402-406
JAN 11 1954
5-97

RJL:plb

53 JAN 18 1954

Edward W. Dooley	3-22-46
Lambert G. Zander	3-28-46
Frederick M. Connors	3-28-46
George E. Taylor	4-5-46
W. Albert Stewart, Jr.	4-10-46
Frank S. Mitchell (A)	4-11-46
Edward W. Dooley	4-12-46
Grant E. Nanna	4-16-46
Lambert G. Zander	4-15-46
Manning C. Clements	4-19-46
Bowen F. Rose	4-23-46
M. Donald Aldrich	4-25-46
L. Stanley Kemp	4-26-46
James E. McArdle	4-29-46
John W. Dooley	5-1-46
Lambert G. Zander	5-2-46
Edward W. Dooley	5-17-46
Lambert G. Zander	5-17-46
Edmond J. Kennedy	5-27-46
James E. McArdle	5-29-46
Lambert G. Zander	6-5-46
James E. McArdle	6-10-46
Allan Gillies	6-11-46
Brenton S. Gordon	6-12-46
Allen H. Tibbals	6-13-46
John T. Hilsbos	6-14-46
H. Wayne Swinney	6-14-46
Mauritz E. Gablon	6-17-46
Lambert G. Zander	6-17-46
John W. Dooley	6-17-46
Bowen F. Rose	6-17-46
Bowen F. Rose	6-26-46
John T. Hilsbos	7-2-46
Lambert G. Zander	7-8-46
John F. Desmond	7-11-46
Leon O. Prior	7-13-46
Joseph C. Learned	7-16-46
John T. Hilsbos	7-17-46
Lambert G. Zander	7-19-46
George E. Taylor	7-23-46
William Samuel Brown	7-24-46
Edmond J. Kennedy	7-24-46
Lawrence G. Healy	7-26-46
David E. Todd	7-31-46
Lambert G. Zander	8-1-46
Lambert G. Zander	8-16-46
John T. Hilsbos	8-16-46
Johnston L. Percy	8-20-46
Charles J. Harkins	8-30-46
David E. Todd	9-3-46
Gerald C. Snell	9-3-46
Frederick M. Connors	9-4-46
John T. Hilsbos	9-12-46
Lambert G. Zander	9-17-46

New York	810
Washington Field	811
Boston	708
Charlotte	828
Washington Field	850
New Haven	858
New York	939
Baltimore	879
Washington Field	1019
Anchorage	896
Detroit	945
Los Angeles	975
Buffalo	964
Chicago	997
Philadelphia	1015
Washington Field	1009
New York	1158
Washington Field	1187
Buffalo	1173
Chicago	1183
Washington Field	1210
Chicago	1215
San Juan	1227
Boston	1216
Salt Lake City	1218
New York	1290
St. Louis	1301
Newark	1338
Washington Field	1364
Philadelphia	1274
Detroit	1241
Detroit	1282
New York	1280
Washington Field	1359
Boston	1328
Miami	1339
Denver	1188
New York	1360
Washington Field	1447
Charlotte	1403
Portland	1414
Buffalo	1372
Boston	1365
San Francisco	1408
Washington Field	1448
Washington Field	1473
New York	1474
St. Louis	1496
Buffalo	1507
San Francisco	1543
St. Louis	1511
Boston	1505
New York	1550
Washington Field	1673

William Samuel Brown	9-18-46
Charles E. Perrin	9-27-46
Lambert G. Zander	10-1-46
John T. Hilsbos	10-17-46
Frank J. Nolan	10-17-46
George E. Pierce (A)	10-23-46
Raymond W. Johnson	10-29-46
Allan Gillies	11-5-46
Lambert G. Zander	11-5-46
Lambert G. Zander	11-19-46
Gerald C. Snell	11-20-46
John T. Hilsbos	11-22-46
Howard C. Laduke	11-21-46
Richard W. Dow	12-3-46
Lambert G. Zander	12-6-46
Gerald C. Snell	12-16-46
Raymond W. Johnson	12-17-46
Lambert G. Zander	12-23-46
John T. Hilsbos	12-26-46
Charles E. Perrin	1-7-47
Lambert G. Zander	1-14-47
C. Pershing Bell	1-21-47
Lambert G. Zander	1-24-47
John T. Hilsbos	1-28-47
William F. Norton, Jr.	2-3-47
Rufus H. Powell	2-14-47
Lambert G. Zander	2-14-47

Portland	1558
Chicago	1730X
Washington Field	1655
New York	1660X
New York	1679
Denver	1845
St. Paul	1861
San Juan	1693
Washington Field	1908
Washington Field	1909
St. Louis	1745
New York	1980
Albany	1751
Boston	1812
Washington Field	1910
St. Louis	1865
St. Paul	1850
Washington Field	1938
New York	1981
Chicago	1994
Washington Field	2088
Springfield	1950
Washington Field	2243
New York	2244
New Haven	1995
Charlotte	2103
Washington Field	2288

Handwritten initials: "R" and "RJ" with a signature.

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

DATE: 1/13/54

FROM : A. H. BENNETT

SUBJECT: NATHAN GREGORY SILVERMASTER, with aliases, et al
Espionage - R

ALL INFORMATION CONTAINED
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DATE 6/22/83 BY SP-5 [signature]

Tolson	
Ladd	
Nichols	
Belmont	
Clegg	
Glavin	
Harbo	
Rosen	
Tracy	
Gearty	
Mohr	
Winterrowd	
Tele. Room	
Holloman	
Gandy	

11/20/88 3042 [signature] G.I.R.-1

On January 13, 1954, Mr. Walt Yeagley advised that Attorney Nicholson of the Department had gone over our investigative reports in the Silvermaster case with a view to seeing whether the case would sustain prosecution if wire tap information could be utilized. You will recall that the Department has previously indicated it would go over these reports, as the Department felt that prosecution in the Silvermaster case would be utilized as a strong point in favor of the pending wire tap bill.

We had advised the Department that we would identify any of the sources in our reports pertaining to wire tap information at such time as the Department reviewed the reports and indicated a desire to know the source.

Mr. Yeagley advised that Nicholson had come to the conclusion that prosecution could not be had utilizing the wire tap information. He said he felt this would be quite a blow to Deputy Attorney General Rogers, as Rogers had been counting on the case. He said that the Department may have another attorney go over the case. He asked what I thought and I advised him that I was unable to express an opinion.

Inasmuch as Nicholson has apparently come to the conclusion that the information from wire tap sources would not materially aid the case, there is no point in our identifying these sources to the Department. I pointed this out to Mr. Yeagley and advised him that should the Department, as a result of further review, desire to know these sources, we will get together with him as previously arranged.

I did point out to Mr. Yeagley that at the time Bentley came to us she had apparently broken off with the Soviets and our attempts to reactivate her were futile, further, that it was probable that her contacts had been alerted to stay away from her and the whole operation had been frozen by the Soviets with the result that our investigation and coverage could not be expected to produce substantial evidence. I further pointed out that a premature leak from the Department had occurred in this case which had the further effect of alerting the subjects.

For your information.

AHB:tlc

Properly handled. 5-02 65-56402 J. P. DEN

EXP. SECT

2

9-1

[signature]

RECORDED 65-56402-4061 JAN 18 1954

Office Memorandum • UNITED STATES GOVERNMENT

TO : A. H. Belmont

FROM : W. A. Branigan

SUBJECT: NATHAN GREGORY SILVERMASTER
ESPIONAGE - R

RE: INDEXING PROCEDURES, MAJOR CASES

~~TOP SECRET~~
~~(SECRET)~~

DATE: December 29, 1953

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OTHERWISE

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DATE 6/22/88 BY SP-5 [signature]

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- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Gearty _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Size _____
- Gandy _____

Reference is made to the memorandum from W. G. Eames to Mr. Nichols dated 12-15-53, wherein it was requested that Espionage Section supervisors advise SA Paul F. O'Connell, Room 7509 as to their experiences in using the results of the review. This is to advise that on three occasions the [redacted] connection with a case on Lauchlin Bernard Currie it was necessary to find a certain item of information appearing in the main file. Inasmuch as there was no indication as to where this would be all file references on Currie in the Gregory file were reviewed.

In connection with the material on Edward Joseph Fitzgerald and Harry Samuel Magdoff it was necessary to ascertain what information had been disseminated. By using the indexing to the Gregory file, it was possible to refer to those serials in which these individuals were mentioned and then determine whether or not dissemination had been made. In all three cases had it not been for the existence of this index, it would have been necessary to make a serial by serial review of the Gregory file in order to locate the information desired. A considerable saving of supervisory time has already been achieved by the use of this indexing. Further saving of supervisory time will depend upon the problems raised in this case in the future.

RECOMMENDATION:

That this memorandum be routed to SA Paul F. O'Connell, Room 7509 for his information.

WRM

WABay
6/22/83
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Declassify on OADR
3043 PWT/JS 11/20/88

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~~(SECRET)~~ 65-56402-4062

JAN 28 1954

65-56402
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JAN 25 1954
FEB 8 1954

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SERVICE UNIT
SEARCH SLIP

4-

Supervisor Jense

Room 17

Subj: Alexander Mihail

Exact Spelling

Korolof
Searcher's

All References

Initial

Subversive Ref. Noe

Date 1/2

Main File

Restricted to Locality

West Coast, Canada

FILE NUMBER

SERIALS

65-56402-3520

Alexander

65-56402-2379 p155

2349 p39

65-28771-23

a.m.

65-28771-23

Alexander Ivanova

100-308748-3635

Alexander Mihail

ich Korolif

101-786-96 encl. p52;

Alex Korolinik

61-7341-36-7

Initialed

Wilson

SECRET

REGISTERED AIR MAIL

Date: February 3, 1954
To: Liaison Representative
Ottawa, Ontario, Canada
From: Director, FBI (100-100)
Subject: NATHAN GREGORY SILVERMASTER
ESPIONAGE - R

11/30/88
3042 purt/s
6/22/83
Classified by SP5 [signature]
Declassify on: OADR

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Reurlet dated 1-20-54.

Nathan Gregory Silvermaster was naturalized in San Francisco, California, on 12-5-27. He is among a group of individuals publicly identified by Elizabeth Bentley on many occasions in the past that the INS has been considering for possible denaturalization. Part of the problem faced by INS in these investigations is locating witnesses who have knowledge of subversive activity on the part of these individuals prior to their naturalization.

Alexander Mihallovich Koroleff might have such knowledge as he attended the University of Washington at Seattle with Silvermaster in and around 1920. In fact, Silvermaster when interviewed in April, 1947, stated he roomed with Alexander Mihallovich Koroleff while attending the University of Washington.

Bureau files also indicate that Boris Volkov, husband of Helen Silvermaster, indicated that Alexander Mihallovich Koroleff had been acquainted with Helen Silvermaster and her family prior to coming to the United States.



cc - 2 - Newark (65-3861)

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Clegg _____
- Glavin _____
- Harbo _____
- Rosen _____
- Tracy _____
- Cooney _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Miss Gandy _____

66 FEB 16 1954 Foreign Service Desk

RGJ:dlb

65-56402-406

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WACar

MAILED 9
FEB 3 1954
COMM-FBI

DO-6

OFFICE OF DIRECTOR
FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

January 13, 1954

Forwarded by Senator McCarthy.

- Mr. Tolson
- Mr. Ladd
- Mr. Nichols
- Mr. Belmont
- Mr. Clegg
- Mr. Glavin
- Mr. Harbo
- Mr. Rosen
- Mr. Tracy
- Mr. Gearty
- Mr. Jones
- Mr. Mohr
- Mr. Winterrowd
- Tele. Room
- Mr. Holloman
- Mr. Sizoo
- Miss Holmes
- Miss Gandy

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ENCLOSURE

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See Serial 4065

*memo to Belmont
1-28-54
RGG/1/ellh*

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65-56402-4064

JAN 29 1954

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FEB 8 1954

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DATE 6/22/83 BY SP-5 [signature]
11/30/88 3042 PWT/JS

83D CONGRESS }
1st Session . }

SENATE

{ REPORT
No. 837

TRANSFER OF OCCUPATION CURRENCY
PLATES—ESPIONAGE PHASE

INTERIM REPORT
OF THE
COMMITTEE ON GOVERNMENT
OPERATIONS

MADE BY ITS
SENATE PERMANENT SUBCOMMITTEE ON
INVESTIGATIONS, SUBCOMMITTEE ON
GOVERNMENT OPERATIONS ABROAD

PURSUANT TO
S. Res. 40



✓
DECEMBER 15, 1953.—Ordered to be printed

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1953

26008

(Summary given on p. 12)

Enclosure

65-56202-4064

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HENRY O. DWORSHAK, Idaho
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CHARLES E. POTTER, Michigan

ROY M. COEN, Chief Counsel
FRANCIS P. OAKS, Executive Director

SUBCOMMITTEES ON GOVERNMENT OPERATIONS ABROAD

KARL E. MUNDT, South Dakota, Chairman

ii

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Summary of testimony..... **12**

PART III

Findings..... **15**

PART IV

Conclusions..... **15**
Recommendations..... **15**

iii

TRANSFER OF OCCUPATION CURRENCY PLATES—
ESPIONAGE PHASE

December 16, 1953.—Ordered to be printed

(Filed with Secretary of the Senate, under the authority of the order of the Senate of August 3, 1953)

Mr. MUNDY, from the Committee on Government Operations, submitted the following

INTERIM REPORT

MADE TO THE COMMITTEE ON GOVERNMENT OPERATIONS
THROUGH ITS PERMANENT SUBCOMMITTEE ON INVESTIGA-
TIONS BY ITS SUBCOMMITTEE ON GOVERNMENT OPERATIONS
ABROAD

[Pursuant to S. Res. 40, 83d Cong.]

PART I

INTRODUCTION AND BACKGROUND

The Committee on Government Operations, pursuant to rule XXV, subsection (g) (2) (B) of Public Law 601, 79th Congress, is charged with the responsibility of studying the operations of Government activities at all levels, at home and abroad, with a view to determining their economy and efficiency.

In June of 1953, our Subcommittee on Government Operations Abroad, operating as a unit of the Permanent Subcommittee on Investigations, and its staff received evidence indicating that personnel at a policymaking level in the employ of the Treasury Department in 1943 and 1944 were involved in subversive activities as members of a Communist espionage group whose interests were inimical to those of the United States of America. Conditions indicated by such evidence, affecting the security, the economy, and the efficiency of that Department, warranted scrutiny with a view to alerting all executive departments of the Government to a format of operations and the particular skill and techniques in infiltration employed by these espionage agents. It was also deemed advisable that the American public in general be advised concerning the men and the

methods employed to betray their interests, to jeopardize their security, and to squander their resources in supporting Communist causes.

An investigation, consequently, was conducted by the subcommittee staff and by the subcommittee. This included the examination of many witnesses, the securing of numerous statements, a careful check upon many sources of information, and the examination of key witnesses in both executive and public subcommittee sessions.

It was not the purpose of our subcommittee to reopen phases involving the unprecedented transfer of our monetary plates to the Russian Government insofar as these were covered by the 1947 joint hearings which were held by the Senate Committees on Appropriations, Banking and Currency, and Armed Services. These joint hearings had developed and documented the fact that our monetary plates, negatives, special paper and ink, as well as other supplies for the printing of Allied military marks by the Russian Government identical to those printed in the United States, were actually delivered to the Russians. They left unanswered the questions, however, as to just how the Communist Government was able to bring about this bizarre transfer of American currency-making equipment, just who was responsible for the strange decision to do so, and whether this transfer was in fact the result of a Communist espionage ring embedded in the United States Department of the Treasury.

Our recent investigation and the hearings held in Washington, D. C., during October of 1953 provide the answers to these questions. It is clear from the evidence adduced by our subcommittee that the Communists were able to establish and operate a high-level espionage and subversive cell within our Department of the Treasury. Part of the purpose of this Communist cell was to bring about the transfer of our American monetary plates to the Russian Government so that its occupation of Germany and a portion of the payments made to Russian troops in the drive westward in Europe would be without cost to the Communists, and so that the United States would be compelled to redeem the currency so printed which was indistinguishable from that used by the American Government in Germany. This objective was successfully achieved.

Our investigation disclosed that in their efforts to attain their objective of procuring unlimited amounts of this occupation currency for which they would be required to make no accounting or redemptions, the Communist Government in Russia employed a double-edged tactic which for the first time was revealed during this investigation. That entirely unscrupulous tactic was to utilize the members of a hidden Communist cell in an American department of Government to help produce decisions favorable to objectives which at the same time they were seeking to procure through top-level diplomatic negotiations. Thus, what their diplomatic salesmen were attempting to win through negotiations and high-level conferences, their subversive agents were directed to promote through obtaining positions of authority and importance wherein they could influence the American decisions to conform with the Communist requests.

It is believed that in this "over and under" tactic of planting their foreign agents high in the American departments, and attempts to induce success through diplomatic conversations, is a standard operating procedure which the Russian Communist Government endeavored

to employ in every free capital of the world and which they have also used in the past and may well try to utilize in the future in other Government offices of the United States. Thus, our Department of State, our various intergovernmental and United Nations commissions, and other offices important to our American peace and security would do well to be alert to the possibility that emphatic and persistent Russian demands for concessions and decisions may well serve as "index tabs" to the fact that their Communist agents have been able to penetrate and infiltrate the offices charged with making decisions on behalf of the American people. A resurvey of the Hiss case, of our unfortunate Asiatic foreign policy during the fall of China to the Communists, and the events leading up to the Korean war is recommended with this possibility in mind.

The transfer of our monetary plates to the Russian Government was officially approved by the Department of the Treasury after the theft of sample specimens of the currency had failed to satisfy the Communist desires. The success of the Russians in this fantastic episode was made easy by the fact that the evidence before our subcommittee clearly indicates that not only had a notorious Communist agent, Harry Dexter White, worked his way up to the high position of Assistant Secretary of the Treasury at this time, but that through the efforts of White and others he had at least four important Communist accomplices working with him in his plots to influence Treasury Department decisions so as to advance Russian interests and to impair the solvency and security of the United States. These other Communist agents were: Nathan Gregory Silvermaster, reported by Miss Elizabeth Bentley to be the leader of the Communist cell through which Russian demands were transmitted to White; William Ludwig Ullmann, a professional photographer who lived—and still does—with Silvermaster; Harold Glasser, a man whose Communist connections won him quick promotions in the Treasury Department which he could not otherwise have earned; and Virginius Frank Coe, the man White trained to understand him when he became Executive Director for the United States of the International Monetary Fund and who ultimately succeeded White to that highly sensitive and powerful position when White resigned from the fund.

Each of the four foregoing Communist functionaries was before our subcommittee in October. Each was given an opportunity to deny under oath his part in this great conspiracy. Each took refuge in the fifth amendment and declined to testify about his part in the transactions. None elected to deny under oath his functions as part of this espionage ring, or to challenge the clear-cut testimony of Miss Bentley and others concerning the strategic position he held and the services he rendered in either stealing the specimen currency or bringing about the ultimate transfer of the plates themselves by successfully pressing for favorable action on the Russian request for the currency plates.

THE EVIDENCE

The details of this sordid situation are as follows:

Testimony and exhibits indicate that from the inception of negotiations, Harry Dexter White, Harold Glasser, and V. Frank Coe, were conferees representing the United States Government on the questions of design, rate of exchange, and the place of printing.

The picture depicted in the hearings established interlocking positions of White, Glasser, and Coe in phases of the official negotiations. All of them were involved in both the printing-plate and rate-of-exchange matters. In addition, these three employees of the Treasury Department, together with William Ludwig Ullmann, a former Treasury employee, who, during the negotiations was an officer in the United States Army stationed at the Pentagon; and Nathan Gregory Silvermaster, a Government employee who later joined the Treasury Department, were identified as members of Communist espionage groups. Harry Dexter White, during the course of these negotiations, was the assistant to the then Secretary of the Treasury, Henry Morgenthau, Jr. Testimony and exhibits indicate that White attended many top-level conferences and received reports of conferences in memorandum form and conferred with the Secretary of the Treasury regarding the above matters. All of the correspondence and meetings, or the printing plates, were under the direct supervision of Harry Dexter White in whom the Secretary of the Treasury had placed the responsibility of representation and reporting.

Harold Glasser was Assistant Director of the Division of Monetary Research of the Treasury Department. Testimony and exhibits indicate that Glasser attended various conferences dealing with the question of the rate of exchange for the Allied military mark and in such conferences discussed the view of this Government with representatives of the Russian Government. In addition, Harold Glasser participated in certain phases of the delivery of the printing plates to the Russian Government.

William Ludwig Ullmann, prior to the negotiations and delivery of the printing plates to the Russian Government, had been an official in the Division of Monetary Research of the Treasury Department. He was an officer in the headquarters of the Materials and Service Division, United States Air Force, and assigned to duty in the Pentagon, Washington, D. C., during the period involved in this inquiry. Ullmann testified that same period he resided with Nathan Gregory Silvermaster and knew White, Glasser, and Coe. Ullmann was the go-between of an espionage group in carrying messages, orders, and papers to and from Harry Dexter White and the courier of a Russian espionage agent.

Nathan Gregory Silvermaster was employed in 1943 and part of 1944 in the Department of Agriculture in Washington, D. C. He was transferred to the Treasury Department in Washington, D. C. He was identified as the head of the Communist espionage group involved in the attempted forgery and counterfeiting of the Allied military currency and in the pressure methods used to obtain the printing plates.

V. Frank Coe, during the course of negotiations dealing with all phases of the Allied military mark, was Assistant Director of the Foreign Economic Administration. Thereafter he succeeded Harry Dexter White as Director of the Monetary Research Division of the Treasury Department. Testimony established that Coe was a member of a Communist espionage group during the period of negotiations involving the delivery of the printing plates. Coe did not deny the statements made in that regard and upon specific questioning took

refuge in the constitutional protection afforded by the fifth amendment. Documentary evidence indicates that, subsequent to the delivery of the printing plates, he was involved in the question of supplying additional paraphernalia to the Russian Government. It was developed that White, Glasser, Ullmann, Silvermaster, and Coe were known to each other and that they were members of the Communist Party and members of an espionage ring getting their orders from a Russian agent in the United States who had received Communist courier between them and the Russian agent.

Harold Glasser admitted his acquaintance with Harry Dexter White, William Ludwig Ullmann, Nathan Gregory Silvermaster, and V. Frank Coe; William Ludwig Ullmann admitted his acquaintance with White, Glasser, Coe, and that he resided with Nathan Gregory Silvermaster; Nathan Gregory Silvermaster admitted his acquaintance with V. Frank Coe when asked if he were acquainted with Ullmann; William Ludwig Ullmann, Nathan Gregory Silvermaster, and Harry Dexter White did not avail himself of the opportunity of refusing

of this subcommittee. —Page numbers in footnotes refer to pages in published record of hearings
EXPLANATION OF FOOTNOTES.—Page numbers in footnotes refer to pages in published record of hearings
Testimony at p. 85.
Mr. LA VERNE. Miss Bentley, in late 1943 or 1944, did you receive instructions from this gentleman you described as Bill regarding certain currency?
Miss BENTLEY. Yes, I received instructions from Bill that the Russians were very much interested in American occupation currency for Germany in the event that we won the war, and I was asked to contact Gregory Silvermaster, who was head of the Silvermaster group, and Ludwig Ullmann, and to get pressure testimony at p. 31.
Senator KATZ. What was the information that you had on Mr. Harry Dexter White?
Miss BENTLEY. According to Mr. Silvermaster, during the time that Mr. White had been connected with another Soviet espionage ring, a top member of which was, as they called it, "turned over," that is, turned traitor and as a result, Mr. White had been out of contact, had not contributed to anything for oh, 2 or 3 years I guess. As a result of this experience he was understandably very nervous, and he did not wish to know what his information was going or to be directly connected with anyone who was carrying it.

"Senator MUNDY. The Chair would like to state here that the testimony already in the record in the public file discloses that Mr. White was a member of the Communist apparatus for which Mr. Victor Repp was the intermediary or the courier, whatever the proper term is to use, and Mr. Chamberlain certainly not be the proper phrase, because he had turned traitor, which, even our own records, would testify to show, to get Mr. White to make the break. Did you know Nathan Gregory Silvermaster?"
"Miss BENTLEY. Oh, yes."
"Senator MUNDY. You knew him as a Communist agent?"
"Miss BENTLEY. Oh, yes."
"Senator MUNDY. He was under your discipline, and you in turn get your orders either from Coe or this Communist functionary called Bill?"
"Miss BENTLEY. Yes, that is correct, as far as he is concerned."
"Senator MUNDY. Did you know William Ludwig Ullmann personally?"
"Miss BENTLEY. Yes, I did."
"Senator MUNDY. Did you know him as a Communist functionary?"
"Miss BENTLEY. Yes, I did."
"Senator MUNDY. Was he a member of the Ullmann ring?"
"Miss BENTLEY. He was a member of what we called the Silvermaster ring, because we considered Mr. Silvermaster the head of it."
"Senator MUNDY. Silvermaster was the top, and Ullmann, who lived with him, was an assistant?"
"Miss BENTLEY. Yes, more or less of an assistant."
"Senator MUNDY. Did you know Mr. Harold Glasser?"
"Miss BENTLEY. Not personally, no."
"Senator MUNDY. Did you have any connection with him, or was he a member of any of the Communist rings you contacted?"
"Miss BENTLEY. He was a member of what we called the Repp ring, because Mr. Victor Repp was the number of the group."
"Senator MUNDY. Did you know Mr. Felix, Mr. Chamberlain, and some of the other?"
"Miss BENTLEY. Not personally, no. He was a member of the Silvermaster group."
1 Pp. 18-20.
2 Pp. 25 and 26.
3 Pp. 25-28.

the evidence but sought refuge again in the constitutional protection of the fifth amendment.

Silvermaster and Ullmann have for many years, including the present time, resided together and were residing together at the time of the negotiations and the delivery of the printing plates for the printing of Allied military marks.

From the testimony of witnesses and the exhibits, it appears that the Russian Government through diplomatic channels formally demanded the delivery of the printing plates for its use. These demands ultimately were the subject of discussion within the Treasury Department, State Department, and the Combined Chiefs of Staff. The conferees in those discussions, within our own Government, included Harry Dexter White and Harold Glasser. The Russian Government, through its representatives, participated in a discussion of the rates of exchange to be applied to the occupation currency and those conferees were V. Frank Coe, Harold Glasser, and Harry Dexter White.

It was established that White, Ullmann, Glasser, Coe, and Silvermaster were also members of the Communist Party and participants in Russian espionage. The evidence indicates that, while they were involved in the processing of the Russian diplomatic demand, they were also subject to Communist and Russian discipline and they were directed to indulge in an espionage operation regarding the occupation currency, designed to insure success of the Russian Government's desire to print and distribute unlimited occupation currency without liability or accountability therefor. These same conferees at the diplomatic level were instructed to secretly procure samples of the occupation currency for delivery to a courier between the espionage ring and a representative of the Soviet Government.

4 Pp. 21 and 22;

Testimony at p. 21: Senator MURKIN: We are not asking you about the contents. We are asking whether you had discussion with Harry Dexter White, and you can amplify that if you want to after answering "yes" or "no." Do the question now. Did you have discussion with Harry Dexter White? Mr. COE: In this very time, or are you talking about a particular time? May I have the question? Senator MURKIN: 1943 and 1944. Mr. COE: Mr. Chairman, I have previously refused to answer questions about Mr. White and by other persons who have been attacked, and I do so now, on the grounds of the protection afforded me by the fifth amendment.

Testimony at p. 25: Mr. LA VERNA: Mr. Coe, in 1943, 1944, and 1945, were you acquainted with Harold Glasser? Mr. COE: I will consult counsel.

Mr. COE: I will consult counsel. (The witness conferred with his counsel.) Mr. COE: I will consult counsel.

Mr. LA VERNA: In 1943, 1944, and 1945, were you acquainted with Nathan Gregory Silvermaster? Mr. COE: Arguably, under the protection of the fifth amendment, I respectfully decline to answer that question, which I believe I have already declined to answer before this committee.

Mr. LA VERNA: During those same years, were you acquainted with Elizabeth R. Bentley? Mr. COE: Under the protection of the fifth amendment, and in accord with previous discussions, and in accord with previous testimony, of which I am sure you know, I respectfully decline to answer that question.

Mr. LA VERNA: During the same years, were you acquainted with William Ludwig Ullmann? Mr. COE: Respectfully, under the protection of the fifth amendment, I decline to answer that question.

4 Pp. 4 and 6, exhibits 1 (a) and (b), 4, 5, 9, 10 (b), 11, 23
4 Pp. 4 and 19, exhibits 3, 16 (a).
4 Exhibits 15, 14, 16, 17, 18, 20, 21.

4 See footnote 1.
4 See footnote 1.
4 See footnote 1.

Testimony at p. 28: Senator MURKIN: Let me see if I have this picture right, now. We have an abundance of testimony before our committee that at this time the Russians were operating diplomatically and through official channels in an effort to secure the loan of the American money, which they would use for the purpose of manufacturing and printing their own currency, for which they would not be accountable and of which no record would be made. Now, as I take it, you had no part in these over-the-table negotiations, which may have been officially diplomatic? Mr. LA VERNA: No, I had nothing to do with the diplomatic service whatsoever. Senator MURKIN: You were operating independently at that time through the underground apparatus attempting to achieve the same end, through getting these marks or these plates or these samples or just

There was no doubt in the minds of all of those people that the procurement was for the purpose of counterfeiting or forgery in the event the same became necessary for the accomplishment of the Russian Government's desires.

It was established through a witness, who acted as a courier for a Russian espionage ring, that in January 1944 a Russian agent directed the witness to convey to the Silvermaster spy ring orders to the effect that Nathan Gregory Silvermaster and William Ludwig Ullmann were to contact Harry Dexter White and procure from White samples of allied military marks. Silvermaster and Ullmann were to deliver these samples to the Russian agent via the courier.

Harry Dexter White upon advice from Ullmann and Silvermaster secretly procured copies of the currency and delivered it to Ullmann and Silvermaster who, in turn delivered it to the courier for the Russian agent. The courier testified that the currency was photographed and it was determined by the Russian agent and photographic technicians that, because of the 4 colors used on the face and the 2 colors used on the back of the Allied military mark, the same could not be photographed in a manner conducive to successful counterfeiting and forgery. The currency was returned by the Russian agent through the courier with those comments. The Russian agent told the courier that the Communist ring in the Treasury Department was to use pressure during the course of diplomatic negotiations with a view to insuring delivery of the printing plates to the Russian Government.

If necessary, and if the negotiations failed, they would have recourse to this other means of getting the money, is that right?

Mr. LA VERNA: I would presume so, yes. As I said, I know nothing about the diplomatic end. I only know that I received instructions from the Russians that they did want samples of the occupation currency.

Testimony at p. 30: Senator MURKIN: Your assignment then was changed from procuring the notes, which you had already prepared and delivered, and from which they apparently were not able to make satisfactory photographs as they could duplicate them as they had intended, so getting the plates themselves, or getting the plates from Mr. White to have the plates delivered to the Russians?

Mr. LA VERNA: Yes. That is correct. That is correct.

Mr. LA VERNA: Miss Bentley, when you were given your original instructions from Bill, your Russian contact, was there any indication given to you by Bill that he wanted copies of the currency?

Miss BENTLEY: Not in so many words, but it was implied in it. Obviously, you would not want copies of the currency unless you could use it for counterfeiting.

Mr. LA VERNA: Do you understand that from your own conversation with him there was no doubt in your mind that the reason he wanted samples was for forgery or counterfeiting purposes if necessary?

Miss BENTLEY: No, there was no doubt in my mind at all. See footnotes 1 and 10.

Testimony at p. 30: Mr. LA VERNA: What happened after you relayed the instructions? Mr. LA VERNA: I can't remember whether it was the next meeting 2 weeks later, or the next after that, but I believe it was Mr. Ullmann who produced 2 or 3 samples of occupation marks, which he gave to me. They were very valuable, and they must be returned to him.

Mr. LA VERNA: There were these samples of occupation currency delivered to you? Miss BENTLEY: In the Silvermaster home.

Mr. LA VERNA: They had been procured from the Treasury? Mr. LA VERNA: It was my understanding that they came from Mr. White's office.

Miss BENTLEY: Yes. Testimony at p. 30: Mr. LA VERNA: After you produced the notes, I am sorry, I took them to New York and delivered them to my Soviet contact, Bill.

Mr. LA VERNA: What was the next step? Mr. LA VERNA: Well, either the next meeting or the one after that, which would make it either 2 weeks or 4 weeks they were returned to me, with the comment that they were unable to photograph them so that they would be useful, and that therefore we must ask the Silvermasters to put pressure on Mr. White to give over the plates for making the marks to the Russians.

Mr. LA VERNA: Do you understand that they were unable to photograph them so that they were returned to you? Mr. LA VERNA: He returned them to my testimony to be that after you had delivered these notes to Bill, the plates for that same currency were delivered to the Soviet Union as that correct?

Mr. LA VERNA: That is correct. Testimony at p. 30: Mr. LA VERNA: Is that correct?

Mr. LA VERNA: Yes. Testimony at p. 30: Mr. LA VERNA: Is that correct?

8 TRANSFER OF OCCUPATION CURRENCY PLATES—ESPIONAGE PHASE

It was thus established that these trusted officials of our Government were indulging in two courses pursuant to instructions of a foreign government: one more was designed to insure delivery through diplomatic channels and the other to insure by theft, forgery, espionage, or any unlawful method contrary to the interests of our Government, accomplishment of the same ends contemplated in diplomatic demands.

Harry Dexter White, the Communist agent involved in espionage, was a trusted official of the Treasury Department responsible directly to the then Secretary of the Treasury. He was held in high regard by that official and his suggestions, recommendations, and responsibilities were relied upon. He had risen to this position of responsibility and was at the policymaking level while a member of the Communist Party and a member of an espionage ring. In such position could overtly, while wearing the cloak of defendant and adviser, press for favorable consideration of policies, decisions, and dispositions designed to fulfill the desires of his foreign masters. He was also in a position by advancing theories and suggestions to test out the soundness of argument or bargaining position under consideration by that foreign government for later use in formal conferences and to report back the results of his operations in that regard. He could and did betray the confidences of these inner-circle operations via the espionage group to a foreign government. Diplomatic discussions designed to establish bargaining positions were regarded by our own Government which such bargaining positions were regarded by our own Government were made known to the agents of the Russian Government prior to the formal conferences, hereon, all of which placed our Government in a position of extreme disadvantage.

White was also in a position to assist in the espionage effort to subvert the interests of the United States. It was he who procured the samples of the Allied military marks in direct compliance with orders from his Russian superiors. This was done with full knowledge that the Russian Government contemplated resorting to counterfeiting and forgery, if necessary to accomplish their desires.

Testimony at p. 14, exhibits 24 and 25; Exhibit 26, p. 28.

Proceedings 16, 184.

TREASURY DEPARTMENT GAMES NO. 2.

On and after the date, Mr. Harry D. White, assistant to the Secretary, will assume full responsibility for all matters with which the Treasury Department has to deal having a bearing on foreign relations. Mr. White will act as liaison between the Treasury Department and the State Department. Will assume the custody of advice to the Secretary on all Treasury foreign affairs matters, and will assume primary duty for the management and operation of the subsidiary fund which changes in existing procedures. Mr. White will report directly to the Secretary.

MOONSHINE, J., Secretary of the Treasury.

Exhibit 27, pp. 29-30.

TREASURY DEPARTMENT INVESTIGATION REPORT.

Date: February 26, 1944.

TO Dr. Harry White:

From Secretary Morgenthau.

Effective this date, I would like you to take supervision over and assume full responsibility for Treasury's participation in all economic and financial matters (except matters pertaining to deposit institutions, currency of funds, and war expenditures) in connection with the operations of the Army and Navy and the civilian affairs in the foreign areas in which our armed forces are operating or are likely to operate. This will, of course, include general liaison with the State Department, Army, and Navy, and other departments or agencies and representatives of foreign governments on these matters. You will also coordinate with Mr. Paul McNary, acting special counsel, on matters of currency, and with Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, on matters of espionage, and with Mr. J. P. Mohr, Director of the War Relocation Authority, on matters of currency, and with Mr. J. P. Mohr, Director of the War Relocation Authority, on matters of currency, and with Mr. J. P. Mohr, Director of the War Relocation Authority, on matters of currency.

TRANSFER OF OCCUPATION CURRENCY PLATES—ESPIONAGE PHASE 9

In this inner-circle position White served as a daily barometer of the shifting lines of thought, confidential to our own Government and as such daily barometer could indicate the need for increased espionage activity where necessary. Conversely, wherever technical difficulties were encountered in the accomplishment of the Russian Government's desires through unlawful means, he was in a position to further the goal of Soviet diplomatic success. He was a willing pawn in a game which he knew was played with a two-headed coin and whether the coin fell on the table or below it, the result would be the same.

Harold Glasser was a member of the Ad Hoc Committee on Financial Planning and participated in the discussions of the rate of exchange and the liability of the Russian Government with respect to Allied military marks. He was a friend of White's and the substance of the conferences in which Glasser participated was made known to White. The minutes of these meetings indicated that these discussions were prolonged by the representatives of the Soviet Union. These minutes indicate a planned pattern of reluctance on the part of the Russian conferees to dispose of the questions of rates of exchange and liability. Glasser, as a member of this espionage group, was in a position, through these tangent negotiations affecting the Allied military mark and the indicated attitude of the Russian conferees, to delay the disposition of the question until after the delivery of the printing plates. In fact, the reluctance of the Russian Government to participate in any discussion culminating in the final disposition of its views on liability and the rate of exchange was more strongly indicated subsequent to the delivery of the printing plates. Once those plates were delivered, control in our Government of the currency printed and used by the Russian Government was nil. All subsequent discussions in that regard for all intents and purposes were meaningless.

The Russian Government has never rendered an accounting of or payment for any of the marks issued by it and a considerable number of the marks so issued were redeemed by our military finance officers in the occupied zones. It was established for example that in the

Testimony at p. 19, exhibits 14, 15, 19, 20, 21.

Mr. LA VERNE. You are entirely correct in saying you did not have before you the views of the Russians. These memoranda indicate that the representatives of the Soviet Government who attended conferences with you and others at your level in the Department, made it quite clear that they did not have the views of the Government, and they returned to say, 'We will solicit the views of the Minister of Finance,' and they never were able to get the views to present them at the working level. Now, let me ask you this, Mr. Glasser: You of course also attended meetings of the Ad Hoc Committee on Financial Planning, is that correct?

Mr. GLASSER. I believe so.

Mr. LA VERNE. As a representative of the Treasury Department?

Mr. GLASSER. That is correct.

Mr. LA VERNE. At the time you attended those meetings, were you a member of the Committee Party?

Mr. GLASSER. I refuse to answer that question on the ground it may tend to incriminate me.

Mr. LA VERNE. At the time you attended those meetings, were you engaged in Soviet espionage?

Testimony at pp. 9-10.

Senator MORRIS. Were the Russian-printed marks a factor in the creation of our long position in Allied military marks which seemed to me much concern to our occupation authorities over they did not let the German creation of the long position?

Mr. GLASSER. I think the best answer I can give to that question is this: It seems clear that the Russian printed marks must have been a factor in the creation of our long position in Allied military marks, although it is impossible for me to determine how much of a factor it was.

Senator MORRIS. You say it is impossible to determine that. You have made a complete search of the files and the records and you have interviewed the responsible officials of the military, and do the records not show that any effort was ever made to secure from the Russians a statement of the extent to which they had the printing plates and contributed to the long position?

Mr. GLASSER. Well, Senator, numerous and repeated efforts were made by the Army in the capacity of the United States representative on the Allied Control Council in Berlin to get the Russians to account for the printing plates. They had printed on these currency-printing plates. However, although

German occupation at one period our finance officers had redeemed for American dollars, \$265 million in Allied military marks in excess of the amount appropriated by the Congress.¹⁷

The delivery of these plates was finally accomplished after a meeting by the then Secretary of the Treasury, Harry Dexter White, Alvin W. Hall, and Soviet Ambassador Gromyko in the Secretary's office on April 14, 1944.¹⁸ Prior to this meeting, Alvin W. Hall, the Director of the Bureau of Engraving and Printing, had been advised of the Russian's request for the printing plates.

Mr. Hall orally and in writing made known his objections. He set forth substantial reasons based upon technical experience and control, in industry and the inevitable lack of accountability and control, in memoranda on March 3, April 5, and March 7, 1944.¹⁹ These memoranda and testimony set forth technical reasons, precedents of government and world-renowned security printing organizations supporting the position of the objectors to the granting of the Russian demand. His views were subscribed to by D. W. Bell, a career employee of the Treasury Department who had risen to the position of Under Secretary. No evidence could be adduced of similar weight and authority to support the opposite position taken by Harry Dexter White, in his conference with the Secretary of the Treasury as borne out in the documentary evidence.

On occasion, when the views of men of experience and integrity as set out in their own personal memoranda and memoranda of conference, were about to produce a rejection of the Russian request, the position of Harry Dexter White was disclosed. His position was to the effect that we should reconsider the proposed rejection and suggested that there might be an alternate solution. Documentary evidence indicates that on March 8, 1944, a proposed cablegram to the Russian Government rejecting the demand for delivery of the plates was actually prepared. The cable was never sent and a memorandum attached to that cablegram indicates that Mr. White participated in a discussion with the Secretary of the Treasury and a decision was reached not to send the cablegram.²⁰

We received premises from the Russians, we never did get any back. So that to the best of our knowledge, there is no way of determining just to what extent the Russians did use these plates.

Senator McNARY. They either failed or refused to comply with our request and to make an accounting as to the amount of marks they printed?

Mr. SACKE. That is right, sir. As of now, 1948, there is no responsible authority that can answer the question. How many marks did the Russians actually print?

Senator McNARY. You have searched the records carefully in that connection?

Mr. SACKE. Yes.

Testimony at p. 10: "Mr. La Verne. Now, we talk about a 'long position' of Allied military marks. Can you translate that into dollars? Now, we talk about a 'long position' of Allied military marks accepted into the accounts of the United States Army over and above the amounts which were paid out to the troops in the territories."

Senator McNARY. This is in the archives of the Appropriations Committee of Congress. Did you come across that? That gave our portion of the occupation costs, and I wondered if you had that available. I think it was \$800 million.

The United Kingdom and French Governments did not request delivery of the printing plates to them, but on the contrary willingly agreed to the printing and distribution of the occupation currency by our Government, so that records would be kept and accounts tallied.²¹ There is no record in history of any other delivery from one sovereign Government to another of plates for the printing of currency. Mr. A. W. Hall, the Director of the Bureau of Engraving and Printing since 1924, who is well versed in the security printing field testified that to his knowledge this action was unprecedented in the history of security printing.²²

It is a matter of public information that Harry Dexter White transferred from his position as Assistant to the Secretary of the Treasury to the position of Executive Director for the United States in the International Monetary Fund on January 23, 1946. Shortly prior thereto, V. Frank Coe transferred from his position in the Foreign Economic Administration, to the Treasury Department as Director of the Division of Monetary Research, formerly held by White. White became the first Executive Director for the United States of the International Monetary Fund and was responsible in framing a great portion of its policies and procedures. Coe succeeded White as Executive Director for the United States of the International Monetary Fund. Here was a crisscross of the operations of the Soviet espionage ring whereby both of these men were placed in new positions whereby they could become indoctrinated in other policies and procedures and carry with them the experience and information gleaned in the old. It was in effect a continued schooling and an expansion of the Soviet position of influence through Harry Dexter White had gone a step higher in the top echelon of the policymaking group of our Government in international affairs. His position of influence and pressure was thereby enhanced. His opportunities to injure the United States and to advance Russia were strengthened and increased.

The staff of the subcommittee has researched the legislative history of the printing and issuance of our currency. It appears that in various sections of title 31 of the United States Code, legislative authority

Testimony at p. 17: "Mr. La Verne. Do you recall whether we delivered the printing plates also to the French Government or the British Government?"

Mr. BELL. No, we did not.

Senator McNARY. Do you recall whether they made any demands for the printing plates similar to the Russian Government's demand?

Mr. BELL. Not that I recall; and I don't believe they did.

Mr. La Verne. Those demands would have probably been made known to you?

Mr. BELL. They would have been made known to the Treasury and I think they would have naturally come to my desk.

Testimony at p. 5: "Mr. La Verne. Mr. Hall, you have had considerable contact, during the course of your experience in the securities-printing business, with private security-printing firms?"

Mr. HALL. Yes.

Senator McNARY. May I interrupt? You also, I presume, have made something of a study in your position of the procedures followed by other governments in protecting their securities?

Mr. HALL. Yes, sir, I have.

Senator McNARY. Let me ask you, out of your long experience, which I think you said dated back to government, do you know of any other instance in history where a sovereign government has handed to another government the monetary plates for use in the fashion in which this was done with the monetary plates made available to the Russians?

Mr. HALL. I have never heard of a similar transaction. There may have been. I have never heard of it. A quarter of a century, no such other occurrence has ever been brought to your attention.

Mr. HALL. It is the custom among security printers not to release their rolls, or plates which they are making for printing securities, to any other plant which might engage in similar printing.

Senator McNARY. That would hold certainly for any other government?

Mr. HALL. I should say so, yes, sir.

is granted for the printing of various denominations of notes and other securities of the United States.

In addition, title 31, section 415, United States Code, specifically provides that all printing of Government obligations and securities is to be performed by the Treasury Department in the Bureau of Engraving and Printing; provided, however, that the same can be done there as cheaply as elsewhere.

The Secretary of the Treasury has authority under section 427 to provide for rules and regulations dealing with the preparation and issuance of obligations of the United States.

Title 18, section 8, United States Code, defines the term "obligations" or other security of the United States. Accordingly, the provisions of title 18 and title 31, United States Code, are not applicable to military occupation currency.

Research did not develop any legislation either specifically authorizing the action of the Secretary of the Treasury in the delivery of the printing plates to the Russian Government, or a prohibition in that regard. Apparently no such surrender of our plates was even remotely envisioned.

Research was conducted on the constitutional powers of the legislative and executive branches of the Government. The legislative branch has specific power to coin money, raise and support armies, make rules for the Government's land and naval forces and to make laws for the carrying into execution such powers. These powers are set forth in article II, section 8, of the Constitution. These powers appear to be specific and without limitation.

The powers of the President as the Chief Executive of the Nation are set forth in article II of the Constitution. The only power which seems related to the authority of our Armies to issue occupation currency stems from the general authority of the President as Commander in Chief of the Army and Navy of the United States.

Accordingly, title 18, section 8, United States Code, should be amended to include within the definition of "obligation of other branches of the United States" descriptive language sufficient to embrace occupation currency. Such amendment would be omnibus in nature in that all of the provisions of the laws of the United States, including but not limited to those set forth in titles 18 and 31 of the United States Code, would thereby become applicable to occupation currency with the same forces and effect as those laws are applicable to currency and other obligations of the United States.

PART II

SUMMARY OF TESTIMONY

The subcommittee deems it material to set forth a summary of the testimony of each of these witnesses.

I. Alvin W. Hall, Director of the Bureau of Engraving and Printing, Department of the Treasury, testified substantially as follows:

- (1) That he has been Director of the Bureau of Engraving and Printing since 1924 and as such was associated with the project of delivering negatives and positives of AMM printing plates to Russia.
- (2) That the Bureau of Engraving and Printing opposed the delivery of the plates to Russia mainly on the basis of Article 6, Section 6 of

over the issuance of the currency and accountability by the Russian Government and because of the unprecedented nature of the requests.

(3) That to his knowledge there has never before been an instance in history where a sovereign government has given currency plates to another government.

(4) That facilities were available in this country to print a sufficient quantity of AMM for the use of the Russian Government under conditions where safeguarding records could be kept.

(5) That he was instructed by the Secretary of the Treasury on April 14, 1944, to give the Russians the printing plates; that we then gave the Russian Government positives and negatives of the printing plates plus full and complete information concerning production of the notes, including paper specifications and formulas for the ink, dry colors, oils, vehicles, and specimens of the notes themselves and specimens of the typeface used for numbering the notes.

(6) That the negatives, positives, and specifications for the plates were delivered to the Russian Embassy in an Army truck and that it was considered a military secret, thus avoiding any public notice of the transaction.

II. Daniel W. Bell, former Under Secretary of the Treasury, testified substantially as follows:

(1) That Harry Dexter White, assistant to Secretary Morgenthau, participated in practically all of the negotiations concerning the printing plates and that, policywise, the negotiations fell within the primary jurisdiction of Mr. White.

(2) That Harry Dexter White reported directly to the Secretary of the Treasury who had a high regard for his judgment and advice.

(3) That Bell opposed turning the plates over to the Soviet Government and that he concurred in the views of Alvin W. Hall in discussions with the Secretary of the Treasury.

(4) That a cable was drafted for dispatch to the Soviet Government listing objections largely set out by Alvin W. Hall as to why this Government could not comply with the Soviet demand for the printing plates and that this cable was not approved and not sent.

(5) That Harry Dexter White did everything he could to keep the negotiations open for further consideration.

(6) That the French and British Governments did not receive printing plates from this Government and made no requests for them.

III. Elizabeth Banley, former Russian espionage courier, testified as follows:

(1) That in 1943 and 1944, her activities were principally those of an espionage courier, delivering instructions from high-level espionage agents to various spy rings and individuals engaged in the same function.

(2) That she also collected information which she turned over to her Russian contact who relayed it to Moscow.

(3) That in late 1943 or early 1944 she received instructions from her Russian espionage superior to have Nathan Gregory Silvermaster and William Ludwig Ullmann obtain samples of AMM occupation currency through Harry Dexter White.

(4) That William Ludwig Ullmann obtained samples of this currency from Harry Dexter White and gave them to her which she, in turn, gave to her Russian contact.

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(5) That her Russian superior returned the notes to her and he advised he could not successfully photograph them for counterfeiting purposes.

(6) That on instructions from her Russian contact, she orally notified Nathan Gregory Silvermaster and told him that he must put pressure on Harry Dexter White to arrange to have the AMM printing plates made available to Russia on an official basis.

(7) That she reiterated these instructions to Silvermaster on subsequent trips to Washington, D. C.

(8) That Nathan Gregory Silvermaster was head of a spy ring in Washington, D. C., and that William Ludwig Ullmann and V. Frank Coe were members of the Silvermaster ring and that Harold Glasser and Harry Dexter White were espionage agents.

IV. Nathan Gregory Silvermaster testified as follows:

(1) That in 1943 and 1944 he was a Government employee and was acquainted with Harry Dexter White, Harold Glasser, V. Frank Coe and that he resided with William Ludwig Ullmann.

(2) That he was born in Odessa, Russia.

(3) That he sought refuge in the protection afforded him by the fifth amendment and refused to answer questions regarding his part in the printing-plate transaction and his espionage activities.

V. William Ludwig Ullmann testified as follows:

(1) That he was employed in the Treasury Department from 1939 to 1947 with the exception of a period when he was in the Army.

(2) That he was acquainted with Harry Dexter White, Harold Glasser, V. Frank Coe, and resided with Nathan Gregory Silvermaster in 1943 and 1944.

(3) That he availed himself of the protection afforded by the fifth amendment and refused to answer questions concerning the printing-plate transaction and his Communist and espionage activities.

VI. Harold Glasser testified as follows:

(1) That in 1943 and 1944 he was Assistant Director of the Division of Monetary Research in the Department of the Treasury.

(2) That he was acquainted with Harry Dexter White, Nathan Gregory Silvermaster, V. Frank Coe, and William Ludwig Ullmann.

(3) That he participated in discussions regarding various rates of exchange in connection with the occupation of Germany.

(4) That he refused to answer questions regarding his Communist and espionage activities on the grounds of the protection afforded him by the fifth amendment.

VII. V. Frank Coe testified as follows:

(1) That he was former Director of the Division of Monetary Research in the Treasury Department.

(2) That he refused to answer questions regarding his Communist and espionage activities on the grounds of the protection afforded him by the fifth amendment.

VIII. Howard R. Sacks, Office of the Department Counselor, Department of the Army, and Edward K. Shultz, Chief of the Foreign Financial Affairs Office, Office of the Comptroller of the Army, testified that at one period United States Army finance officers had re-deemed for United States dollars \$225 million in Allied military marks in excess of the amount paid to troops.

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PART III

FINDINGS.

Upon hearing the testimony of all witnesses and studying the documentary evidence submitted, your subcommittee advises:

1. That the unprecedented act of our Government in actually shipping some of its currency printing plates to the Soviet Union was at least in part, and perhaps primarily the result of pressure on high officials of our Treasury Department by a Communist spy ring operating within the United States Government.

2. That a graphic analysis of the duplicity of the Russians and a case history of a Communist tactic have been depicted here, in that at the same time they were conducting diplomatic activities to attain their objectives, they were operating underground espionage agents to help accomplish the goals which they sought to achieve diplomatically.

3. That there was a failure to establish adequate and sufficient controls regarding the currency printed by the Soviet Union from our printing plates as well as the failure to make arrangements for any accountability thereof. This failure resulted in the United States Government assuming "a long position" of at least \$255 million in Allied military marks, not appropriated for by Congress.

4. That there is no legislation either specifically authorizing or prohibiting the delivery of printing plates to a foreign government for use in printing occupation currency by our Armed Forces.

PART IV

CONCLUSIONS

This particular operation clearly indicates the need for a higher security in all the free capitals of the world if the cause of freedom and the peace of the world is not to be jeopardized by the infiltration of Communist agents into top-level positions in our Government and that of friendly nations where they directly influence decisions to the direct advantage of Soviet imperialistic communism.

RECOMMENDATIONS

1. It is recommended that title 18, section 8, United States Code be amended by adding additional language to the definition contained in that section of the term "obligation or other security of the United States" sufficient to include within such term, military currency, occupation currency, notes, bills, certificates of indebtedness, and other instruments of exchange or indebtedness issued by the Armed Forces of the United States.

2. It is recommended that as a precautionary measure, an appropriate committee of Congress should make a study of the transactions engaged in by International Monetary Fund, while Harry Dexter White and Virginia Frank Coe were connected with it in influential capacities, to determine whether actions were taken injurious to the best interests of the United States which can now be corrected in view of the conspiratorial connections of these two faithless Americans.

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3. It is our understanding that under President Eisenhower, all new appointees to Federal positions or to service as American representatives on any of our international commissions or United Nations posts are first given a full and complete check by the Federal Bureau of Investigation. It is recommended that in addition to making a complete security check on all such new appointees before they take office, that the Federal Bureau of Investigation should be authorized and requested to complete a full security checkup on all present Federal employees, especially those in any way connected with such important security, solvency, and peace-preserving services as the Treasury Department, the State Department, the Foreign Service, the various international commissions and offices, and all positions connected with the maintenance and development of our national defense establishments.

4. Our humiliating and hazardous experience with men like Hiss, White, Coe, Glasser, Silvermaster, Ullmann, and others, should serve to warn all Americans, before it is too late, that eternal vigilance is still the price of liberty. We may never know the full extent of the direct and indirect costs to the American taxpayer growing out of the secret transfer of our monetary plates to Communist Russia, but if we learn the proper lessons from past experiences like this, we can fortify the cause of freedom both at home and abroad to the end that traitors and spies may never again serve tyranny while posing as the servants of good government.

Director, FBI (134-435)

1/19/54

SAC, New York (65-14603)

ELIZABETH T. BENTLEY
ESPIONAGE - R

(u)

Rebunair-tel dated 10/26/53 in the case entitled,
"HARRY DEXTER WHITE, ESP-R". (u)

During the review of ELIZABETH BENTLEY's book,
"Out of Bondage", which is being conducted as per instruc-
tion in referenced air-tel, it became necessary to prepare
an index of the book in order that information concerning
various subjects mentioned therein could be correlated.
Also in the course of the preparation of this index it was
believed advisable to index certain items of the subject
matter dealt with by BENTLEY in the book as well as
organizations, government departments, etc., noted therein. (u)

Forwarded herewith to the Bureau are ten copies
of this index. It is suggested that copies of this index
be retained in the Bureau's "GREGORY" case file and the
individual case file on BENTLEY and that additional copies
be retained with copies of the book in the Bureau's possession
for ready reference. (u)

Two copies of this index are being forwarded here-
with to the New Orleans office, one copy of which is to be
retained in BENTLEY's file and the other maintained with
the copies of "Out of Bondage", which has been forwarded to
the New Orleans office. (u)

1 ENCL. Four copies of this index are being forwarded here-
with to the Washington Field office, one copy of which is to
be retained in the WFO file on the "GREGORY" case and the
three additional copies are for use with the book, "Out of
Bondage" for ready reference. (u)

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During a review of the book, "Out of Bondage" by ELIZABETH T. BENTLEY, for the purpose of channelizing information contained therein to case files of individuals, the following index was prepared. Names set out herein in parenthesis are code names by which the various individuals were known to BENTLEY or nicknames by which she refers to the individual. (u)

In some instances she referred to individuals by pseudonyms to conceal their real identity for various reasons. In most of these instances the correct name has been ascertained through an examination of Miss BENTLEY's manuscript for the book. In those instances the pseudonyms is set out in parenthesis preceded by an asterisk and reference is made to the correct name of the individual. (u)

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(u)

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(u)

REPORT
of the



Re: Nathan Gregory Silvermaster

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C.

SECRET

To: SAC, Washington Field

January 25, 1954

There follows the report of the FBI Laboratory on the examination of evidence received from the Domestic Intelligence Division of the Bureau on January 20, 1954.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

Re: **HARRY DEXTER WHITE**
ESPIONAGE - R

J. Edgar Hoover
John Edgar Hoover, Director

YOUR FILE NO.
FBI FILE NO. 101-4053
LAB. NO. D-178698 BE

Examination requested by: **DUPGU**

Reference: **Memo 1-20-54**

Examination requested: **Document**

6/22/83
Classified by SP5 righter
Declassify on: OADR
3042 PWT/B 11/30/88

ALL FIELD AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF
DATE 1-2-54

Q1
Q2
Q3
Q4
Q5
Q6



60 FEB 12 1954
1 - 65-56402
1 - 74-1333

b3
rule (6)(e)

YELLOW
DUPLICATE
JAN 26 1954
MAILED

56402
NOT RECORDED
(Continued next page)

SECRET

XXXXXX
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FEDERAL BUREAU OF INVESTIGATION FOIPA DELETED PAGE INFORMATION SHEET

1 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- Deleted under exemption(s) b3 Rule (b) (e) with no segregable material available for release to you.
- Information pertained only to a third party with no reference to you or the subject of your request.
- Information pertained only to a third party. Your name is listed in the title only.
- Documents originated with another Government agency(ies). These documents were referred to that agency(ies) for review and direct response to you.

_____ Pages contain information furnished by another Government agency(ies). You will be advised by the FBI as to the releasability of this information following our consultation with the other agency(ies).

_____ Page(s) withheld for the following reason(s):

For your information: _____

The following number is to be used for reference regarding these pages:
65-56402 - 2nd NR after 4064 pg 2

XXXXXX
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X DELETED PAGE(S) X
X NO DUPLICATION FEE X
X FOR THIS PAGE X
XXXXXXXXXXXXXXXXXXXXX

RESULTS OF EXAMINATION:

SECRET

It was concluded that the typewriting on Q2 was not prepared on the typewriter used to prepare the following specimens in the Hiss case, Bureau file 74-1333, 1746, prepared on the Hiss typewriter #N230089; the Baltimore documents, Q5 through Q69; and the State Department documents, Q674 through Q681.

[REDACTED]

(5) b1
No conclusions reached whether the handwritten notations on Q2, Q5, Q9, Q10 and Q15 were written by Harry Dexter White because of the limited nature of the questioned writing; however, certain handwriting characteristics in common were noted in White's writing and the handwritten notations on Q2.

Because of the limited nature of the questioned writing, no conclusion was reached whether the notations on Q2, Q5, Q9, Q10 and Q15 were written by Alger Hiss, Bureau file 74-1333.

No conclusion was reached whether the notations on Q2, Q5, Q9, Q10 and Q15 were written by any of the following individuals, partly because of the limited nature of the questioned writing and also because of the lack of sufficiently comparable known writing available for comparison: Nathan Gregory Silvermaster, Lauchlin Currie, Abraham Silverman, Owen Lattimore, William Henry Taylor, Harold Glasser, Virginus Frank Coe, Victor Perls, Solomon Adler and William Ludwig Ullman. It is doubtful whether additional known writing of these individuals will be of any value in a further comparison with the questioned handwritten notations because of the limited amount of writing comprising these notations.

No handwriting specimens were located for A. Manuel Fox. If comparison is desired with the questioned notations on Q2, Q5, Q9, Q10 and Q15, handwriting specimens of A. Manuel Fox should be submitted.

No conclusion was reached whether the Lauch signatures on Q6 and Q8 were written by Lauchlin Currie, partly because of the limited writing comprising these signatures and also because the available known writing of Currie is inadequate. Additional known

SECRET

(Continued next page)

~~SECRET~~

writing of Lauchlin Currie should be submitted if a further comparison is desired regarding the Lauch signatures on Q6 and Q8.

Q1 through Q16 and the Manila envelope also submitted are being returned to the Domestic Intelligence Division. Photographs are retained.

NOTE: Q1 through Q16 and the Manila envelope also submitted are attached to the yellow copy of this report for the attention of Mr. E. B. Tully of the Domestic Intelligence Division.

~~SECRET~~

Office Memorandum • UNITED STATES GOVERNMENT

TO : A. H. Belmont

FROM : W. A. Bradford *W.A.B.*

SUBJECT: INTERIM REPORT OF THE COMMITTEE ON GOVERNMENT OPERATIONS

DATE: January 28, 1954

Tolson _____
 Ladd _____
 Clegg _____
 Glavin _____
 Nichols _____
 Rosen _____
 Tracy _____
 Harbo _____
 Belmont _____
 Mohr _____
 Tele. Room _____
 Nease _____

Gregory On 12-8-53, Thomas W. LaVenia, Assistant Counsel, McCarthy Committee, furnished copies of a tentative draft of a confidential interim report and booklet both captioned "Transfer of Occupation Currency Plates - Espionage Phase." Both of these items were reviewed for material of interest and possible action required by the Bureau. Results of this review were set forth in my memorandum to you dated 12-16-53. In analyzing the Interim Report it was pointed out that the McCarthy Committee apparently has a misconception as to the role of the FBI in investigating federal employees and employees of the United Nations and other public international organizations. It was suggested Mr. Nichols point out to LaVenia the role that the FBI does play in investigations of this type under the provisions of the various pertinent executive orders (E010422, E010450, and E010459). It was also suggested that Mr. Nichols point out to LaVenia the utter impossibility of the FBI's investigation of federal employees as recommended in their Interim Report.

Mr. Nichols in his memorandum to Mr. Tolson dated 12-19-53, advised he pointed out what the facts were with reference to our investigating employees of the United Nations and other international organizations, the roles of the Civil Service Commission and of the FBI under the Federal Employees Security Program, and the impossibility of our investigating all federal employees. LaVenia was told not to press the recommendations, but to make clear what the role of the various organizations in conducting these investigations is. Mr. Nichols also mentioned this to Roy Cohn, who agreed that the phraseology was inadvisable and the thing to do would be to skip this in the annual report and not pursue the matter further.

As a matter of interest the Interim Report, which is attached in its released form does contain on page 16 under Recommendation 3, the things which Mr. Nichols discussed with Committee representatives LaVenia and Cohn.

On 1-16-54, Mr. Nichols by memorandum to Mr. Tolson advised of the receipt of the revised version of the Annual Report of the McCarthy Committee. The date for release of the Annual Report was not yet known. The revised version of the Annual Report does not contain the material Mr. Nichols discussed with Committee representatives Cohn and LaVenia.

Handled Separately

Attachment
65-56402

EGJ:blb *all* *F-1*
50 FEB 4 1954

RECORDED-21

INDEXED

11/20/88
3042 PWT/BS
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 1-5-79 BY b1a

65-56402-4065

EPG

RECOMMENDATION:

None. Primarily for your information.

F2

RGJ

65-56402-4066
CHANGED TO
101-786-261

▶ FEB 24 1954

JW

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5 rjg/ky
11/30/88 3042 AWT/JS

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (65-56402)
FROM : SAC, New Orleans (134-89)

DATE: January 29, 1954

SUBJECT: ELIZABETH T. BENTLEY
ESPIONAGE - R
Gregory

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
(U) DATE 12-1-78 BY 9901/9
11/30/88 2042/ptj

*10
1/5*

Reference is made to the letters from New York to Bureau dated December 17, 1953, and December 22, 1953. *194 (u)*

Referenced letters, of which New Orleans received copies, requested that ELIZABETH BENTLEY be interviewed to identify certain individuals mentioned in her book, "Out of Bondage," who were not mentioned in her signed statement furnished to the New York Office in November, 1945. *(u)*

On January 7, 1954, Miss ELIZABETH BENTLEY was interviewed at Grand Coteau, Louisiana, by SA JOHN B. HONEYCUTT at which time information contained in the two referenced letters was discussed with her. *(u)*

In regard to the last paragraph of Page 1 of letter dated December 17, 1953, Miss BENTLEY identified EDWIN as HAYDEN SEARS, who was at that time a student at the Union Theological Seminary. She stated that she believed he later became an ordained minister but has not heard from him since 1936. She advised that SEARS became a member of the Communist Party in New York as she and HAROLD GREENWALD, who is identified as HAROLD PATCH in her book, signed the application for SEARS for him to become a member of the Communist Party. She advised that she knew nothing more concerning the activities of this individual. *(u)*

Miss BENTLEY identified HARRY SCHULER (first paragraph, second page, of letter dated December 17, 1953) also as being HAYDEN SEARS. *(u)*

On Page 1, Paragraph 4, Miss BENTLEY identified HAROLD PATCH, not ARNOLD PATCH as indicated in referenced letter, as being HAROLD GREENWALD. Information regarding this individual has been reported in the HAROLD PATCH case. *(u)*

On Page 2, Paragraph 2, of letter dated December 17, 1953, Miss BENTLEY advised that she was not able to recall anything further concerning either of these individuals except that she did recall that one of them was a man of about forty years of age who had returned from Japan and was taking a refresher course at the Union Theological Seminary. She stated that she only met this individual on one occasion for a short period of time and knew nothing more concerning him. However, during this meeting, he did remark that the Communist Party was illegal in Japan. Miss BENTLEY advised that she met this individual through HAYDEN SEARS. *(u)*

REGISTERED
CC: 2-New York (65-146033) (REGISTERED)
JBH:dc

RECORDED-29 | 65-56402-4067
INDEXED-29 FEB 1954

50 FEB

EX-124
JBH

*3004-10
5-98*

January 29, 1954

Regarding Paragraph 6, Page 2, letter of December 17, 1953, Miss BENTLEY advised that JACOB GOLOS on one occasion had mentioned to her whom this individual was; that she did not recall his identity but believed that he was working at that time in the Transport Division of Amtorg and lived some place in the Bronx. She advised that she could not recall his name or anything more concerning this individual. She advised that she faintly recalls that possibly this individual may have been one JACOB RIZAK, who was a member of the Communist Party in New York City. She could furnish no further information concerning his activities but advised that LOUIS BUDENZ possibly could furnish considerable information regarding this individual. (u)

Regarding Paragraph 7, Page 2, letter of December 17, 1953, Miss BENTLEY advised that the true identity of Comrade "C" was not known to her; however, she believed that this individual was a member of the Harlem Section of the Communist Party but was not a top functionary. She advised that she knew nothing further concerning this person. (u)

Regarding Paragraph 8, Page 2, letter of December 17, 1953, Miss BENTLEY identified Comrade "H" as LILLIAN HARRISON. She advised that the only thing she recalls about LILLIAN HARRISON is that she was a supervisor at the Emergency Home Relief and it was her impression that HARRISON was a member of the Communist Party for a while in New York City. Miss BENTLEY advised that she met LILLIAN HARRISON while she, BENTLEY, was also employed for a short time with the Emergency Home Relief. (u)

Miss BENTLEY advised that LILLIAN HARRISON was not to her knowledge connected with espionage activities and that she has not seen HARRISON since approximately July, 1935, and has not heard of her since. (u)

Miss BENTLEY explained that while she was employed by the Emergency Home Relief, she was fingerprinted, and commented that LILLIAN HARRISON was also fingerprinted and that the Bureau would probably have these prints on file. (u)

Regarding Paragraph 2, Page 3, letter of December 17, 1953, Miss BENTLEY identified Comrade LAND as MARK GRAUBARD who is now connected with the University of Minnesota with whom the Bureau is well acquainted. (u)

Regarding Paragraph 3, Page 3, letter of December 17, 1953, Miss BENTLEY stated that the term "NYANYA" is a term used by the Russian children for their nurse. She stated that this individual, whom she referred to as "NYANYA," was a housekeeper or nurse for EARL BROWDER; that she believed that this individual was a Russian citizen as she spoke (u)

Director, FBI (65-13436; 1-65-56402)
NO 134-89

January 29, 1954

no English and that she possibly came over to the United States when Mrs. EARL BROWDER came here. She advised that "NYANYA" had been with the BROWDERS for a number of years and that she was an elderly woman. She advised that she could not furnish any more information concerning this individual. (u)

Regarding Paragraph 4, Page 3, letter of December 17, 1953, Miss BENTLEY has identified EDITH as EDITH VILENTZ, correct name EDITH VILENCHIK, who was a Ukrainian employed as a typist in World Tourists in 1942. Miss BENTLEY advised that, as she recalls, this individual was a Communist sympathizer but does not know whether or not she was a member of the Party. She stated that she did not know what became of this individual and that EDITH, to her knowledge, was not engaged in espionage activities. (u)

Re New York letter dated December 22, 1953, when Miss ELIZABETH BENTLEY was interviewed on January 7 and January 12, 1954, she advised that the New York Daily Mirror sent a representative down to Grand Coteau, Louisiana, to obtain information from her in order to write the articles which appeared in the Daily Mirror in December, 1953. She stated that she gave the information to the representative of the Daily Mirror and that he wrote the articles himself. She particularly referred to the article which appeared in the Daily Mirror on December 15, 1953, wherein she was quoted as saying information had been received that the American government had broken a Soviet code. She stated that this is a misstatement and should have been that the information received was that the Americans were on the verge of breaking a Soviet code. (u)

Miss BENTLEY advised that she did not review the articles prior to the time that they were published but after reading them realized that information furnished was highly dramatized and in some instances was almost removed from the true facts which she gave to the paper. (u)

In regard to New York letter to Bureau dated December 22, 1953, Miss BENTLEY was again interviewed on January 26, 1954, by SA JOHN B. HONEYCUTT, and advised that it was either JACOB COLOS or unknown subject BILL who requested information concerning WILLIAM BATT who was at that time with the War Production Board. She added that as long as BATT was connected with the War Production Board her superiors were constantly requesting her to obtain additional information concerning him and his attitude toward the Communist Party. She added that, according to information received, BATT'S attitude toward the Party shifted from time to time and the Communists were never satisfied with the information they received regarding his attitude. (u)

Director, FBI (65-134436; 1-65-56402)
NO 134-89

January 29, 1954

Miss BENTLEY advised that the information she received regarding WILLIAM BATT came from the SILVERMASTER group and from WILLIAM REMINGTON and that possibly the VICTOR PERLO group furnished some information concerning BATT but she was not sure about this last group. (u)

In regard to HENRY MORGANTHEAU and HARRY DEXTER WHITE, Miss BENTLEY advised that the information concerning these individuals came from the SILVERMASTERS who, in all probability, received their information from LUDWIG ULLMAN who was at that time connected with the Treasury Department. Miss BENTLEY advised that she herself never contacted WHITE or Mr. MORGANTHEAU. (u)

BULKY EXHIBIT - INVENTORY OF PROPERTY ACQUIRED AS EVIDENCE

Bufile: 100-355779

New York Field Division
2/1/54 Date

Title and Character of Case: NATHAN GREGORY SILVERMASTER, was; ET AL
ESPIONAGE - R

Date Property Acquired: 11/17/45

Source From Which Property Acquired: Elizabeth Bentley

Location of Property or Bulky Exhibit: Safe deposit box, Manufacturers Trust Company

Reason for Retention of Property and Efforts Made to Dispose of Same: Evidence. Efforts presently being made to dispose of property.

Description of Property or Exhibit and Identity of Agent Submitting Same: 100 \$20 bills totalling \$2,000.00

1- NY 66-6649

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6/22/83 BY SP5 [signature]
11/30/88 3042 [signature]

65-56402

NOT RECORDED
150 FEB 4 1954

FIVE-02

Field File #: 65-14603
Sec. 1
50 FEB 13 1954

[Handwritten signatures and initials]

Office Memorandum • UNITED STATES GOVERNMENT

DATE: 2/12/54

TO : Director, FBI (100-410885)

FROM : SAC, New York (65-14603)

SUBJECT: NATHAN GREGORY SILVERMASTER
ESPIONAGE - R;
VALUABLE EXHIBITS
NYO

105700

59-1

ReNYlet 8/11/53 and Bulet 8/26/53 entitled "VALUABLE EXHIBITS, NYO", and NYlet 11/12/53 in the above captioned case, relative to the disposition of \$2000 received by ELIZABETH BENTLEY from the Russians and currently being held by the NYO.

In view of the intensive consideration apparently being given by the Department at the time to the cases of HARRY DEXTER WHITE and related SILVERMASTER subjects, the Bureau is requested to advise whether the currency should continue to be maintained at the safety deposit box rented by the NYO at the Manufacturers Trust Co. or whether the money should be forwarded or brought directly to the Bureau and maintained at the Bureau as in the case of substantial sums of money and other valuables that were deposited at the Bureau in 1945.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/30/89 BY SP-5 [signature]

1 - NY 66-2041

3043 [signature] G.L.R.-10

Alexander Hand

*let to my
2-25-54
[signature]*

RECORDED

65-56402 4068

INDEXED - 5

FEB 15 1954

EX-126

[Handwritten signatures and initials]

[Handwritten notes and scribbles]

New York (65-14003)

February 25, 1954

Director, FBI (65-50402) 4068

108794

RECORDED-27

NATHAN GREGORY SILVERMASTER, ET AL

ESPIONAGE - R EX-110

ReNY memo 2-12-54.

In order to simplify the process of evidence if it is at some future date desired to introduce the \$2,000 in evidence, it is desired this money be retained in the safe deposit box rented by the New York Office.

RJL:blb *lll*

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11/25/83 BY SP-5 *WJH/ky*
11/30/88 3043 *RA/JS*

- Tolson _____
- Ladd _____
- Nichols _____
- Belmont _____
- Mohr _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Gandy _____

COMM - FBI
FEB 25 1954
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REC'D
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MAR 27 1954

RECEIVED
FBI
MAR 27 1954

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