

1 - Mr. Sizoo
1 - Mr. Baumgardner
1 - Mr. Gurley

February 13, 1952

Airtel

To: SACs Chicago (134-46 Sub B)
New York (100-134637)

From: Director, FBI (100-428091)

SOLO
INTERNAL SECURITY - C

For the further security of informants CG 5324-S* and NY 694-S*, the Bureau feels the following additional precautions should be taken. Any information submitted to the Bureau or another field office concerning these informants or information furnished by them which is sent by teletype should be encoded. When these informants are away from their respective handling offices, i.e. Chicago and New York, and it is necessary for them to contact the Bureau office in which they are traveling, such as the current trip of CG 5324-S*, all necessary teletypes should be encoded which contain information furnished by informants and showing their movements within that division or to another division.

In the future, you should advise the office to which informant will travel of these instructions.

REC-3

FBI - CHICAGO
SECURITY DIVISION

100-428091-1924

FEB 13 10 10 AM '52

19 FEB 15 1952

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Ingram _____
- Gandy _____

LTG:kmo
(8)

MAIL ROOM TELETYPE UNIT

EX 100

WGS
7-110

UNITED STATES GOVERNMENT

Memorandum

Tolson	_____
Belmont	_____
Mohr	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Malone	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Ingram	_____
Gandy	_____

TO : Mr. Conrad *[Signature]*

DATE: February 9, 1962

FROM : C. F. Downing

SUBJECT: SOLO
INTERNAL SECURITY-C

[Handwritten initials: B, J, etc.]

On 2/6/62, ASAC Donald E. Roney, New York Office, telephonically furnished the following plain language message which he requested we encipher.

FEB 5 RECEIVED YOUR ANSWERS ON SOBELL (repeat) SOBELL
OUR REPLY FORTHCOMING..

The cipher text of this message was furnished to ASAC Roney at approximately 10:15 A.M. on the same day. Copy of cipher text attached. Confirmatory letter and copy of work sheet being furnished New York separately.

It might be noted that the New York Office had been advised previously of the advisability of having the informant encipher his own messages. ASAC Roney stated that the informant was ill and not able to do so. The above was correlated with Supervisor Frederick F. Fox of the Domestic Intelligence Division.

ACTION:

For information.

Enclosure

- 1 - Mr. Belmont
- 2 - Mr. Sullivan (Attention: Mr. J. A. Sizoo, Mr. F. F. Fox)

[Handwritten: PWP:jke (8) jke]

[Handwritten: Am]

ENCLOSURE
[Handwritten: 89]

REC-3

[Handwritten: 100-428091-1925]

EX 101

25 FEB 14 1962

[Handwritten: 521]

50 FEB 21 1962
[Handwritten: FVX]

04435 15330 74099 91185 54943 90811 98163 23458 17261 31834
31769 67978 39027 04542 16263 52764 01465 44429 92168 58132

190-428071-
ENCLOSURE

190-428071-
ENCLOSURE

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 2/1/62

Johnson
FROM : SAC, NEW YORK (100-134637)

SUBJECT: SOLO
IS-C
(OO:CG)

ReBulet, 1/29/62, requesting the complete open code used in communications between the CPUSA and the CPSU.

Enclosed herewith for the Bureau and Chicago are three copies of the above-mentioned code. It is requested that Chicago make one copy available to CG 5824-S*.

For the information of the Bureau, CG 5824-S* and NY 694-S* do not have a permanent code system for communicating with each other when one or the other is on a SOLO mission. Before one or the other goes abroad, a code is prepared for use only during the trip made at that time.

100-134637-808 RB
2-Bureau (100-428091) (Encls. 3) (RM)
1-Chicago (134-46-Sub B) (SOLO) (Encls. 3) (RM)
1-NY 134-91 (INNY) (41)
1-NY 100-134637 (41)

ACB:ume
(5)

ENCLOSURE ATTACHED

REC-36
911-3
100-134637-1926

10 FEB 2 1962

4146
71 FEB 21 1962

ACORN
ASH
AXEL
BALL
BAND
BANK
BARK
BARKLEY
BASS
BAY
BEAL
BEACH
BIRCH
BIRD
BOG
BOOK
BOXER
BRIEFCASE
BUD
BULB
BURRO
BUSH
CAB
CABBY
CALF
CALF (MRS.)
CAP
CASE
CASHIER
CAST
COACH
COKE
COLT
CORN
COUSIN
COW
CREEK
DELTA
DOCK
DOVE
DRIVE
EAGLES
EEL
ELM
FAIR
FULL
GRASS
GULF
HAMLET
HIGH
HORN
HOTEL
HUB
INLET
KEG
LAKE
LAMB
LANE
LARK
LAST
LEAF
LOG

HERB APTHEKER
BY LIMER
PLENUM
CONVENTION
JIM ALLEN
CLAUDE LIGHTFOOT
BURT NELSON
CUBA
FETTIS PERRY
CZECHOSLOVAKIA
GUS HALL
CP MEMBER
ALBANIA
GIL GREEN
CPUSA-CPSU
FLOATING VISA
JACK STACHEL
CARL WINTER
SMITH ACT
WILLIE MacADORY
JIM TORNEY
BETTY GANNETT
ERIC BERT
EVELYN WEINER
ARRIVING, ARRIVED

LOW
LUGGAGE
MAPLE
MULE
NELL
NEST
NEW
OFFICE
ORCHID
OXEN
OWL
PAGE
PANE
PARK
PARKER
PEEBLE
PEEP
PERCH
PIER
PIKE
PILL
PINE
PLUM
POOL
POND
PONY
POTT
REEP
REFEREE
RESORT
RING
RIVER
ROCK
ROOT
RYE
SAND
SEA
SHORE
SOUND
SPRING
SPRUCE
STABLE
STAR
STEER
SUN
SURF
SWAN
TAG
TEAM
TIDE
TIDY
TRAINOR
TREAD
TULIP
TURF
TUSK
TWIG
VILLAGE
WEED
WHEAT

DEFENSE
VISA
JAMES JACKSON
McCARRAN ACT
HUNGARY
USSR
LEAVING, WILL LEAVE, LEFT
PRAGUE
DOROTHY HEALEY
SUPREME COURT
CONTROL COMM.
ALEX TRACHTENBERG
WORKER (THE)
JOHN APT
MARY KAUFMAN
MEXICO
PAUL ROBESON, JR.
SAM DAVIS
BRUSSELS
GEORGE MEYERS
ISADORE WOFSEY
MICKY LIMA
WM PATTERSON
WARSAW
CHINA
GENE DENNIS, JR
JACK KLING
HELSINKI
NATL COMM./CENTRAL COMM.
22ND CONGRESS
GEORGE MORRIS
BULGARIA
PUERTO RICO
WM Z FOSTER
ARNOLD JOHNSON
MANNY BLUM
LATIN AMERICA
E. GERMANY
SO. AMERICA
JACK BROOKS
BEN DAVIS
BOOK STORE
OFFICIAL, OFFICER
T. SANFORD
MED. TREATMENT OR REST
LENINGRAD
UNITED NATIONS
DESTINATION
MEMBERSHIP
WORK
NEB
PITTS ODELL
HELEN WINTERS
COPENHAGEN
KUSHCHEV
KUCHMAREK
LONDON
JOE NORTH
ROBERT THOMPSON

APT, JOHN
ALBANIA
ALBERTSON, BILL
ALLEN, JIM
APTHEKER, HERB
ARRIVING-ARRIVED
BART, PHIL
BLUM, MANNY
BOOK STORE
BRUSSELS
BULGARIA
CANADA
CHAKA, EDWARD
CHILDS, MORRIS
CHINA
CP MEMBER
CPUSA-CPSU
(?) CPUSA
CONTROL COMM.
CONVENTION
COPENHAGEN
CUBA
CZECHOSLOVAKIA
DAVIS, BEN
DAVIS, SAM
DEFENSE
DELEGATE
DENNIS, GENE, JR.
DENNIS, TIMMY
DEPART, DEPARTING,
DEPARTED
DESTINATION
E. GERMANY
EMBASSY
FLOATING VISA
FLINN, ELIZ GURLEY
FOSTER, WM Z
GANNETT, BETTY
GREEN, GIL
GREEN, JAKE
HALL, OUS
HEALEY, DOROTHY
HELSINKI
HUNGARY
IN. AFFAIRS COMM.
JACKSON, JAMES
JOHNSON, ARNOLD
KAUFMAN, MARY
KLING, JACK
KRUSHCHEV
KUSHCHEV, SAM
KUCHMAREK
LATIN AMERICA
LEAVING, WILL LEAVE,
LEAVE, LEFT
LENINGRAD
LIGHTFOOT, CLAUDE
LIMA, MICKY

PARK
BOG
LEAF
BARK
ACRON
CAP
CORN
CALF
KEG
SAND
STABLE
SPRING
PIER
RIVER
INLET
COKE
HUB
POND
LANE
BIRD
BOXER
COACH
OWL
BANK
TURF
BAY
BEACH
SPRUCE
PERCH
LOW
COUSIN
PONY
AXEL
LOG
TAG
SHORE
CASHIER
BRIEFCASE
GRASS
ROOT
GANNETT, BETTY
BOOK
HORN
BIRCH
ORCHID
BEEF
NELL
DOVE
MAPLE
RYE
PARKER
POTT
TUSK
BALL
CAST
SEA
NEW
SURF
BARLEY
PINE

LONDON
LIMER NY
McCARRAN ACT
MED. TREATMENT OR REST
MEMBERSHIP
MEXICO
MEYERS, GEORGE
MORRIS, GEORGE
MOSCOW
NAT'L COMM OR CENTRAL COMM
NEB
NEGRO
NELSON, BURT
NORTH, JOE
ODELL, PITTS
OFFICIAL, OFFICER
PARIS
PATTERSON, WM.
PEACE
PERRY, FETTIS
PLENUM
POLISH
POTASH, IRVING
PRAGUE
REGISTER
ROBESON, PAUL
ROBESON, PAUL, JR.
ROME
ROUMANIA
SANFORD, T
SO. AMERICA
SMITH ACT
STACHEL, JACK
SUPREME COURT
THOMPSON, ROBERT
TOOHEY, PAT
TORNEY, JIM
TRACHTENBERG, ALEX
22ND CONGRESS
UNITED NATIONS
VETERANS ABRAHAM BATTALION
VISA
WARSAW
WEINER, EVELYN
WEINSTONE, WILL
WEST, JIM
WINSTON, HENRY
WOFSEY, ISADORE
WORK
WORKER (THE)
YOUTH
YOUTH FESTIVAL
ZURICH

VILLAGE
ASH
LAKE
BUSH
MULE
SUN
TEAM
PEEBLE
PIKE
RINW
HOTEL
REFEREE
TRAINOR
HIGH
BASS
WEED
TREAD
STAR
HAMLET
PLUM
EEL
BEAL
BAND
GULF
ELM
OFFICE
DRIVE
LARK
PEEP
DOCK
CREEK
STEER
SOUND
BURRO
BUD
OXEN
WHEAT
COLT
CAB
PAGE
RESORT
SWAN
EAGLES
LUGGAGE
POOL
MRS. CALF
TWIG
CASE
LAST
BULB
TULIP
TIDE
PANE
FULL
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DELTA

b6
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BAND
BANK
BARK
BARKLEY
BASS
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BEAL
BEACH
BIRCH
BIRD
BOG
BOOK
BOXER
BRIEFCASE
BUD
BULB
BURRO
BUSH
CAB
CABBY
CALF
CALF (MRS.)
CAP
CASE
CASHIER
CAST
COACH
COKE
COLT
CORN
COUSIN
COW
CREEK
DELTA
DOCK
DOVE
DRIVE
EAGLES
EEL
ELM
FAIR
FULL
GRASS
GULF
HAMLET
HIGH
HORN
HOTEL
HUB
INLET
KEG
LAKE
LAMB
LANE
LARK
LAST
LEAF
LOG

HERB APTHEKER
BY LIMER
PLENUM
CONVENTION
JIM ALLEN
CLAUDE LIGHTFOOT
BURT NELSON
CUBA
FETTIS PERRY
CZECHOSLOVAKIA
GUS HALL
CP MEMBER
ALBANIA
GIL GREEN
CPUSA-CPSU
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JACK STACHEL
CARL WINTER
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WILLIE MacADORY
JIM TORNEY
BETTY GANNETT
ERIC BERT
EVELYN WEINER
ARRIVING, ARRIVED

LOW
LUGGAGE
MAPLE
MULE
NELL
NEST
NEW
OFFICE
ORCHID
OXEN
OWL
PAGE
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PARKER
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PONY
POTT
REEP
REFEREE
RESORT
RING
RIVER
ROCK
ROOT
RYE
SAND
SEA
SHORE
SOUND
SPRING
SPRUCE
STABLE
STAR
STEER
SUN
SURF
SWAN
TAG
TEAM
TIDE
TIDY
TRAINOR
TREAD
TULIP
TURF
TUSK
TWIG
VILLAGE
WEED
WHEAT

DEFENSE
VISA
JAMES JACKSON
McCARRAN ACT
HUNGARY
USSR
LEAVING, WILL LEAVE, LEFT
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DESTINATION
MEMBERSHIP
WORK
NEB
PITTS ODELL
HELEN WINTERS
COPENHAGEN
KRUSHCHEV
KUSHCHEV, SAM
KUCHMAREK
LONDON
JOE NORTH
ROBERT THOMPSON

APT, JOHN
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ALLEN, JIM
APTHEKER, HERB
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BART, PHIL
BLUM, MANNY
BOOK STORE
BRUSSELS
BULGARIA
CANADA
CHAKA, EDWARD
CHILDS, MORRIS
CHINA
CP MEMBER
CPUSA-CPSU
(?) CPUSA
CONTROL COMM.
CONVENTION
COPENHAGEN
CUBA
CZECHOSLOVAKIA
DAVIS, BEN
DAVIS, SAM
DEFENSE
DELEGATE
DENNIS, GENE, JR.
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DEPART, DEPARTING,
DEPARTED
DESTINATION
E. GERMANY
EMBASSY
FLOATING VISA
FLINN, ELIZ GURLEY
FOSTER, WM Z
GANNETT, BETTY
GREEN, GIL
GREEN, JAKE
HALL, OUS
HEALEY, DOROTHY
HELSINKI
HUNGARY
IN. AFFAIRS COMM.
JACKSON, JAMES
JOHNSON, ARNOLD
KAUFMAN, MARY
KLING, JACK
KRUSHCHEV
KUSHCHEV, SAM
KUCHMAREK
LATIN AMERICA
LEAVING, WILL LEAVE,
LEAVE, LEFT
LENINGRAD
LIGHTFOOT, CLAUDE
LIMA, MICKY

PARK
BOG
LEAF
BARK
ACRON
CAP
CORN
CALF
KEG
SAND
STABLE
SPRING
PIER
RIVER
INLET
COKE
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POND
LANE
BIRD
BOXER
COACH
OWL
BANK
TURF
BAY
BEACH
SPRUCE
PERCH
LOW
COUSIN
PONY
AXEL
LOG
TAG
SHORE
CASHIER
BRIEFCASE
GRASS
ROOT
GANNETT, BETTY
BOOK
HORN
BIRCH
ORCHID
BEEF
NELL
DOVE
MAPLE
RYE
PARKER
POTT
TUSK
BALL
CAST
SEA
NEW
SURF
BARLEY
PINE

LONDON
LIMER NY
McCARRAN ACT
MED. TREATMENT OR REST
MEMBERSHIP
MEXICO
MEYERS, GEORGE
MORRIS, GEORGE
MOSCOW
NAT'L COMM OR CENTRAL COMM
NEB
NEGRO
NELSON, BURT
NORTH, JOE
ODELL, PITTS
OFFICIAL, OFFICER
PARIS
PATTERSON, WM.
PEACE
PERRY, FETTIS
PLENUM
POLISH
POTASH, IRVING
PRAGUE
REGISTER
ROBESON, PAUL
ROBESON, PAUL, JR.
ROME
ROUMANIA
SANFORD, T
SO. AMERICA
SMITH ACT
STACHEL, JACK
SUPREME COURT
THOMPSON, ROBERT
TOOHEY, PAT
TORNEY, JIM
TRACHTENBERG, ALEX
22ND CONGRESS
UNITED NATIONS
VETERANS ABRAHAM BATTALION
VISA
WARSAW
WEINER, EVELYN
WEINSTONE, WILL
WEST, JIM
WINSTON, HENRY
WOFSEY, ISADORE
WORK
WORKER (THE)
YOUTH
YOUTH FESTIVAL
ZURICH

VILLAGE
ASH
LAKE
BUSH
MULE
SUN
TEAM
PEEBLE
PIKE
RINW
HOTEL
REFEREE
TRAINOR
HIGH
BASS
WEED
TREAD
STAR
HAMLET
PLUM
EEL
BEAL
BAND
GULF
ELM
OFFICE
DRIVE
LARK
PEEP
DOCK
CREEK
STEER
SOUND
BURRO
BUD
OXEN
WHEAT
COLT
CAB
PAGE
RESORT
SWAN
EAGLES
LUGGAGE
POOL
MRS. CALF
TWIG
CASE
LAST
BULB
TULIP
TIDE
PANE
FULL
LAMB
DELTA

F B I

Date: 2/9/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL REGISTERED
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	✓
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

TO : DIRECTOR, FBI (100-428091)
 FROM: SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C
 (OO: CG)

Handwritten signature

On instant date, NY 694-S* advised that approximately noon today, VALENTIN ALEKSANDROVICH ZAITSEV walked into his office. ZAITSEV made a superficial inspection of the entire office space occupied by the informant. This included looking over the company products, the telephone without dismantling it, the windows, and including a determination whether anybody can look into the office from neighboring buildings. He also looked over the various advertisements for the informant's products. It was a leisurely inspection, with a minimum of conversation.

Handwritten mark

ZAITSEV then took the informant to the stairwell. He informed the informant that he was very pleased with the automatic elevator system which he had used to go to the 20th floor. He then walked to the informant's office on the 17th floor by use of the stairwell. He told the informant that in the future, in connection with meets in the building requiring conversation, he would telephonically communicate with the informant first and the informant then should meet him in the stairwell. ZAITSEV also checked on the number of exists to the building. ZAITSEV indicated he was well satisfied with the result of his inspection.

- 3 - BUREAU (100-428091) (RM)
- 1 - CHICAGO (134-46-Sub B) (Info) (RM)
- 1 - NY 134-91 (INV) (41)
- 1 - NY 105-3571 (VALENTIN ALEKSANDROVICH ZAITSEV) (34)
- 1 - NY 100-134637 (41)

Handwritten signatures and initials

WTM:msb
(9)

Handwritten note: G. Wick

Approved: _____ Sent _____ M Per _____
 Special Agent in Charge

57 FEB 20 1962

UNITED STATES GOVERNMENT

Memorandum

Tolson	_____
Belmont	_____
Mohr	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Malone	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Ingram	_____
Gandy	_____

TO : Mr. W. C. Sullivan

DATE: February 13, 1962

FROM : Mr. F. J. Baumgardner

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

Referral/Direct



No problem is anticipated in making these changes since neither informant contemplates a trip abroad in the immediate future.

ACTION:

REC-36 100-428091-1928

We are following this matter and will keep you apprised of current developments.

100-428091

FEB 15 1962

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Mr. Baumgardner
- 1 - Mr. Branigan
- 1 - Mr. Gurley

LTG:skw(6)

FEB 20 1962

7146

Domestic Intelligence Division

INFORMATIVE NOTE

Date 2/12/62

Information that Soviets will protest against the McCarran Act to Attorney General Kennedy in every country in which he will travel on his current tour will be disseminated to Mr. O'Donnell at the White House, Secretary of State Rusk, CIA Director McCone, the Attorney General and Deputy Attorney General on 2/12/62. We are studying this information to see what else should be disseminated.

100-428091-1929

F B I

Date: 2/8/62

Mr. Tolson	✓
Mr. Belmont	✓
Mr. Mohr	✓
Mr. Callahan	✓
Mr. Conrad	✓
Mr. DeLoach	✓
Mr. Evans	✓
Mr. Malone	✓
Mr. Rosen	✓
Mr. Sullivan	✓
Mr. Tavel	✓
Mr. Trotter	✓
Tele. Room	✓
Mr. Ingram	✓
Miss Gandy	✓

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL _____
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (100-428091)
 FROM: SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C
 (OO:CG)

Bell's

On 2/8/62, NY 694-S* advised SA ALEXANDER C. BURLINSON as follows:

Pursuant to telephonic arrangements made previously with VALENTIN ZAITSEV, his new Soviet contact, NY 694-S*, at 7 p.m. on 2/7/62, met ZAITSEV in the vicinity of the Town House Restaurant in Queens, NYC, and proceeded with the latter, via subway and bus, to Hollis Blvd. and Grand Central Parkway. The informant and ZAITSEV entered a barroom in this area (the informant could not determine the name or address of the bar-room) and ordered a meal.

ZAITSEV, according to the informant, is a more friendly individual than was the former contact BARKOVSKY, but speaks very poor English. The informant, before beginning a discussion with ZAITSEV, handed the latter a package of gum in which was concealed microfilm containing messages for the Soviets. The messages were as follows:
 (1) A message in cipher that a Soviet message reflecting that the Soviet offer to provide "bail money" incidental to the parole of MORTON SOBELL and to provide funds for SOBELL's wife had been received; (2) memoranda in support of motions to set aside the judgment and sentence of MORTON SOBELL;

- 3-Bureau (100-428091) (RM)
- 1-Chicago (134-46-Sub B) (INFO) (RM)
- 1-NY 134-91 (INV.) (41)
- 1-NY 105-3571 (VALENTIN ALEKSANDROVICH ZAITSEV) (34)
- 1-NY 100-134637 (41)

REC-48
100-428091-1929

ACB:ume
(9)

Memorandum
2/13/62
20 FEB 1962

Approved: _____
Special Agent in Charge

Sent _____
M

57 FEB 23 1962

301-X3

Handwritten initials and stamps

NY 100-134637

(3) a document written by GUS HALL, evaluating, for the confidential information of the Central Committee of the CPSU, the KENNEDY administration; (4) a message, intended for transmittal by the Soviets to the CP of Cuba, that GEORGE MEANY will visit the Dominican Republic, in behalf of CIA and the State Department, to organize labor elements against Communist influences; (5) a message for the Cuban CP, to be transmitted via Moscow, that [redacted], expelled CPUSA functionary, had been CPUSA liaison with the Cuban CP, and that the CPUSA desired the CP of Cuba to be aware of this fact, and to advise the CPUSA who [redacted] contact in Cuba had been; (6) a statement received by the CPUSA from the CP of China, condemning "the brutal anti-Communist actions of the US Government, and supporting the just struggle of the Communist Party of the United States"; (7) a letter to CP functionary LEMENT HARRIS from ANNA LOUISE STRONG, presently in Peking, China, containing comments relative to the Chinese-Soviet dispute; (8) a request for information regarding the health of HENRY WINSTON, CPUSA functionary now in China; (9) a message reflecting that the CPUSA is collecting the files and records of deceased CP functionaries ROBERT MINOR and JAMES FORD, and that the CPUSA may request the CPSU to store such records for safekeeping.

b6
b7c

Wally
With the exception of the ANNA LOUISE STRONG letter, which the informant obtained from LEM HARRIS on 2/7/62, the Bureau has been previously advised regarding all other matters mentioned above. A copy of the STRONG letter will be furnished to the Bureau by separate communication. (Pursuant to instructions received from GUS HALL before the latter left for a trip to the West Coast, HARRIS delivered the STRONG letter to NY 694-S* for transmittal to the Soviets).

In addition to the above messages on microfilm, only one of which, as noted above, was ciphered, the informant furnished the following verbal information to ZAITSEV: The informant advised ZAITSEV that according to CP attorney ISADORE NEEDLEMAN, who had visited Premier CHEDDI JAGAN in British Guiana, JAGAN requested that the CPUSA ask the

NY 100-134637

Handwritten: Soviets to give JAGAN \$5,000 to set up a CP school for functionaries. (The Bureau has been advised regarding this matter).

ZAITSEV after receiving the above messages, and promising to expedite them to Moscow, inquired whether the informant had ascertained how much "bail money" SOBELL would need, and how much money Mrs. SOBELL needs. NY 694-S* explained that bail money is not required with respect to parole. He also told ZAITSEV that GUS HALL had said that he would contact Mrs. SOBELL in this regard, but as yet has not had an opportunity to do so.

ZAITSEV then stated that per instructions received from GUS HALL, HENRY WINSTON would remain as "a CPUSA cadre" in Moscow. WINSTON sent a request that GUS HALL take care of the financial requirements of WINSTON's family. The medical report from Moscow on WINSTON's condition was as follows: He has had 45 days of medical treatment, and, as a result, is much stronger. His vision, which had been 0.01 and is now 0.03, is slightly improved. He can now distinguish light from dark, and he can see forms. The tumor in his head has not spread.

After another 45 day period of treatment, WINSTON will travel throughout the USSR, for a period of a month. Returning from that trip, he will receive another 45 day period of treatment. If the results should be good, he thereafter will tour such countries as Poland, Romania, Hungary, Poland, etc.

With regard to VALENTINE GREGORY BURTAN, ZAITSEV said that the Soviets have no interest in him, that they would prefer that he not visit the Soviet Union, and that by reason of "the troubled political times," they would not provide him with "a floating visa." However, if HALL should insist, they would permit BURTAN to visit the Soviet Union as a tourist.

NY 100-134637

NY 694-S* told ZAITSEV that he could not deliver such a message to HALL, who would fly into a rage upon receipt of such a message. He explained to ZAITSEV BURTAN's previous operations in behalf of the Soviets and of the CPUSA. ZAITSEV said that in view of what NY 694-S* had said, he would recontact the Soviets in Moscow regarding the BURTAN matter. In the meantime he suggested that nothing be said to HALL about the message ZAITSEV had delivered to NY 694-S* regarding BURTAN.

ZAITSEV then inquired how the CPUSA intended to answer the Chinese cable criticizing the KENNEDY administration. The informant replied that it was his understanding that the CPUSA would make a polite acknowledgment of the cable, but would not engage in an open dispute with the Chinese regarding the issues involved. He stated that it was HALL's opinion that the CPUSA should not be the first outside Party to begin an open dispute with the Chinese. He told ZAITSEV that under no circumstances would HALL characterize the KENNEDY administration as fascist. ZAITSEV seemed pleased to hear this.

NY 694-S* then asked ZAITSEV when the Soviets would begin sending him messages in secret ink in care of the S.J. FELDMAN drop, (840 Columbus Ave., NYC). ZAITSEV merely said, "One of these days they will." NY 694-S* then told ZAITSEV that as yet he had not received from the Soviets an address of a drop to which he can send secret ink messages. ZAITSEV promised to bring this matter to the attention of the Soviets in Moscow.

bullet ZAITSEV told NY 694-S* that the Central Committee of the CPSU is about to notify the CPUSA that a vigorous campaign against the McCarran Act soon would be instituted in the Soviet Union. In that connection, the Soviet Union is taking steps to have protests against the McCarran Act made to Attorney General KENNEDY in every country in which he will travel on his current tour.

NY 100-134637

The discussion was terminated at this point, and ZAITSEV and the informant left the restaurant, going together by taxicab to 179th St. and Hillside Ave., where they departed. There was no conversation in the taxicab, according to NY 694-S*.

UNITED STATES GOVERNMENT

Memorandum

Tolson	_____
Belmont	_____
Mohr	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Malone	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Ingram	_____
Gandy	_____

TO : Mr. W. C. Sullivan *WCS*

DATE: February 13, 1962

FROM : Mr. F. J. Baumgardner *FJB*

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

FJB

New York airtel 2/8/62 set forth a contact on 2/7/62 between NY 694-S* and his Soviet contact Valentin Zaitsev, Counselor, Soviet Mission to the United Nations. Informant furnished Zaitsev various microfilmed communications from the Communist Party, USA (CPUSA), to the Communist Party, Soviet Union (CPSU).

Pertinent information in these communications had been appropriately disseminated previously except that information contained in a letter to CPUSA functionary Lement Harris from Anna Louise Strong, Red China apologist presently residing in Peking, China. A copy of this letter was received from New York by airtel 2/9/62 and pertinent portions thereof are being disseminated to Secretary of State Rusk, Central Intelligence Agency (CIA) Director McCone, the Attorney General and Deputy Attorney General under a "Top Secret" letter dated 2/14/62.

Information which Zaitsev furnished to informant concerning the physical condition of Henry Winston, Vice-Chairman, CPUSA, and his proposed travels throughout the Soviet Union, Poland, Rumania and Hungary is being disseminated to the Attorney General and Deputy Attorney General under "Top Secret" letter 2/14/62. Appropriate agencies have been advised previously that Winston remained in Russia after attending the 22nd Congress, CPSU, in October, 1961. Information which Zaitsev told informant about the Soviet Union taking steps to have protests against the McCarran Act made to Attorney General Robert F. Kennedy in every country in which he will travel on his current tour was sent by "Top Secret" letter to Presidential Assistant O'Donnell, Secretary of State Rusk, CIA Director McCone, the Attorney General and Deputy Attorney General on 2/12/62.

ACTION:

For information. The 2/14/62 letters are being sent through separately.

100-428091

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Mr. Evans
- 1 - Mr. Baumgardner
- 1 - Mr. Gurley

LTG:kmo
(6)

REC-48

100-428091-1930

25 FEB 19 1962

801-V

582

LHG J [unclear]

[Handwritten initials]

262
F146

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 2/7/62

J. J. [unclear]

FROM : SAC, NEW YORK (100-134637)

SUBJECT: SOLO
IS-C
(OO:CG)

ReBulet, 2/1/62 to Chicago, copy to NY, reflecting necessity of changing methods of communication between NY 694-S* and CG 5824-S* when one or the other is abroad.

This matter has been discussed with NY 694-S* on the basis that, from a security standpoint, periodic changes should be made in the communication system utilized by him and CG 5824-S*. He agreed that there should be no particular problem with respect to changing code names and the location of drops, including post office boxes, and limiting the use of such drops to essentials, as suggested by the Bureau.

Since, however, neither he or CG 5824-S* contemplate or anticipate any trips abroad in the immediate future, NY 694-S* believes that specific recommendations with respect to a change in the communication system should not be made until he and CG 5824-S* can thoroughly discuss this matter. As the Bureau is aware, CG 5824-S* is currently on the West Coast. UACB, the NYO will postpone making specific recommendations with regard to changing the present communication system pending a discussion of this matter by CG 5824-S* and NY 694-S*.

REC-1

EX-103

100-428091-1931

REC 208 KB

- 2-Bureau (100-428091) (RM)
- 1-Chicago (134-46-Sub B) (RM)
- 1-NY 134-91 (INV.) (41)
- 1-NY 100-134637 (41)

ACB:ume
(5)

[Handwritten initials and scribbles]

UNITED STATES GOVERNMENT

Memorandum

w

TO : DIRECTOR, FBI (100-423091)

DATE: 2/6/62

9-47/127

FROM : SAC, CHICAGO (134-46, Sub B)

SUBJECT: SOLO

ReBulet 2/1/62 concerning certain information regarding utilization of mail drops by CG 5824-S* and NY 694-S*, and requesting recommendations to be submitted to the Bureau by February 8, 1962.

The Bureau is aware CG 5824-S* is not available, being out of the city on the West Coast at the present time and his exact date of return is not known. It is known that he departed for Seattle to be with GUS HALL on February 5, 1962.

The questions raised involve a number of problems which must be discussed with this informant. Among these problems are the fact that certain mail box numbers have been given to contacts of the Chicago informant throughout the world and are being utilized at the present time. The question of changing post office boxes therefore is a complex one and will have to be worked out carefully with the informant.

As soon as this informant is available, these matters will be raised and appropriate recommendations furnished to the Bureau.

- 3 - Bureau (RM)
- 1 - New York (100-134637) (RM)
- 1 - Chicago

CNF:mec
(2)

80-11-10-30

100-423091-1932

FEB 6 1962

cl

[Handwritten initials]

100-428091-1933

CHANGED TO

100-3-81-9803

^{FNB}
MAR 16 1962

pd / NB

Est

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: February 23, 1962

FROM : SAC, CHICAGO (134-46, Sub B)

SUBJECT: SOLO
IS - C

ReCGairtel dated December 19, 1961, and enclosed letterhead memorandum captioned, "Information Concerning Meeting by Communist Party, USA Representative with Officials of the 'World Marxist Review,' Prague, Czechoslovakia, December 1, 1961."

Page two, first paragraph, of the enclosed letterhead memorandum notes that the "World Marxist Review" representatives had requested that a protest letter be prepared immediately regarding the imprisonment of HYMAN LUMER for publication in the "World Marxist Review" and that in accordance with such instructions, such a letter was prepared and signed with the name "MURPHY of Chicago."

In regard to the above, CG 5824-S* on February 19, 1962, provided SA RICHARD W. HANSEN with the January, 1962, issue of the "World Marxist Review," Vol. 5, #1. The source pointed out page 91 of this issue of the "World Marxist Review" carries the letter to the editor of the "World Marxist Review" referred to in reletterhead memo.

Two photostats of this item are enclosed herewith for the Bureau and one photostat for the New York Office.

The above information is being made available to the Bureau and New York in order that additional investigation might be avoided in connection with efforts to identify JOHN JAMES MURPHY, Chicago, Illinois, who is, in fact, CG 5824-S*.

2-Bureau (Enc. 2) (RM)
1-New York (100-134637) (Enc. 1) (Info) (RM)
1-Chicago

RWH:MDW
(4)

100-428091-1934

RES-42

100-428091-1934

2

100-428091-1934

WORKERS OF ALL COUNTRIES, UNITE!

WORLD MARXIST REVIEW

PROBLEMS
OF PEACE AND
SOCIALISM

JANUARY
1962

VOL. 5, NO. 1

35 CENTS

World Marxist Review:
Problems of Peace and Socialism
Theoretical and Information Journal
of Communist and Workers' Parties

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WORLD-MARXIST REVIEW: Problems of Peace and Socialism is the Canadian edition of the monthly journal published in Prague under the title: *Problems of Peace and Socialism*. The Canadian edition is published by

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authorities to hear the appeal immediately. To this they received the cynical reply: "The fact that the accused is a famous personality is of no importance; as far as we are concerned he is a prisoner and nothing more." In the event of his dying we shall consider the case closed and that will be the end.

It was not until August 1951 that action was taken on Siqueiros' appeal. But this, when it was taken, was a mockery of public opinion in our country and throughout the world. The judge supported the painter only in what related to editorial changes in the text of the court's decision on preliminary detention. In the main the charge remained in force.

The Siqueiros case is now drawing to an end. In September the prosecution upheld the charges against him and demanded a 15-year sentence. Soon the verdict will be pronounced, and the judge, no doubt, will do everything to please the government.

But it is not only the ruling circles who will decide the fate of Siqueiros and the other political prisoners. The court will have to heed the voice of the people.

Before sentence is passed on Siqueiros and the other accused we urge all people battling against the repression and persecution of democrats to redouble their efforts, which more than once have demonstrated their power and have yielded good results.

The immediate release of Siqueiros, the only living representative of the famous group of modern Mexican painters, is all the more essential because he is seriously ill and badly in need of care which cannot be provided by the prison medical service. But just as was the case with the heroic U.S. Communist leader Henry Winston, the Mexican gaolers claim that Siqueiros' illness "is not serious" and that he can be treated in the prison hospital. Yet his health is getting worse every day and is causing grave alarm.

To wrest Siqueiros from prison is an urgent task of the movement for democracy and culture, the duty of all democrats, of all men and women of science and culture in Mexico and throughout the world.

Gerardo UNZUETA,
member of the Political Commission,
Central Committee, Mexican Communist
Party

WHY WAS HYMAN LUMER ARRESTED?

ALL friends of freedom and democracy are shocked by the attitude of the U.S. government in using the fascist-type McCarran and Smith Acts against Communists. The rulers of America, who without blushing pose as the defenders of the "free world," are jailing the best sons and daughters of the American people.

Your readers will know the name of Dr. Hyman Lumer as a contributor to the journal. The September 1961 issue, for example, contained his article on the economic situation in the United States. Since November 8, Lumer and other comrades

have been in prison. He was sentenced to 18 months' imprisonment for "conspiracy," aimed at violating the ill-famed anti-labor Taft-Hartley Act. This law, used not only against Communists but also against all labor leaders, has been described as a "slave" law calculated to cripple the trade unions.

Democrats and forward-looking people everywhere are protesting against the victimization of the representatives of American Labor.

James MURPHY
Chicago, Illinois, USA

STOP THE LATEST WAVE OF TERROR IN IRAN

IN mid-October the police in Isfahan, a large industrial center of Iran, secretly arrested a group of 90 patriots. But it was only on November 8 that the Military Prosecutor's Office reported the arrests. Most of the arrested are workers, the rest intellectuals. This reactionary step of the government has touched off another wave of terror in the country.

The authorities are now busy engineering a noisy political trial. The Prosecutor's Office is circulating volumes of propaganda through the press and radio, raising a hue and cry. Without furnishing the slightest proof, the Military Prose-

cutor denounced the accused as "an instrument in foreign hands," charging that they had "set up a spy ring." On the basis of these absurd charges he demanded the death penalty for all.

The workers are charged with having held strikes which, the Prosecutor maintains, were incited by the People's (Tudeh) Party of Iran. It is common knowledge, however, that the people of Iran are in the grip of poverty. Industrial enterprises are being closed, the home market is inundated with foreign goods and prices are soaring. Compared with prewar, the price index has risen 17-fold. Work has been stopped on nearly

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 2/5/62

FROM : SAC, NEW YORK (100-134637 Sub A)

SUBJECT: SOLO
IS-C
(OO: CG)

Records of the NYO reflect that, as of 1/3/62, transactions in the Solo account reported by NY 694-S* since the date of the last accounting have been as follows:

Credit

On hand 1/1/62 \$206,333.00 ✓

Debit

To GUS HALL for use of CP National Office 1/3/62 5,000.00

To ISADORE NEEDLEMAN as depository for use of the CP Youth Movement 1/3/62 4,000.00

To GUS HALL for expenses incidental to trip to West Coast 2,000.00

Total Debit \$ 11,000.00
Balance \$195,333.00

Pursuant to Bureau instructions, the NYO, where consistent with security, is attempting to trace transfers of Solo funds. The result of said tracing investigation will be reported under the caption of the CPUSA functionaries to whom money from abroad has been transferred.

- ② 100-428091 (RM)
- 1 - Bureau (100-428091) (RM)
- 1 - Chicago (134-46 Sub F) (SOLO FUNDS) (INFO) (RM)
- 1 - NY (134-91) (INV) (41)
- 1 - NY (100-128861) (CPUSA - FUNDS-RESERVE FUNDS) (41)
- 1 - NY (100-134637 Sub A) (41)

ACB:mm1
(6)

*Memo prepared and reviewed
2/8/62 LTB: [unclear]*

FEB 1962

57 MAR 2 1962

100-428091-1935
INT. SEC. [unclear]

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: February 2, 1962

FROM : SAC, CHICAGO (134-46, Sub F)

SUBJECT: SOLO
IS-C

ReCGlet dated January 5, 1962.

Reference is made to Bulet dated May 4, 1960, instructing the Chicago Office to set out details of disbursements of funds in possession of CG 5824-S* and that such information be submitted to the Bureau by the fifth of the month following the month being reported.

Balance of funds in possession of
CG 5824-S* as of January 1, 1962

\$52,548.00

Additions

Partial repayment of \$200 loan by LENA SCHERER, New York City, which loan made July, 1961, by CG 5824-S* from Solo funds. (Original information concerning this loan set forth in CGlet dated August 2, 1961)..... 100.00

Disbursements

To JACK KLING on January 31, 1962, for payment in connection with purchase of 1,500 copies of book entitled, "The Case Against General Heusinger" made on instructions of GUS HALL for the CP, USA.....\$ 500.00

- 2-Bureau (RM)
- 1-New York (100-134637) (Info) (RM)
- 1-Chicago

RWH:MDW
(4)

100-428091-1936

20 FEB 5 1962

MAR 2 1962

CG 134-46, Sub F

Disbursements (Con't.)

To MORRIS CHILDS on January 31, 1962, for transfer to PEGGY DENNIS, San Francisco, California, as subsidy from CP, USA to finance the continuation of education for [redacted]

b6
b7c

[redacted] (Information regarding these funds furnished to Bureau, New York, San Francisco, and Milwaukee by CGairtel captioned, "CP, USA - Reserve Funds; IS - C" February 1, 1962).....\$2,000.00

To MORRIS CHILDS, January 31, 1962, as reimbursement for personal expense related to stay of GUS HALL in Chicago, January 8 to 16, 1962, to cover food, lodging, medical expense, and numerous other miscellaneous items..... 200.00

Total Disbursements.....\$2,700.00

Balance in possession of CG 5324-S* as of February 1, 1962

\$49,948.00

Pursuant to Bureau instructions, the Chicago Office, where feasible and consistent with security, will take steps necessary to attempt to trace transfers of Solo funds. Results of such tracing investigation will be reported under the caption of the CP member to whom such money has been transferred.

Domestic Intelligence Division

INFORMATIVE NOTE

Date 2-19-62

Date _____

These are comments of CG 5824-S* as result of Director's personal letter to informant and the presentation of \$1,000 to him, authorized by Director in Bulet to Chicago 2-9-62, at completion of SOLO Mission Ten.

DP
SPC *Q*

100-428091-1937

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 2/16/62

FROM : SAC, CHICAGO (134-46, Sub B)

SUBJECT: SOLO
IS-C

Mr. Tolson	
Mr. Belmont	
Mr. Mohr	
Mr. DeLoach	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

ReBulet 2/9/62.

On February 15, 1962, Inspector JAMES T. HAVERTY and I had personal contact with CG 5824-S* and delivered the Director's personal letter to him along with the incentive award of \$1,000 in recognition of continuing outstanding performance by this informant.

CG 5824-S* was most pleased and visibly moved in reading the Director's letter. He was particularly moved with the Director's remarks of a personal nature regarding his health and safety. He asked us to personally convey to you his thanks for your personal remarks and for your commendation concerning his efforts on behalf of the security of this country.

We spent considerable time with the informant discussing generally the experiences of the informant in Cuba and other countries, and we were most impressed by his continued loyalty and sincerity toward his objectives and in his admiration of the Director and the Bureau.

The Director's personal letter has been retained and will be placed in the file of the informant.

2 - Bureau (RM)
1 - Chicago

JHG:mec
(3)

REC-110 100-428091-1937

SEARCHED
SERIALIZED

FEB 17 1 10 PM '62

132

UNITED STATES GOVERNMENT

Memorandum

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Ingram _____
 Gandy _____

TO : Mr. F. J. Baumgardner *ffj* DATE: February 26, 1962

FROM : Mr. L. T. Gurley *ffj*

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

This memorandum outlines the material developed during Solo Mission 10 and will assist in locating pertinent data.

<u>Description</u>	<u>Location</u>
1. <u>ALBANIA</u>	
A. Relations between Albania and Czechoslovakia	100-428091-1626, 1700
B. Relations between CPSU and Albanian Party of Labor	1616, 1670
C. Albanian Party of Labor Congress of Youth (held late 10/61)	1668
2. <u>ALL SOVIET FEDERATION OF TRADE UNIONS, Dealings With Organized Trade-Union Movement in United States</u>	1783, 1786, 1787
3. <u>AMENDMENTS TO THE RULES OF THE CPSU-- Report Delivered to 22nd Congress by F. R. Kozlov, Secretary, Central Committee, CPSU</u>	1609
4. <u>BRAZIL</u>	
A. Greetings of CP to 22nd Congress, CPSU	1795
B. Brazil Today As Seen by Its Top Communist (Luis Carlos Prestes)	1746, 1780, 1805
5. <u>BROADCASTING SYSTEM IN EUROPE TO REACH ENGLISH-SPEAKING PEOPLES--Proposal for a Socialist</u>	1621, 1653, 1656 <u>100-428091-1938</u>

REC-45

100-428091

25 FEB 28 1962

1 - Mr. Baumgardner
1 - Mr. Gurley

LTG:km
(3)

ffj
L. T. Gurley

Memorandum to Mr. Baumgardner
RE: SOLO
100-428091

6. CANADA, Identity of CP Delegates to 22nd Congress 100-428091-1717
7. CHILE
- A. 40th Anniversary Celebration of CP 1793
 - B. 12th National Ordinary Congress of the CP 1794
8. COMMUNIST PARTY, USA
- A. Contact addresses of CP of Brazil 1777
 - B. Contact addresses of CP of Colombia 1779
 - C. Contact addresses of CP of Ecuador 1642
 - D. Contact addresses of CP of Mexico 1811
 - E. Procedure for Personal Contacts With CP of Mexico 1652
 - F. Request to CPSU for Financial Assistance 1744
 - G. Material Distributed at 22nd Congress By CPUSA 1677
9. CUBA--Soviet Interest in Identity of U. S. film makers who might be interested in preparing a documentary film on 1799
10. CYPRUS--10th Party Congress of Progressive Party of Cyprus Working People 1626, 1643
11. CZECHOSLOVAKIA--Relations Between China and Czechoslovakia 1662, 1674, 1729
12. DOCUMENTS DISTRIBUTED BY LATIN-AMERICAN COUNTRIES TO OTHER FRATERNAL DELEGATIONS AT 22nd CONGRESS 1763

Memorandum to Mr. Baumgardner
RE: SOLO
100-428091

13. ECONOMY MEASURES
A. Soviet Union 100-428091-1662, 1675, 1729
B. Czechoslovakia
14. EL SALVADOR
Documents furnished to CPUSA by CP of 1813
15. FLYNN, ELIZABETH GURLEY
Royalties for Material Written by Flynn 1633
in Soviet Union
16. FOSTER, WILLIAM Z.
A. Documentary film prepared by 1707
CPSU on
B. Statement on Death of by CP of 1631
Malaya
17. GERMANY--Socialist Unity Party 1759, 1792
18. GREAT BRITAIN
Identity of Fraternal Delegation to 1618
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19. HALL, GUS
A. Greetings of CPUSA to 22nd Congress 1601, 1666
from
B. Possible Visit to Russia, Inquiry by 1632
Russians re
20. HIGH LIGHTS OF SOLO MISSION 10 1620-1630
A. Berlin Question and Germany
B. Reaction to Interview With President
Kennedy
C. Failure of Summit Meeting
D. Balance of Power in USSR Today

Memorandum to Mr. Baumgardner
RE: SOLO
100-428091

100-428091-

- E. Cuba
 - F. Nuclear Testing by USSR
 - G. China
 - H. Economy measures in USSR and Soviet Bloc
 - I. CPUSA
21. HIGHER PARTY SCHOOL FOR INTERNATIONAL STUDENTS, MOSCOW, RUSSIA 1615
22. INDONESIA
Material furnished to CPUSA by CP of 1705, 1716
23. INTERNATIONAL ISSUES, Views of Soviet Officials on
- A. Appraisal of President Kennedy 1649, 1733, 1762
 - B. Cuba 1649, 1720, 1733
 - C. Sino-Soviet Relations 1649, 1721, 1733
24. KHRUSHCHEV, NIKITA S.
- A. Remarks Concerning Lavrenti Beria 1651, 1654, 1732
 - B. Remarks Concerning Berlin 1641, 1650
 - C. Remarks Concerning Nuclear Testing 1641, 1650
 - D. Report on CPSU Program 1603
 - E. Remarks Concerning Joseph Stalin 1651, 1654, 1732
25. LOG ACCOUNTING FOR TIME OF CG 5824-S* ON SOLO MISSION 10 1742
26. MEETING BETWEEN PRESIDENT KENNEDY AND PREMIER KHRUSHCHEV, Proposal of 1848, 1856, 1860, 1866
27. MEZHDUNARODNAJA KNIGA, Soviet official publishing and export company, Moscow 1773

Memorandum to Mr. Baumgardner
RE: SOLO
100-428091

100-428091-

28. MISCELLANEOUS

A.	ACOSTA SALAS, RAUL, Secretary General, CP of Peru, Campaign to Free	1818
B.	AMERICAN PRESS, Soviet Thesis on	1662, 1729
C.		1718
D.	BOOK, By V. KORIANOV, CPSU "Soviet Union and The United States Must Live in Peace"	1754
E.	BURTAN, VALENTINE GREGORY, DR.	1709
F.		1718, 1731, 1806, 1878, 1830
G.	FIELD, NOEL	1660
H.	HALPERIN, MAURICE HYMAN	1845, 1869
I.	HOFFA, JAMES	1783, 1786, 1787
J.	JEROME, VICTOR JEREMY (American citizen residing in Moscow)	1626
K.	KUZNETSOV, SEMA Technical Secretary, International Department, Central Committee, CPSU	1659, 1626
L.	KASUSTCHIK, DANIEL	1743
M.	MAIDANA, ANTONIO--CP of Paraguay-- Proposal to organize international solidarity campaign to effect release of	1715
N.	MEYERS, GEORGE	1676, 1629
O.	PALECKIS, JUSTAS President of Supreme Soviet of the Lithuanian SSR.	1839

b6
b7c

Memorandum to Mr. Baumgardner
RE: SOLO
100-428091

100-428091-

b6
b7c

P.	[REDACTED]	1751
Q.	[REDACTED]	1855
R.	STERN, ALFRED K.	1616, 1622, 1634, 1718, 1767
S.	STERN, MARTHA DODD	1616, 1622, 1634, 1718, 1767
T.	WEIR, JOHN (Moscow correspondent of "Canadian Tribune")	1748
29.	<u>OPINIONS, EVALUATIONS AND OBSERVATIONS OF CG 5824-S* CONCERNING 22ND CONGRESS AND RELATED DISCUSSIONS</u>	1741
30.	"PEOPLE'S WORLD," Agreement of CPSU to Accept 500 Subscriptions to	1725
31.	<u>PUERTO RICO</u> Cessation of Financial Aid to CP by USSR	1819
32.	<u>REVELATIONS BY SOVIET OFFICIALS CONCERNING</u> A. CP of Malaya B. CP of Japan C. CP of Indonesia D. Workers' Party of Vietnam E. Korean Party of Labor F. CP of China	1616, 1657
33.	<u>SECRET MESSAGES, TRAINING OF CG 5824-S* IN THE PREPARATION OF</u> A. Identity of Paul and Peter (Soviet nationals engaged in training CG 5824-S* in use of secret com- munications)	1695, 1770 1888

Memorandum to Mr. Baumgardner
RE: SOLO
100-428091

100-428091-

- B. Secret writing materials delivered by Russians 1739
34. SECRETARIAT, CPSU 1724
35. SOVIET HIERARCHY 1672
36. SUSLOV, MIKHAIL, First Secretary, Central Committee, CPSU (to be eased into position of less importance) 1617, 1658, 1704
37. UNIVERSITY FOR FOREIGN STUDENTS, PRAGUE, CZECHOSLOVAKIA--Formation of a new 1840
38. UNIVERSITY OF CHICAGO, Student Delegation to USSR from 1638
39. VIETNAM 1701, 1710
- Statement of the Democratic Republic of Vietnam on U. S. Aggressive Plans in South Vietnam
40. "THE WORKER" 1745
- Agreement of Czechoslovakia to Order 500 Subscriptions
41. WORLD FEDERATION OF TRADE UNIONS, Meeting of Leather and Textile Section, Budapest, Hungary, 5/15/62. 1781
42. WORLD YOUTH FESTIVAL, Helsinki, Finland 7/27-8/5/62 1625
43. YOUTH, Communist Interest in 1625, 1703

ACTION:

None. File for record purposes.

L.S. 7

DIRECTOR, FBI (65-65405)

2/23/62

SAC, NEW YORK (65-17696)

TRACING OF AMERICAN MONEY USED
BY SOVIETS IN ESPIONAGE OPERATIONS
ESP - R
(OO: NY)

ReNYlet of 12/27/61, which dealt with financial transactions of [redacted] CP Headquarters, NY.

This communication will deal with subsequent financial transactions of [redacted]

[redacted] CP Headquarters, NYC, on 12/14/61, visited the CHEMICAL BANK, New York Trust Co., 28th St., and Broadway, NYC, and presented 32 \$20.00 notes and 1 \$10.00 note in payment for Money Orders #25875, 25877, 25878. (Total - \$650.00).

Comparison of the above notes against those of CP and Soviet-bloc espionage recoveries maintained in the index in captioned case reflected the following:

Thirty of the total of thirty two \$20.00 notes presented to the bank had been received from the Soviets by NY 694-S* on 10/23/61.

On the same date of 12/14/61, an unknown female subsequently identified as [redacted] visited the same bank and presented 33 \$20.00 notes for conversion to notes of a smaller denomination. (Total - \$660.00).

Comparison of the 33 notes against the index reflected the following:

- 4-Bureau (65-65405)
 - (1-100-428091) (SOLO)
 - (1-100-3-63) (CPUSA FUNDS)
 - 1-New York (100-134637) (SOLO)
 - 1-New York (100-74560) (CPUSA FUNDS) (415)
 - 1-New York (100-8033) [redacted]
 - 1-New York (65-17696)
- RLP:mbk/rmv
(8)

NOT RECORDED
87 FEB 27 1962

61 MAR 3 1962

SEARCHED INDEXED SERIALIZED FILED

NY 65-17696

b6
b7c

Thirty two of the total of thirty three notes had been received from the Soviets by NY 694-S* on 10/23/61.

On 12/15/61, [] again visited the same bank and presented 1 \$50.00 note; 9 \$20.00 notes; 16 \$10.00 notes and 1 \$5.00 note (total - \$395.00) in payment for Money Orders #25906 and 25907. (Total - \$395.00).

Comparison of the above notes against the index reflected the following:

Nine of the total of nine \$20.00 notes had been received from the Soviets by NY 694-S* on 10/23/61.

// On another occasion, she presented 21 \$20.00 notes for conversion to notes of smaller denominations. (total \$420).

Comparison of the above noted against the index reflected the following:

Twenty of the total of twenty one notes had been received from the Soviets by NY 694-S* on 10/23/61.

On 12/22/61, [] again visited the bank and in payment for Money Orders #26195 and 26181 presented 1 \$10.00 note and 2 \$100.00 notes. (Total \$210.00).

Comparison of the above notes against the index failed to effect an identification.

83

F B I

Date: 2/23/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL REGISTERED MAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46, Sub B)

6 SOLO
IS - C

ReBulet dated 1/29/62 and NYlet dated 2/1/62.

As pointed out in reNYlet and confirmed by CG 5824-S*, CG 5824-S* and NY 694-S* do not maintain a permanent code system for communication with each other when one or the other is participating in a Solo mission. However, when one of such individuals does go abroad and feels the need for such a code, one is prepared for use in connection with that specific mission. For example, a complete set of code words was established in connection with the eighth Solo mission which was listed in CGairtel dated 6/21/61. *g+h - SW #1331*

No other code exists other than that which was furnished by NY to the Bureau with reNYlet.

GALE

100808 RB
3-Bureau (RM)
1-New York (100-134637) (Info) (RM)
1-Chicago

REC-45

100-428091 1939

RWH:MDW
(5)

EX-113

13 FEB 26 1962

28

[Signature]
Wick

68 MAR 5 1962

Approved: *[Signature]*
Special Agent in Charge

Sent _____

[Handwritten initials]
M
Per *[Signature]*
JAN 2 1962

F B I

Date: 3/2/62

- Mr. Tolson _____
- Mr. Belmont _____
- Mr. Mohr _____
- Mr. Callahan _____
- Mr. Conrad _____
- Mr. DeLoach _____
- Mr. Evans _____
- Mr. Malone _____
- Mr. Rosen _____
- Mr. Sullivan _____
- Mr. Tavel _____
- Mr. Trotter _____
- Tele. Room _____
- Mr. Ingram _____
- Miss Gandy _____

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL REGISTERED MAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46, Sub B)

SOLO
IS - C

ReCGairtel 1/11/62 concerning status of investigation concerning "Unknown Subject, white male, observed at Bolshoi Theatre, Moscow, Russia, November, 1960" and Bu O-1 dated 2/27/62.

CG 5824-S* advised SA RICHARD W. HANSEN on 3/2/62 that no new information had been developed by him which might assist in identifying the unsub observed at the Bolshoi Theatre, Moscow, in 11/60. As CG 5824-S* noted previously, probably the only logical person he knows who might shed some light on this matter is TIM BUCK, former General Secretary and now Chairman, CP of Canada. Since CG 5824-S* does not contemplate any travel to Canada and because the Bureau has requested that CG 5824-S* undergo no Canadian travel, there is little likelihood of contact with BUCK in the near future on this matter. However, CG 5824-S* will remain alert to this particular matter and advise the Bureau of any information that might assist in resolving this matter.

CG is following this matter with CG 5824-S* on a 90-day tickler basis.

3-Bureau (RM)
1-Chicago
RWH:MDW
(4)

1cc 808 RWH

GALE

100-428091-1940

25 MAR 6 1962

C. C. Wick

57 MAR 9 1962
Special Agent in Charge

Sent _____ M Per _____

1 - Mr. Fox
1 - Mr. Donohue

SAC, New York (100-134637)

February 27, 1962

Director, FBI (100-428091) - 1941

SOLO
IS-C

Reurlet 2-20-62 in which you advised that you have considered obtaining additional space in a building other than 50 Broad Street where informant can perform clandestine work. You concluded that this second office would present a minimum risk at 50 Broad Street as opposed to another location.

The Bureau is still of the opinion that this additional space should be obtained by the informant in a building other than 50 Broad Street where he now has a legitimate cover office and which office is known to his Soviet contacts. Bureau also feels that this space for his clandestine work should not be obtained by a Bureau Agent but should be obtained by the informant either under his own name or a fictitious name and his clandestine office should not be visited by Bureau Agents. You should, therefore, continue your efforts to find appropriate space in another building other than 50 Broad Street.

According to relet, you do not feel that it is necessary or will be necessary to advise the Soviet contact or Gus Hall of this additional office, but if forced by the Soviet or Hall to reveal where informant is doing his clandestine work, the informant has a ready answer in advising them that he is doing the work in Room 221C, 401 Broadway. The latter space has been rented by informant under an assumed name having no FBI connection for storage of CP records and the existence of the office is known to Gus Hall. According to relet, if the need arises, you plan to explain to Hall or the Soviet contact that the clandestine work is being done at 401 Broadway. The Bureau has no objection to the informant actually using this space for the clandestine work. The informant should make certain that before he performs any such work that he is free of any surveillance and any materials which must be maintained at 401 Broadway should be kept in a secure manner.

JDD:had
(5)

SEE NOTE ON YELLOW, PAGE 2.

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Ingram _____
- Gandy _____

MAIL ROOM TELETYPE UNIT

FEB 27 1962
COMM-FBI

Let to New York
RE: SOLO
100-423091

NOTE ON YELLOW:

During the 9th Solo mission, NY 694-S attended in Moscow, Russia, for 8 days a "secret service school" where he took an intensified course in microfilming, invisible inks and codes and ciphers. The purpose of this training was to improve informant's operations with Vladimir Barkovsky, the Soviet UN official in New York City with whom NY 694-S and CG 5824-S were in contact. The Soviets subsequently furnished secret writing material and codes and ciphers. Barkovsky has since been replaced by Zaitsev and, according to New York Office, the necessary processing of this material has been done by the New York Office as informant does not feel it should be done at his home. New York has recommended office space on the tenth floor at 50 Broad Street, where informant now has a legitimate cover office, be obtained for his clandestine work. This is obviously convenient for the informant but it does not appear to be a secure arrangement for informant to be going from one office to another in the same building, especially since the Soviet contact is fully aware of the present legitimate office. New York is being instructed to locate another office but not at 50 Broad Street and there is no objection in the meantime to informant using the space at 401 Broadway for clandestine work as long as he maintains security. The space at 401 Broadway was obtained by informant to store CP records and since informant felt he could not ask the Party to pay the rent, the Bureau has authorized \$52.50 per month for the space and it appears this space, at least temporarily, can also be used by informant for his clandestine work.

FBI - NEW YORK
REC'D - [unclear]
FEB 22 15 00 [unclear]

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 2/20/62

FROM : SAC, NEW YORK (100-134637)

SUBJECT: SOLO,
IS-C

ReBulet 2/16/62.

With reference to the Bureau's inquiry as to the present location of the informant's office, please be advised that NYlet of 8/18/61 was erroneous to the extent that it should have stated that the informant moved from Suite 2043 to Suite 1725 rather than vice versa. At the present time, the informant's office is located in Suite 1725. Appropriate personnel have been charged with form error.

Bureau requested to be advised if we had considered obtaining additional space in a nearby office building rather than the building where NY 694-S* has his cover office. Very serious consideration was given to this matter and it was fully discussed with NY 694-S*. One of several reasons for the issue arising involving the obtaining of additional office space was the question of a possible investigation of NY 694-S* by another agency or the enemy. Informant has been much concerned about this possibility. In order to resolve as many problems as possible in connection with additional office space, it was deemed advisable to include this problem in considering the location of such an office.

With reference to such a possibility of investigation by someone else, the question of surveillance must be of prime consideration. Although the informant is most adept at cleaning himself, we cannot lose sight of the fact that it still could be possible to maintain a surveillance without the informant's knowledge. This is particularly true involving a street surveillance. The informant could possibly be traced under these conditions to his present office location.

(2 - BUREAU (RM)
1 - NEW YORK (#41)

WTM:DJG
(3)

REC-8

100-428091 1941

12 FEB 21 1962

[Handwritten initials and scribbles]

[Handwritten signatures and stamps]

20-01-100

Letter to Director
NY 100-134637

Because of this and other reasons and as the Bureau concurs, it was not deemed advisable to maintain highly confidential material in his present office space. Of utmost importance is to prevent anybody from tracing the informant to another office where confidential items are maintained. Without question, attempting to surveill an individual within the confines of a building is one of the most difficult surveillances possible. The calculated risk in such a surveillance is practically nil. Therefore, under this assumption, it was believed that if the informant had been under surveillance to the building, such a surveillance could not be continued within the building and, therefore, he would be relatively safe by having another office within the confines of the same building. If on the other hand, the office was located in another building, then there would be no more security than there was originally. In fact, there would be much less security since he could again be picked up on surveillance as he left the building to go to another building. These factors must be considered in the light of the possibility that he could be identified as a clandestine operator by people within the building.

As was pointed out in NYlet of 2/7/62, this building has automatic elevators available to the informant with no operators thereon. There are two stairwells which are available to the informant. The informant could very easily, with a minimum possibility of detection, take the elevator to the 11th floor and then walk to the floor below via the stairwell to the new office. Further, since he has an office on the 17th floor, when he goes to take the automatic elevator and if for any reason decides not to take it, due to someone being in the corridor, and returns to his office, it would not appear to be unusual. Further, with the automatic elevator he at any point en route down could designate another floor and get off. Char force women are not operating in the building during the daytime. If, while walking down the stairway, he is observed, there is no reason why he would have to stop off on the 10th floor.

Letter to Director
NY 100-134637

It is readily agreed that there is a calculated risk as there is in any and all such operations. It is felt that our job is to reduce that calculated risk to a very minimum. It is the considered opinion of the New York Office, as well as the informant, that this would be reduced to an absolute minimum if this office were located in the same building. None of these advantages would be available if his office were in another building.

Reference is made to the Bureau's objection to the office being rented by a Special Agent, using his home address for rental purposes. The Bureau points out that it may eventually be necessary to tell the Russian contact where he is doing his clandestine work and that it would be better for the informant to obtain this additional space either in his own name or the name of a fictitious person. This matter also was given very serious consideration. Referring to the previous paragraph, it will be noted that one thing that the NYO considers paramount, that this new office not be traced to the informant. As far as it being necessary to advise the Russian contact where the work is being done, this appears doubtful, but assuming that it will be necessary at some time, it is not felt that this would have any effect on the proposed plan. Obviously, the Russians do not have access to the building records. Further, it would be necessary for the Russian to go through our sources in order to obtain any information. Appropriate arrangements could be made whereby this would be blocked. Therefore, the most that the Russians could find out is that he is maintaining another office. If this were the case, then we would be in the same position as we were if the informant advised him of the location of the operation where he is doing his clandestine work. In either event, the security of the operation is not jeopardized. On the other hand, assuming that an outside agency made an attempt to obtain the records, our source could block this attempt and we would be advised. If by chance there was a slip up where they were able to obtain the records the most they could do would be to trace the operation to the FBI. In such an event, which would appear to be improbable, it is felt that the matter could be handled by either the Bureau or the NYO.

Letter to Director
NY 100-134637

If it is agreed that the office should not be rented by the informant, and in order to avoid unnecessary inquiry within the management of the office, it is strongly felt that the best security lies in the agent renting the premises under an assumed company name by the use of his own name as the rentor giving his home address. In this fashion, the rental can be handled very smoothly without any unnecessary inquisitiveness or inquiry and without the record showing any FBI connection. Therefore, considering all the risks involved, the NYO still concludes that the least calculated risk involves the rental of these premises under a fictitious company name by an agent using his own name and home address.

The Bureau points out that using this office as a meeting place between the agent and informant is not satisfactory and that the informant must do his own work. It is desired to point out to the Bureau that in connection with the rental of additional office space, it is to the advantage of the Bureau and the NYO to use this office for the purpose of creating the best security conditions possible. The Bureau is well aware of the manner in which meets are made with the informant. These are done on the street, in hotel rooms, in an apartment, etc. There has been adequate security in this regard in the past but we are not prepared to say that security could not be improved. With this thought in mind, the NYO felt that if the office were located in the same building and rented under the suggested plan, it would be one of the most secure places where such meetings could be held. From a practical standpoint, it does not mean that all meetings are actually held in this office. It does on the other hand provide a space whereby when the informant has material to turn over to the agent, he can deposit this material in a safe in this office and an agent could later pick up the material with full security. This would be particularly true in connection with the transfer of money. It has been our experience that in most instances, the Russian leaves this money with the informant at his office. Under current arrangements, it is necessary for the informant to carry as much as \$150,000 out on the street in order to transfer same to the agent. Certainly any improvement possible in this line of communication would be desirable. An office located in the same building would solve this problem. In addition, the Bureau has already

Letter to Director
NY 100-134637

volunteered to assist the informant in connection with the handling of enciphering. Further, it would be most desirable if Bureau Laboratory representatives were on hand when secret ink communications are utilized and processed. Again such an office space would be highly desirable. Therefore, the NYO feels that if the office were rented under the conditions set out above, the contacting agent should be permitted to meet the informant in that office; pick up material left by the informant in that office and finally for Bureau Laboratory men to assist the informant in that office when the occasion arises. The NYO sees no reason why the use of that office should be limited to the informant.

With reference to the cost of this additional space, the informant has advised that he still feels that it would not be to the benefit of the operation to make an issue relative to its payment by either the Russian or the CP. He states, nevertheless, that if the Bureau feels strongly on that point and can see no harm being done to the operation, he will talk to the Russian contact and GUS HALL regarding this matter. With reference to the opinion of the NYO, it is realized that monetary consideration is not involved in the Bureau's suggestion, in view of the importance of this operation as compared to the expenditure of \$78.00 per month. The only question as we see it is the security aspect involved in the failure to ask the Russian for the money. On a previous occasion, the informant got nowhere when he asked for payment. There is no reason to believe that the situation has changed, merely by reason of a change in contact. By asking the Russian or GUS HALL, he is inviting attention to the location of another office, the whereabouts of which they would not otherwise be familiar. If the informant were forced by the Russians or GUS HALL to reveal where he is doing his clandestine work, the informant has a ready answer in advising them that he is doing this work in Room 2218, at 401 Broadway, which office space has been rented by the informant under an assumed name having no FBI connection and the existence of which office is already known to GUS HALL. As the Bureau is aware, this location is utilized for the storage of CP records. Therefore, considering all aspects of this question, the NYO recommends against the informant again bringing up this question at this time.

Letter to Director
NY 100-134637

In conclusion, the Bureau is advised that this matter has again been discussed with NY 694-S* and the informant advises that if the Bureau is adamant against the above plan, that he will do his clandestine work in Room 2218 at 401 Broadway. For the various reasons, previously mentioned, the NYO feels that the security risk is much greater at this office than it would be at the suggested place. On the other hand, it would offer as much security as an office in any other building which could be rented. If the Bureau will not authorize rental of the office space as requested in reflet, it is the NYO recommendation under those conditions that Room 2218 at 401 Broadway be utilized for such purposes. The informant stated that he will keep his coded material locked up at home in that event.

The Bureau's attention is also called to the fact that it has been necessary to release the management of 50 Broad Street from holding the room on the 10th floor. It is unknown if this space can be obtained in the future. There is a possibility that they will not be able to rent this room within the next 2 or 3 weeks and, therefore, the Bureau is requested to give expedite consideration to this decision, as otherwise all these questions will be academic.

1 - Mr. Fox

SAC, Chicago (134-46 Sub B)

March 7, 1962

IC-8

Director, FBI (100-423091)-1942-

SOLO
INTERNAL SECURITY - C

Reurlet 2/23/62.

Returned herewith for your file are the negatives (four) of photographs of Elizabeth Gurley Flynn, George Meyers, James Jackson and Henry Winston.

Enclosures (4)

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Rm. _____
- Ingram _____
- Gandy _____

FFF:kmo
(4)

SEARCHED
SERIALIZED
INDEXED

MAIL ROOM TELETYPE UNIT

7

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: February 23, 1962

FROM : SAC, CHICAGO (134-46, Sub B)

SUBJECT: SOLO
IS - C

ReBulet dated February 14, 1962.

ReBulet requested Chicago to forward to the Bureau the negatives of photographs of ELIZABETH GURLEY FLYNN, GEORGE MEYERS, JAMES JACKSON, and HENRY WINSTON which had been furnished to the Bureau as enclosures to CGairtel of January 3, 1962.

Enclosed herewith for the Bureau are the negatives of the above-noted photographs which were prepared from original photographs provided Chicago by CG 5824-S* on December 11, 1961.

As noted in CGairtel of January 3, 1962, the original photographs had been taken by an official Communist Party of the Soviet Union (CPSU) photographer assigned to the 22nd Congress, CPSU, and represented the official fraternal delegates' identification photographs.

Knowledge regarding the fact that such photographs were made was limited to the delegates in attendance at the Congress and CG 5824-S* was the only member of the Communist Party, USA (CP, USA) fraternal delegation, to his knowledge, furnished with a set of photographs of the American delegation. Therefore, as was pointed out in CGairtel, these photographs should not be disseminated outside the Bureau or utilized in connection with any investigative matter since to do so would jeopardize this highly placed source.

2-Bureau (Enc. 4) (RM)
1-Chicago

RWH:MDW
(3)

100-428091-1942
3-7
[Handwritten initials and marks]

UNITED STATES GOVERNMENT
MEMORANDUM

TO : DIRECTOR, FBI (65-65405)
FROM : SAC, NEW YORK (65-17696)
SUBJECT: TRACING OF AMERICAN MONEY
USED BY SOVIETS IN
ESPIONAGE OPERATIONS
ESPIONAGE - R
(OO: NY)

DATE: 3/7/62

Re NY letter 2/21/62, captioned, "MORTIMER
DANIEL RUBIN; IS-C."

It has previously been reported that the CPUSA,
through ISADORE NEEDLEMAN, would provide DANIEL RUBIN with
\$1,000.00 a month for use in CP Youth work. Referenced
letter reported that on 2/13/62, RUBIN visited NEEDLEMAN
and later the same date, a cash deposit of \$955.71, was
made to the account of Youth Publications, Inc., at the
Amalgamated Bank of New York, 11-15 Union Square, NYC.
This deposit consisted of 47 \$20.00 notes, 1 \$10.00 note
and 1 \$5.00 note.

7-Bureau (65-65405) (RM)
(1-100-433843) (YOUTH PUBLICATIONS)
(1-65-60544) (DANIEL RUBIN)
(1-100-3-76) (CPUSA - YOUTH MATTERS)
(1-100-3-63) (CPUSA - FUNDS)
(1-100-428091) (SOLO)
1-New York (100-134537) (SOLO) (41)
1-New York (100-141893) (YOUTH PUBLICATIONS) (415)
1-New York (100-128255) (DANIEL RUBIN) (415)
1-New York (100-74560) (CPUSA - FUNDS) (415)
1-New York (100-128804) (CPUSA - YOUTH MATTERS) (415)
1-New York (100-78633) (ISADORE NEEDLEMAN) (33)
1-New York (65-17696) (33)

RLP:rmv
(14)

100-428091 -
NOT RECORDED
201 MAR 8 1962

57 MAR 22 1962

ORIGINAL FILED IN
65-65405-306

NY 65-17696

Comparison of the 1 \$10.00 note and the 1 \$5.00 note against the index of CP and Soviet-bloc espionage money maintained in captioned case, failed to effect an identification.

When the \$20.00 notes were compared against the index, 46 notes out of the total of 47 were shown to be identical with \$20.00 notes received on 6/10/61, by NY 694-S* for use of the CPUSA.

Information concerning comparison against the index is not to be set forth in report form or dissemination memorandum without Bureau authority.

DIRECTOR, FBI (65-65405)

3/1/62

SAC, NEW YORK (65-17696)

TRACING OF AMERICAN MONEY
USED BY SOVIETS IN ESPIONAGE
OPERATIONS
ESPIONAGE - R
(OO: NY)

b6
b7c

NR

As the Bureau is aware, [redacted] CP Headquarters, NY, purchased the following money orders on 2/21/62, at the Chemical Bank, New York Trust Co., NYC:

<u>Money Order Number</u>	<u>Amount</u>
28360	\$250.00
28361	142.53
28362	90.00

303

[redacted] paid for the above money orders with 25 \$20.00 notes.

The \$20.00 notes, when compared against the index of CP and Soviet-bloc espionage money maintained in captioned case, reflected the following:

The entire total of 25 \$20.00 notes were identical with notes previously received by NY 694-S* from the Soviets on 10/23/61, for use of the CPUSA.

Information concerning comparison against the index is not to be set forth in report form or dissemination memorandum without Bureau authority.

ORIGINAL FILED IN

- 4-Bureau (65-65405) (RM)
- 1-100-3-63 (CPUSA FUNDS)
- 1-100-428091 (SOLO)
- 1-New York (100-134537) (SOLO) (43)
- 1-New York (100-8033) [redacted] (424)
- 1-New York (100-74560) (CPUSA - FUNDS) (415)
- 1-New York (65-17696)

NOT RECORDED
201 MAR 5 1962

RLP:rmv
(8)

MAR 8 1962 307

1 - Mr. Gurley

SAC, New York (100-134637 Sub A)

March 9, 1962

Director, FBI (100-428091)

SOLO
INTERNAL SECURITY - C

Re New York letter 3/2/62 and Chicago airtel 3/5/62 setting forth transactions in the Solo accounts during February, 1962.

Page two of referenced Chicago airtel sets forth expenditures of CG 5824-S* on 2/12/62 and 2/23/62 in the amounts of \$50 and \$70, respectively, in connection with public source material mailed on behalf of CG 5824-S* to the Communist Party (CP), Soviet Union. The Bureau is, of course, desirous of knowing the specific nature of this material, as well as the return address used for this material (whether or not the return address is that previously used by our informant), and whether or not any of this material was in the handwriting of the informant. In this regard, Chicago is again referred to Bulet of 2/1/62 concerning correspondence between CG 5324-S* and NY 694-S* and the Soviet Union.

Referenced New York letter and Chicago airtel, as well as previous communications from these offices, reveal that results of the tracing of Solo funds will be reported under the caption of the CP member to whom such money has been transferred. In the future, it is desired that the actual tracing of Solo funds not be set forth in the body of a report on these individuals. Report the tracing of these funds under "Solo (Tracing of Solo Funds), IS - C."

Each office is also requested to advise whether or not the serial number is recorded by informant of Solo funds furnished to various individuals for the use of the CP, USA. It is felt that this is desirable in order to maintain the chain of evidence and should be done in all instances where feasible and possible.

FBI - CHICAGO
REC'D - 3/11/62

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Ingram _____
- Gandy _____

2 - Chicago (134-46 Sub F)

LTG:kmo
(6)

MAILED 20
MAR - 8 1962
COMM-FBI

REC-14

19 MAR 9 1962

60 MAR 15 1962

MAIL ROOM TELETYPE UNIT

11-1943
Handwritten initials and signatures

F B I

Date: 3/5/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL REGISTERED MAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46, Sub B)

SOLO
IS - C

b6
b7c

Remyairtel dated 12/18/61 enclosing an informant's statement captioned, "Information Concerning Communications Prepared by [redacted] and Wife, Former Americans, Residing in Prague, Czechoslovakia."

Enclosed herewith for the Bureau are three copies and for the New York Office one copy of an informant's statement relating to the above-referred matter captioned, "Information Concerning a Communication Prepared by [redacted] Former American, Prague, Czechoslovakia, for Transmittal to [redacted] Valley Spring, New York."

The information appearing in the enclosed informant's statement was orally furnished on 3/3/62 by CG 5824-S*, who has furnished reliable information in the past, to SA RICHARD W. HANSEN.

GALE

- ③-Bureau (Enc. 3) (RM)
- 1-New York (100-134637) (Enc. 1) (Info) (RM)
- 1-Chicago

RWH:MDW
(5)

REC-23

EX-107

Approved: [Signature]
Special Agent in Charge

Sent [Signature] M Per _____

[Handwritten notes and signatures]
100-428091-19443701

U.S. Czech

INFORMATION CONCERNING A COMMUNICATION PREPARED
BY [REDACTED] FORMER AMERICAN, PRAGUE,
CZECHOSLOVAKIA, FOR TRANSMITTAL TO [REDACTED]
[REDACTED] VALLEY SPRING, NEW YORK [REDACTED]

b6
b7c

It will be recalled that in early December, 1961, a meeting was held with [REDACTED] and [REDACTED] former Americans now residing in Prague, Czechoslovakia. During the course of this meeting, [REDACTED] turned over a letter to the Communist Party, USA (CP, USA) representative who was present and requested that this letter be transmitted to her mother, [REDACTED] Valley Spring, New York.

During the week of February 25, 1962, it was learned that the above-described letter, prepared by [REDACTED] had been turned over to Irving Potash in New York City, and Potash, upon receipt of this letter, agreed to deliver it to [REDACTED] mother.

ENCLOSURE

100-428691-1944

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 3/2/62

FROM : SAC, NEW YORK (100-134637-Sub A)

SUBJECT: SOLO
IS-C
(OO:CG)

EX-100

Records of the NYO reflect that, as of 2/28/62, transactions in the SOLO account reported by NY 694-S* since the date of the last accounting have been as follows:

Credit

On hand 2/1/62

\$195,333.00

Debit

To ISADORE GIBBY NEEDLEMAN to hold as depository for CPUSA National Office - 2/20/62

5,000.00

To ELIZABETH MASCOLO as reimbursement for traveling expenses from and to Toronto in connection with transmission of CP of Canada documents to the CPUSA - 2/20/62

125.00

Total Debit

\$ 5,125.00

Balance

\$190,208.00

Pursuant to Bureau instructions, the NYO, where consistent with security, is attempting to trace transfers of SOLO funds. The result of said tracing investigation will be reported under the caption of the CPUSA functionaries to whom money from abroad has been transferred.

- 2-Bureau (100-428091) (RM)
- 1-Chicago (134-46-Sub F) (SOLO FUNDS) (INFO) (RM)
- 1-NY 134-91 (INV.) (41)
- 1-NY 100-128861 (CPUSA FUNDS RESERVE FUNDS) (415)
- 1-NY 100-134637-Sub A (41)

100-428091-1945

ACB:ume
(6)

REC-29

MAR 5 1962

Handwritten notes and signatures at the bottom left of the page.

INT. SEC.

F B I

Date: 3/5/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL REGISTERED MAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46, Sub F)

SOLO
IS - C

ReCGlet dated February 2, 1962.

Reference is made to Bulet dated May 4, 1960, instructing Chicago to set out details of disbursements of funds in possession of CG 5824-S* and that such information should be reported to the Bureau by the fifth of the month following the month being reported.

Balance of funds in possession of CG 5824-S* as of February 1, 1962

\$49,948.00

Additions

None.

REC-29

100-428091-1946

- 100 808RB
- 3-Bureau (RM)
- 2-New York (RM)
- (1-100-134637 (SOLO)
- (1-100-128861 (CP, USA - Reserve Funds)
- 1-Chicago

RWH:MDW
(6)

C C Wick

Approved: _____
Special Agent in Charge

Sent _____ M Per _____

INDEXED

CG 134-46, Sub F

Disbursements

On 2/7/62 to GUS HALL for personal expenses in connection with West Coast travel on behalf of CP, USA....\$ 300.00

What kind of material?

On 2/12/62 to HELEN WINTER, Detroit, for use in connection with the purchase of and postage therefor of public source information to be mailed by WINTER to the CPSU on behalf of CG 5824-S*..... 50.00

CG

On 2/23/62 to HELEN WINTER, Detroit, as payment for one-way transportation from Detroit to New York City in connection with official CP, USA duties.. 55.00

Material?

On 2/23/62 to HELEN WINTER, Detroit, for use in connection with the purchase of and postage therefor of public source information to be mailed by WINTER to CPSU on behalf of CG 5824-S*..... 70.00

On 2/28/62 to MORRIS CHILDS as additional repayment of extra expenses incurred in connection with Tenth Solo Mission..... 300.00

On 2/28/62 to MORRIS CHILDS as extra expense in connection with his travel, under instructions of GUS HALL, to West Coast during period 2/2-10/62... 200.00

On 2/28/62 to MORRIS CHILDS as payment for extra expense in connection with travel conducted to New York City on instructions of GUS HALL during period 2/19-28/62..... 100.00

Total Disbursements.....\$1,075.00

Balance in possession of CG 5824-S*
as of March 1, 1962

\$48,873.00

CG 134-46, Sub F

Pursuant to Bureau instructions, the Chicago Office, where feasible and consistent with security, will take steps necessary to attempt to trace transfers of Solo funds. Results of such tracing investigation will be reported under the caption of the CP member to whom such money has been transferred.

GALE

1 - Mr. Fox
1 - Mr. Donohue

SAC, New York (100-134637)

February 16, 1962

Director, FBI (100-428091) - 1947

REC-4
EX-105

SOLO
IS-C

Reurlet 2-7-62.

According to relet, the current office of informant is visited by regular customers of his cover company as well as Communist Party members and Russian contacts. The Bureau agrees that another location for this clandestine work would be desirable. It is noted that the present cover office is on the 17th floor of 50 Broad Street and approval has been given to pay rental of \$170 per month for this space. This rental, however, was based on your letter of 8-18-61 which indicated informant was moving from Suite 1725 to Suite 2048. He had been paying \$157 per month on the 17th floor. Relet indicates the informant is still on the 17th floor but is evidently paying the increased rental. Since informant obviously did not move from the 17th to the 20th floor, advise why this move was not made and why the increased rental is being paid.

92
J

The Bureau agrees that the microfilming and enciphering work which must be done by the informant should not be handled from his present cover office. The Soviets have visited the cover office on many occasions and as late as 2-9-62, according to your airtel of that date, Valentin Aleksandrovich Zaitsev made a superficial inspection of the entire office space. It is reasonable to assume that Zaitsev would not appreciate any secret ink material or microfilming equipment in this office. Another location should be obtained.

MAILED 25
FEB 16 1962
COMM. FBI

You have indicated that an office would be more desirable than an apartment due to the problem of curious neighbors and other factors. In this connection, you recommended space on the 10th floor of 50 Broad Street.

- Olson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- Loach _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Winterrowd _____
- Tele. Room _____
- Holloman _____
- Gandy _____

You are requested to advise whether you have considered obtaining additional space in a nearby office

JDD:had
(5)

SEE NOTE ON YELLOW, PAGE 3.

MAR 20 1962
MAIL ROOM TELETYPE UNIT

[Handwritten signature]

[Handwritten notes and signatures]

Let to New York
RE: SOLO
100-428691

building rather than the building where NY 694-S has his cover office. The Bureau is not satisfied that this additional space for this clandestine work by the informant should be in the same building as his present cover business office which is known to his Soviet contacts. It is possible that informant's contacts would rather have this clandestine work performed in another building removed from the building in which he maintains his current office.

With regard to the proposed new space on the 10th floor at 50 Broad Street, you indicated in relet that the space will be leased by a Special Agent using his residence address which is necessary to avoid having the renting office ask unnecessary questions. It would not be difficult to trace Gillmarsh Research to the address of the Special Agent and the FBI's connection with Gillmarsh Research easily established. It does not appear that this is a secure arrangement especially since the informant will eventually have to tell his Russian contacts where he is doing his clandestine work. It would be better for informant to obtain this additional space either in his own name or the name of a fictitious person. The space should be obtained by him in either event.

This additional office, according to relet would permit Agents to work with the informant and assist in the operation if the need arose. In addition, the office could serve as a meeting place between the contacting Agent and the informant. This arrangement does not appear satisfactory. The informant must do the enciphering and microfilming himself as he must be completely familiar with the processing and be able to perform any of this work if called upon by his Russian contacts. This additional office should not be visited at any time by Bureau Agents and should be used only by the informant for his clandestine work.

Another matter which should be clarified is the cost of this additional space. You indicated in your airtel of 9-19-61 entitled "Solo, IS-C" that NY 694-S would inform Vladimir Barkovsky at the next meeting that he, the informant, does not have the financial means to maintain an apartment at his own expense for a clandestine operation. Barkovsky has since been replaced by Zaitsev and the matter of cost should now be taken up with Zaitsev by NY 694-S. Since the Russians

Let to New York
RE: SOLO
100-428091

suggested that informant obtain a location to perform this clandestine work, informant should inquire of Zaitsov whether the Russians will specifically pay the expenses involved. If Zaitsov is not inclined to pay the cost, informant should consider asking Gus Hall to defray the expenses.

Before the Bureau will authorize this additional space, the points above mentioned should be explored. When you furnish the desired information, consideration will then be given to your recommendation for additional space to be used by NY 694-S for microfilming and enciphering messages for transmittal to the Soviets.

NOTE ON YELLOW:

During the 9th Solo mission, NY 694-S attended in Moscow, Russia, for 8 days a "secret service school" where he took an intensified course in microfilming, invisible inks and codes and ciphers. The purpose of this training was to improve informant's operations with Vladimir Barkovsky, the Soviet UN official in New York City with whom NY 694-S and CG 5824-S were in contact. The Soviets subsequently furnished secret writing material and codes and ciphers. Barkovsky has since been replaced by Zaitsev and, according to New York Office, the necessary processing of this material has been done by the New York Office as informant does not feel it should be done at his home. New York has recommended that office space in addition to informant's cover office be obtained for this clandestine work. Before we will approve this additional space, it is felt New York should give this matter additional thought as indicated in this letter.

UNITED STATES GOVERNMENT

Memorandum

J. Edgar Hoover

TO : DIRECTOR, FBI (100-428091)
Att.: FBI Laboratory
FROM : SAC, NEW YORK (100-134637)

DATE: 2/7/62

SUBJECT: SOLO
IS-C

ReBulet 2/1/62.

The Bureau's comments to the effect that it is most desirable that NY 694-S* encipher his own messages in the Crypto System used by him and actually perform the necessary work in connection with the microfilming of his messages is noted. The NYO is in full agreement with the desire that the informant handle his own processing of material. The Bureau desired to be advised of the location where the microfilming processing is performed. Up to the present time, this has been done in the Photographic Laboratory in the NYO. In connection with the informant doing his own processing, he does not feel that this should be done at his home. In addition, the present office maintained by him at 50 Broad Street is such that it does not lend to such processing within the confines of this space. As the Bureau is aware, this is a business office, which is visited both by regular customers as well as CP members and Russian contacts. From a security standpoint, it would not be practical to do his enciphering or photographing in this office.

In an effort to provide the informant with adequate space for this purpose, an attempt was made to locate office space. It is felt by this office, and concurred in by the informant, that if space could be located within the same building so that it would not be necessary for him to leave the premises in order to do the coding, it would add security to the operation. It must be borne in mind that there is always the possibility of some agency investigating the informant.

3 - BUREAU (RM)
1 - NEW YORK

EX-105
(1 - FBI LAB) 1 ENCLOSURE

REC-112
100-428091-1947

3-13

WTM:DJG
(3)

[Handwritten signatures and initials]

Letter to Director
Re: NY 100-134637

If such an investigation were conducted, he could be traced to his present office. Further, if an anonymous source were contacted at his office and material found therein, either by the Russians or an intelligence agency, it would, of course, violate security and ruin the present operation. Informant feels that the Russians would expect him to have some location other than his office to handle his clandestine operations. In addition, his present office has been used as a drop and, therefore, we must assume that there is a possibility that CIA is aware of such. On the possibility that the informant could be surveilled by another agency, it is felt that if office space were located in the same building he would have no problem dry-cleaning himself prior to going to the new office in order to handle his work. In addition, such an office space would permit agents to work with the informant and assist him in the operation when the need arose. The office could also serve as a meeting place between the contacting agent and the informant in order to receive messages and documents. This would be much more preferable than meeting the informant on the street or in a hotel room where the possibility of a surveillance exists. In renting such an office, there would be no connection whatsoever with the informant but rather it would be rented by the FBI under an assumed name. There could be no tie-up, therefore, between this office space and the informant. An office such as this would be much more desirable than an apartment due to the problem of curious neighbors, etc. It is not unusual for people to be entering an office, whereas an apartment having the appearance of only being occupied by men would cause neighbors to become curious. If such an office were approved and were burglarized by CIA, city police, state police, etc., the operation could possibly be traced back as an FBI operation but in any event could not be traced back to the informant.

In view of the reasons set out above, [redacted] Superintendent at 50 Broad Street, as well as [redacted] Assistant Vice President to the WILLIAM A. WHITE & SONS, Real Estate Broker for the building, were contacted. These individuals are regular contacts of this office and are highly reliable. They advise that they could make available to us an office located on the 10th floor, namely space #1012. This office has approximately 200 square feet of space and measures approximately 13x17 feet. The space

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b7c

Letter to Director
Re: NY 100-134637

was shown to Supervisor [redacted] and SA GEORGE EDWIN JONES and it is their opinion that this space would be ideal for the purpose. There is a large window set back in a court, facing Broad Street, and about 75 yards opposite the closest window to the building on Broad Street. There is one door to the office, which is wooden (no glass). In addition, there is no glass in the transom but rather it is made of wood. The office has been freshly painted and has a new tile floor. The electricity is AC current and there are sufficient electrical outlets for our purpose.

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b7c

The office is located in a corridor just off the elevator lobby on the 10th floor. There is no entrance to an office directly opposite the entrance to this room. The only tenant presently occupying space in the vicinity is an office next door, which are the accountants for the owner of the building. Both [redacted] and [redacted] advise that there is no question of their loyalty. Indices have been checked with negative results. The walls to the office are cinder block construction and soundproof.

[redacted] stated we could have this space for \$78 a month. It would be necessary to take out a lease due to the fact that to do otherwise would require that several other people be aware of our interest. He stated that it would be preferable if this could be handled as a normal business transaction and that it would be possible to obtain a one year lease. It would be necessary to furnish at the time the lease is signed a \$75.00 security, plus \$78.00 for the first month's rent. The lease would be set up under the name of an agent, namely G. E. JONES, using his residence address. The lease would indicate that G. E. JONES would be doing business as GILLMARSH RESEARCH, which is a fictitious name. This name has been searched through the telephone directory and nothing similar was found. The reason why it would be necessary to use the true name of an individual for the lease purpose is to avoid the renting office asking unnecessary questions, again keeping the knowledge of our interest in the office space to [redacted] and [redacted]. If any inquiries were made of the renting office by some other agency, they would not be able to trace it to the FBI. The name on the door would be limited to the number of the ^{building} ~~building~~, plus GILLMARSH RESEARCH.
Room

Letter to Director
Re: NY 100-134637

With reference to the elevator set-up, at the present time there are 2 fully automatic elevators that express to the 11th floor and then become a local. There are 4 man-operated elevators but they are being converted to fully automatic ones and will be completed by June. Therefore, for the present an individual could take a self-operated elevator to the 11th floor and walk down one floor by the use of one of the two stairwells in the building, or he could take the other elevator directly to the 10th floor. As far as the informant is concerned, his office being located on the 17th floor, he could take the automatic elevator to the 11th floor and walk one floor or take the man-operated elevator directly to the 10th floor. From June on, he would use the automatic elevators. There are 2 entrances to the building, one on Broad Street and the other on New Street.

In order to maintain full security on this operation, it is recommended that the Bureau authorize the entering into the above-described lease for the sums stated. In addition, Bureau authority is requested to expend up to \$250.00 for furnishings, which will include the purchase of lumber for construction of an appropriate cabinet to conceal a safe, which in turn will contain the confidential items necessary for the informant's operation. This sum will also include the purchase of special hardware (lock) for the door. With reference to the safe, it is desired that we secure a safe large enough to place therein these confidential items as well as other documents that the informant may have to transmit to the agent. It is desired that the safe be of such construction and weight to offer reasonable protection from a possible burglary. The lock~~s~~ will be surrounded by a hard plate preventing drilling. It will be manipulation proof, such as that invented by [redacted] of the MURRAY SAFE COMPANY. This would be a four tumbler lock, which according to [redacted] (whose identity is well known to the Bureau Lab) offers outstanding protection. In order to meet the suggested specifications, [redacted] strongly recommends the Victor '600' line certified safes and specifically model 621. He states that in his opinion, this safe would provide the best protection and meets all specifications set out above. This safe sells for \$249.00. Attached may be found a brochure on these safes for the perusal of SA GEORGE BERLEY of the Laboratory.

b6
b7c

Letter to Director
Re: NY 100-134637

For the confidential information of the Bureau, it has been ascertained from [redacted] that due to the security features involved in this safe, CIA has purchased a dozen from him to be utilized in their offices abroad. Bureau authority is requested to expend \$249.00 for this safe.

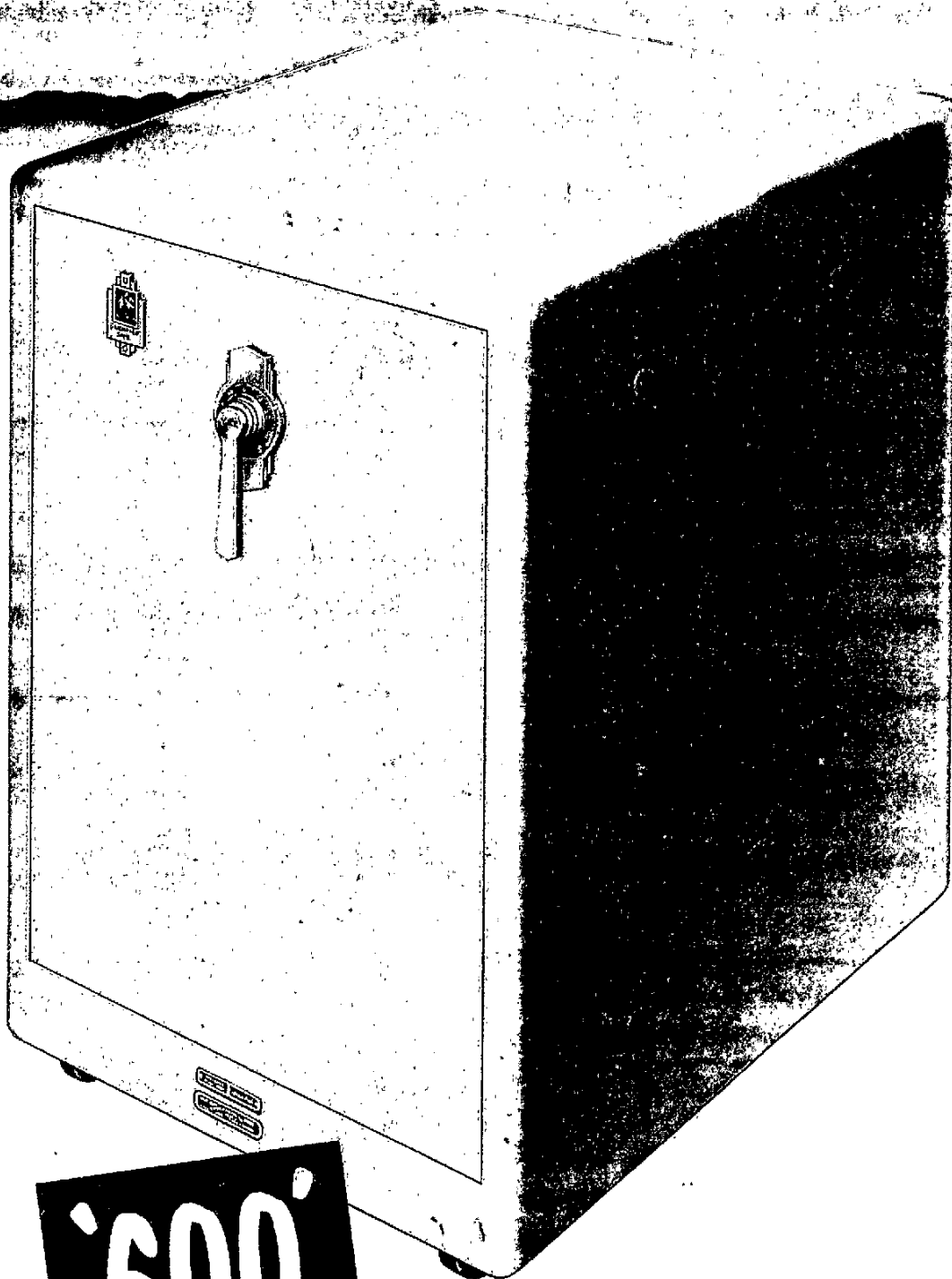
b6
b7c

Bureau authority is also requested to pay for the cost of installing and operating a telephone in this office.

For the general information of the Bureau, it should be noted that 50 Broad Street (location of the suggested office space) is in the financial district in New York City and approximately 100 feet from the New York Stock Exchange. Pedestrian traffic is very heavy in the area. In addition, this area is heavily patrolled by the New York City Police Department for obvious reasons and the possibility of a burglary at this address would be extremely remote. This is in contrast to a loft building, a building without similar police protection or an apartment house. Therefore, the location of this office from a security standpoint would appear to be ideal.

In view of the fact that this office is being temporarily held for us, the Bureau is requested to give expeditious consideration to this request.

CATALOG NO. CS601-R — Revised February 1956



'600'

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160-428091-1947



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CS601-R PRINTED IN U.S.A.

WV649A Rev. 1B-457-AO

NORTH TONAWANDA · NEW YORK

1 - Mr. Wannell
1 - Mr. Gurley

March 13, 1962

SAC, Los Angeles

REC-8

Director, FBI (100-428091) - 1948

6-112

SOLO
INTERNAL SECURITY - C

ReCGairtel 3-6-62 enclosing an informant's statement of CG 5824-S* captioned "Information Concerning the Request of the Communist Party of the Soviet Union to Have the Communist Party, USA Secure the Services of an American Film Maker to Prepare a Documentary Film on Cuba," two copies each of which are enclosed for Los Angeles.

For the further information of Los Angeles, CG 5824-S* while on Solo mission ten was advised by officials of the Communist Party, Soviet Union (CPSU), that the CPSU was interested in having the Communist Party, USA (CPUSA), contact various American film makers who might be interested in undertaking the preparation of a documentary film on Cuba. Any such film maker who was found to be interested in this project was to be instructed by the CPUSA to contact an individual in Paris, France.

In the event any positive information is received by Los Angeles concerning the above project, the Bureau and the Chicago Office should be advised promptly under the caption "Cuban Propaganda Activities, Internal Security - Cuba."

Enclosures (4)

1 - Chicago (134-46 Sub B)

MAILED 30
MAR 12 1961
COMM-FBI

Tolson _____
Belmont _____
Mohr _____
Callahan _____
DeLoach _____
Evans _____
Malone _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Ingram _____
Gandy _____

NOTE ON YELLOW: CG 5824-S* conveyed the above information to Gus Hall, General Secretary, CPUSA, in late 1961. Hall agreed to look into the matter. In late February, 1962, Hall brought up this matter again and remarked that during his recent west coast trip he had discussed the matter with Dorothy Healey, Chairman of the Southern California Communist Party. Following their discussion Healey agreed to contact certain film makers in Los Angeles with whom she was acquainted in an effort to solicit their feelings and to determine their interest in undertaking such a project.

LTC:jmc:mtb

(6)

MAIL ROOM TELETYPE UNIT

Handwritten signature and initials

F B I

Date: 3/6/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL REGISTERED MAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46, Sub B)

SOLO
IS - C

Re Bureau 0-1 dated 2/19/62 regarding status of investigation concerning the expressed interest of the Communist Party of the Soviet Union (CPSU) in securing the services of a U. S. film maker to prepare a documentary film on Cuba which had been previously set forth in CGairtel and enclosed informant's statement of 12/26/61.

Following the return of CG 5824-S* from an extended trip to New York, the matter regarding the status of the above was discussed with him by SA RICHARD W. HANSEN on 3/2/62. The information received at this time appears in the enclosed informant's statement captioned "Information Concerning the Request of the Communist Party of the Soviet Union to have the Communist Party, USA Secure the Services of an American Film Maker to Prepare a Documentary Film on Cuba," of which three copies have been designated for the Bureau and one copy for the New York Office.

While CG 5824-S* advised he has no additional information regarding this matter at the present time, he anticipates that he will, through either GUS HALL or DOROTHY HEALEY, possibly receive additional information in regard thereto.

Chicago will follow this matter through a 30-day tickler with CG 5824-S*.

- ③-Bureau (Enc. 3) (RM)
- 1-New York (100-134637) (Enc. 1) (Info) (RM)
- 1-Chicago

REC-8 GALE

RWH:MDM

(5)

Approved: _____

Special Agent in Charge

Sent _____ M Per _____

ENCLOSURE

Proctor
Wang

100-428091-1947
MAR 14 1962

1-18-62

[Handwritten initials and signatures]

**INFORMATION CONCERNING THE REQUEST OF THE
COMMUNIST PARTY OF THE SOVIET UNION TO HAVE
THE COMMUNIST PARTY, USA SECURE THE SERVICES
OF AN AMERICAN FILM MAKER TO PREPARE A
DOCUMENTARY FILM ON CUBA**

It will be recalled that in November, 1961, a representative of the North and South American Section of the International Department, Central Committee, Communist Party of the Soviet Union (CPSU) stated that the CPSU was interested in having the Communist Party, USA (CP, USA) contact various American film makers who might be interested in preparing a documentary film on Cuba.

CAH
In the latter part of January, 1962, the above information was conveyed to Gus Hall. When learning of the request of the CPSU at this time, Hall agreed to look into the matter and see what might possibly be done. When this information was made known to Hall, he gave no indication as to how he intended to handle the matter or as to whom he felt should be contacted in this regard.

CAH
During the latter part of February, 1962, Hall brought up for brief discussion the matter noted above. At this time, he remarked that during his recent West Coast trip, which had concluded on approximately February 19, 1962, he had spoken to Dorothy Healey while in Los Angeles. He had discussed with her the matter of securing an American film maker to produce a documentary film on Cuba. Following their discussion, Healey agreed to contact certain film makers in the Los Angeles area with whom she was acquainted in an effort to solicit their feeling as to whether they might be interested in undertaking such a project. During this discussion, Hall did not mention who Healey might be considering for contact or whether as of late February, 1962, any contacts had been completed by her in this regard.

100-428091-1948
ENCLOSURE
-1-

FBI

Date: 3/9/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL REGISTERED MAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)

FROM : SAC, CHICAGO (134-46, Sub B)

SOLO
IS - C

Handwritten notes and signatures:
20-9
B...
B...

Remyairtel dated 12/20/61 with enclosed letterhead memorandum captioned, "Final Briefing of Communist Party, USA Representative in Moscow, November, 1961, by Representatives of the International Department, Central Committee, Communist Party, Soviet Union."

Page two, paragraph four, of the above referenced letterhead memorandum contains instructions given to the CP, USA representative regarding the replacement of JOHN PITTMAN, Moscow correspondent for "The Worker."

Enclosed herewith for the Bureau are three copies and for the New York Office one copy of an informant's statement captioned, "Information Concerning the Replacement of John Pittman, Moscow Correspondent, "The Worker."

The information appearing in the enclosed informant's statement was orally furnished on 3/7/62 by CG 5824-S*, who has furnished reliable information in the past, to SA RICHARD W. HANSEN and stenographer [redacted]

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b7c

Portions of the information contained herein are being disseminated by separate communication in order that the interested offices may be cognizant of the noted changes.

ENCLOSURE

GALE

- 3-Bureau (Enc. 3)(RM)
- 1-New York (100-134637)(Enc. 1)(Info)(RM)
- 1-Chicago
- RWH:MDW
- (5)

REC-46

100-428091-1949
MAR 15 1962
5/11/62

Approved: _____ Sent _____ M Per _____

Special Agent in Charge

MAR 28 1962

CG 134-46, Sub B

For the information of the Bureau, CG 5824-S* prepared a message containing the information appearing in the enclosed informant's statement for transmission to the Soviets. This message was transmitted by Chicago to the New York Office on 3/8/62 to be relayed, in turn, to NY 694-S*. Instructions of CG 5824-S* in regard to this message were that NY 694-S* should transmit it abroad through the Solo apparatus. Therefore, this information must be considered extremely sensitive to the security of both CG 5824-S* and NY 694-S*.

**INFORMATION CONCERNING THE REPLACEMENT OF
JOHN PITTMAN, MOSCOW CORRESPONDENT, "THE
WORKER"**

During late February, 1962, Gus Hall directed that a message be prepared and transmitted to the Communist Party of the Soviet Union (CPSU) to the following effect:

John Pittman, who is presently assigned as the Moscow correspondent for "The Worker," has been reassigned to different Party work and, therefore, the Communist Party, USA (CP, USA) will want him and his family to return to the United States before the end of the Summer, 1962.

As a replacement for Pittman, Art Shields has been assigned as the new correspondent for "The Worker" in Moscow. He will be accompanied by his wife [redacted]. A biographical sketch concerning both Art and [redacted] Shields will be submitted in the near future.

In regard to the question relating to the assignment of a representative of the "Peoples World" to Moscow, no one, as yet, has been selected. When this decision is made, the CPSU will be informed.

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b7c

- 1 -
100-428091-1949
ENCLOSURE

UNITED STATES GOVERNMENT

Memorandum

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

esa

TO : Mr. W. C. Sullivan *WCS*

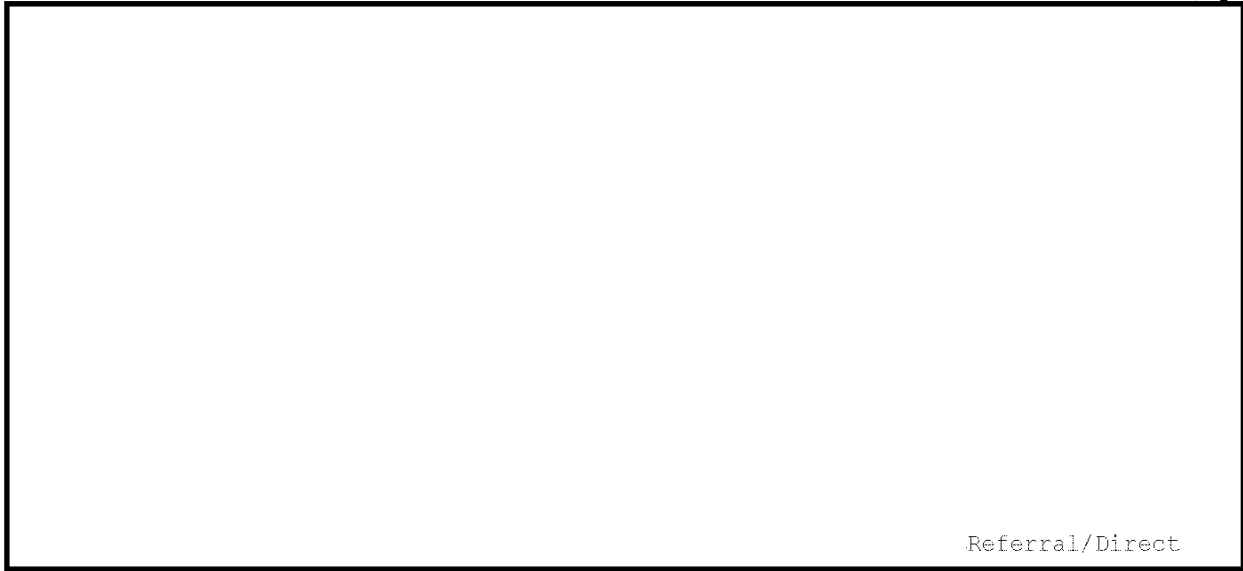
DATE: March 14, 1962

FROM : Mr. F. J. Baumgardner *FJB*

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Mr. Baumgardner
- 1 - Mr. Branigan
- 1 - Mr. Gurley

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

Polgo. FJB



Referral/Direct

The New York Office advised that the matter had been discussed with NY 694-S* on the basis that from a security standpoint periodic changes should be made in the communications system utilized by him and CG 5824-S*. Informant agreed there should be no particular problem with respect to changing code names and the location of drops, including post office boxes, and limiting the use of such drops to essentials as suggested by the Bureau.

EX-113 REC-28 100-428091-1950

The Chicago Office discussed this matter with CG 5824-S* subsequent to his return from the west coast and New York. CG 5824-S* felt that this matter presented no insurmountable problems.

5 MAR 16 1962

According to CG 5824-S* the Soviets apparently do not care whether or not the identity of Box 341 is known. While this may be true, mail going to and received from Box 341 in Moscow should never be sent from or received at a box or drop which informants expect to use on a Solo mission. Both offices are being advised accordingly.

100-428091

LTC:blw (6)

58 MAR 21 1962

S. Healey

Memorandum to Mr. Sullivan
RE: SOLO
100-428091

In the immediate future Chicago plans that CG 5824-S* will be supplied with at least one or more new Chicago drop boxes and CG 5824-S* will prepare a message advising the Soviets accordingly. The old boxes will be maintained for a short period of time until the change-over to the new boxes is complete and there appears to be no further correspondence coming to the old boxes.

New suitable code names will be discussed with informants but prior to furnishing this information to the Soviets it will be brought to the attention of the Bureau. In addition, the feasibility of the location of additional drop boxes in cities such as Detroit or Milwaukee will be discussed with informant if arrangements can be made whereby these drops will be serviced and controlled solely by the Bureau. In this connection such a drop in another city would be valuable for the use of informant in sending back such items as translations from the Soviet press and materials he obtained from other Communist Party representatives at the 22nd Congress Communist Party, Soviet Union in Moscow last October.

CG 5824-S* felt that any effort to change drop boxes at frequent or periodic intervals would involve considerable communication and disruption of possible channels of communication. The security of these informants far outweighs any such inconvenience and disruption and both offices are being instructed to change drops on a periodic basis.

CG 5824-S* has already taken steps to limit traffic to these drops and boxes to essentials. In this connection he is using the Modern Book Store in Chicago and World Books in New York City, both Communist Party-operated stores, for use in receiving certain Soviet pamphlets and publications.

CG 5824-S* in the future, where appropriate and possible, will attempt to utilize typewriting in his communications from abroad so that there will not be an excessive amount of handwriting and handprinting in his communications which can be possibly identified later.

Memorandum to Mr. Sullivan
RE: SOLO
100-428091

Until such time as CG 5824-S* and NY 694-S* have had an opportunity to personally discuss methods of communication between the two informants on Solo trips, no specific recommendations are being made at this time.

ACTION:

We are following this matter and will keep you apprised of current developments.

MS

V.

Spec
2/20/7
Ad Br
we

1 - Mr. Gurley
March 13, 1962

Handwritten: AIRTEL

TO: SACs, Chicago (134-46 Sub B)
New York (100-134637)

FROM: *Handwritten: 19* Director, FBI (100-428091) *Handwritten: 1951*

SOLO
INTERNAL SECURITY - C

ReCCairtel 3-9-62 with informant's statement which revealed that in late February, 1962, Gus Hall instructed Informant CG 5824-S* to prepare a message for transmittal to the Communist Party of the Soviet Union (CPSU) that the Communist Party, USA (CPUSA), had been advised that the CPSU has prepared a film based on the life and funeral of William Z. Foster. The message was to state that it would be advisable to ship this film to the Canadian Communist Party and the CPUSA could pick it up from there.

From the nature of the above message, it is quite possible that Hall would instruct either CG 5824-S* or NY 694-S* to proceed to Canada to obtain this film when it arrives from the Soviet Union. For reasons previously made known to you, such a trip by either of these informants is most undesirable. It is further pointed out that the Soviets recently advised CG 5824-S* that they desired him to use contacts in Mexico instead of Canada in communicating with them.

The New York Office should instruct NY 694-S* to hold this particular message in abeyance pending further instructions.

Chicago should immediately contact CG 5824-S* to determine if these arrangements can be made through a contact in Mexico. Such an arrangement would preclude the possibility of our informants going to Canada and would establish contact between CG 5824-S* and Mexico.

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Ingram _____
- Gandy _____

LTG:blw (6)

MAIL ROOM TELETYPE UNIT

Handwritten signatures and initials: [Illegible signatures]

F B I

Date: 3/9/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL REGISTERED MAIL
(Priority or Method of Mailing)

WCF
S. J. [unclear]

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46, Sub B)

I. [unclear]
J. H. [unclear]
W. P. [unclear]
T. W. [unclear]
B. C. [unclear]
P. J. [unclear]

7-11-62
WCF
P. J. [unclear]

SOLO
IS - C

Remyairtel dated 12/18/61 and informant's statement captioned, "Information Concerning Documentary Film Prepared by the Communist Party of the Soviet Union on William Z. Foster."

Enclosed herewith for the Bureau are three copies and for the New York Office one copy of an informant's statement captioned, "Inquiry by Communist Party, USA of the Communist Party of the Soviet Union Regarding a Film Prepared on William Z. Foster."

This information was orally furnished on 3/7/62 by CG 5824-S*, who has furnished reliable information in the past, to SA RICHARD W. HANSEN and stenographer [redacted]

b6
b7c

GALE

③-Bureau (Enc. 3) (RM)
1-New York (100-134637) (Enc. 1) (Info) (RM)
1-Chicago

RWH:MDW
(5)

100-428091-115
REC-19
EX-114

REC-19

EX-114

100-428091-115

MAR 16 1962

5-212

Approved: [Signature]
Special Agent in Charge

Sent _____ M Per _____

CG 134-46, Sub B

For the information of the Bureau, CG 5824-S* prepared a message containing the information appearing in the enclosed informant's statement for transmission to the Soviets. This message was transmitted by Chicago to the New York Office on 3/8/62 to be relayed, in turn, to NY 694-S*. Instructions of CG 5824-S* in regard to this message were that NY 694-S* should transmit it abroad through the Solo apparatus. Therefore, this information must be considered extremely sensitive to the security of both CG 5824-S* and NY 694-S*.

5824-S* 1 09 14 62
NY 694-S* 1 09 14 62

**INQUIRY BY COMMUNIST PARTY, USA OF THE
COMMUNIST PARTY OF THE SOVIET UNION
REGARDING A FILM PREPARED ON WILLIAM Z.
FOSTER**

During recent private and highly confidential discussions held late February, 1962, it was learned that Gus Hall had instructed that a message be transmitted to the Communist Party of the Soviet Union (CPSU) by the Communist Party, USA (CP, USA) to the following effect:

The CP, USA has been previously informed that the CPSU had prepared a film based on Comrade Foster's life and funeral. This film has not, as yet, been received by the CP, USA. Perhaps it would be advisable to ship this film through the Canadian comrades and the CP, USA could pick it up from there. At the present time, the CP, USA could make use of this film on Foster.

ENCLOSURE

- 1 -

100-428091-1151

SAC, Chicago (134-46 Sub B)

March 15, 1962

Director, FBI (100-428091) - ^{REC-50} ~~1962~~ - Mr. Belmont
 1 - Mr. Sullivan
 EX-114 1 - Mr. Baumgardner
 SOLO 1 - Mr. Branigan
 INTERNAL SECURITY - C 1 - Mr. Gurley

ReBulet 2-1-62, Chicago letter 2-6-62, New York letter 2-7-62 and Chicago letter 3-8-62 concerning possible changes in drop boxes and code names used by informants in connection with this operation.

It is noted that CG 5824-S* reported the Soviets apparently do not care whether or not the identity of Box 341 in Moscow is known. [redacted]

Referral/Direct

[redacted] In the future, mail addressed to and received from Box 341 in Moscow should never be sent from or received at a box or drop which these informants expect to use on a Solo mission.

With regard to the possibility of changing drops and boxes to nearby cities, Chicago and New York should consider the advisability of obtaining such a box in another city at a time shortly prior to the time either of these informants departs on another Solo mission. Arrangements could be made for this box to be serviced by the Bureau office located in that city. Such a box could be used for receipt of such items as those sent by CG 5824-S* on Solo Mission 10 which pertain to "The Daily Review," which were translations from the Soviet press, and such items as various pamphlets and publications distributed by delegations from the various Communist Parties at the 22nd Congress.

MAILED 27
 MAR 15 1962
 COMM-FBI

Tolson _____
 Belmont _____
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 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

2 - New York (100-134637)

LTC:blw (10)

MAR 12 8 00 AM '62

FBI - 102 LICE
REC'D P. 100

MAR 12 5 59 AM '62

53 MAR 23 1962
 TELETYPE UNIT

[Handwritten signatures and initials]

Letter to Chicago

RE: SOLO

100-428091

CG 5824-S* noted that any effort to change drop boxes at frequent or periodic intervals would involve considerable communication and disruption of possible channels of communication. Notwithstanding this fact, the Bureau feels the security of this operation far outweighs any inconvenience or disruption. Hereafter these boxes and drops should be changed, commensurate with the security of the informants, at periodic intervals.

CG 5824-S* in the future, where appropriate and possible, will attempt to utilize a typewriter in communications. In connection with this operation it is felt that NY 694-S* should also attempt this method of communication.

In the immediate future Chicago and New York should commence preparations for obtaining new drop boxes for these informants. It will be satisfactory to retain the old boxes for a period not to exceed six months strictly for the purpose of receiving any information which might come from abroad.

Any further suggestions or observations of the New York and Chicago Offices are solicited. Each office must bear in mind that the security of the informants is of paramount importance in this operation.

NOTE: Cover memo Baumgardner to Sullivan, 3/14/62 re: Solo, Internal Security - Communist, LTG:blw.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 3/8/62

JDM/oz
FROM : SAC, CHICAGO (134-46, Sub B)

SUBJECT: C SOLO
IS - C

ReBulet 2/1/62, CGlet 2/6/62, and NYlet 2/7/62.

ReBulet 2/1/62 set forth information to the effect that a "most sensitive source" had furnished the Bureau information showing that it is aware of certain correspondence from CG 5824-S* in Moscow, Russia, to a specific Post Office box in Chicago, etc. This source, however, was not aware of CG 5824-S*'s identity. The matter referred to in reBulet was discussed with CG 5824-S* immediately upon his return from his recent trip to New York. At this time, in discussing the matter, CG 5824-S* felt that the inquiries put forth at this time regarding the matters in reBulet presented no insurmountable problems. Specifically, in regard to some points set forth in reBulet, the following is being noted:

Regarding the Use of
Box 341, Moscow, Russia

According to CG 5824-S*, the Soviets apparently do not care whether the identity of Box 341 is known. It has, in CG 5824-S*'s opinion, been furnished not only to the Communist Party (CP), USA, but, in all probability, to many other CPs for use in connection with routine mailings of matter and for purposes of contact. Accordingly, it would not be feasible for CG 5824-S* to take steps to change this box, nor would it be practical to make a suggestion of change to the Soviets.

Specifically, the only use to which Box 341 is put during normal periods is for the mailing of routine printed material. However, during the course of a Solo mission, there has been occasion to utilize this address for contact between the informants.

- ② - Bureau (RM)
- 1 - New York (100-134637)(Info)(RM)
- 1 - Chicago
- RWH:saf/MDW
- (4)

100-428091-1952

REC-50

EX-177

10 MAR 12 1962



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Handwritten notes and signatures at the bottom left.

CG 134-46 Sub B

Regarding the Change
of Code Names

CG 5824-S* is of the opinion that such code name change can readily be accomplished and that the only major factor here involved is that involving time. In order that such change in code names might be made, it would be essential that the Communist Party, Soviet Union (CPSU) be advised of any change in code names through apparatus channels. He does not feel that the Soviets at this time would put forth any objection to such a change and might, in fact, consider such change a feasible security measure.

Regarding Change of Drops
Including Post Office Boxes

CG 5824-S* again advised that this can be accomplished without objection from the Soviets. Again, it would be necessary to transmit to the Soviets a message through the apparatus cancelling out certain boxes and at the same time furnishing the identity of any drops which were considered suitable for use. However, because of the possibility that some future material could be inadvertently directed to a former drop, CG 5824-S* suggests that if the decision is made to discontinue any drop or box, that control be retained of that drop or box for at least a minimum period of six months to cover any possible receipt therein of information.

In addition, CG 5824-S* pointed out, for example, that when he changed residences approximately a year ago he had directed communications to the CP of China requesting a change of mailing addresses on certain publications, namely the "Peking Review" and "China Reconstructs." No change of address was forthcoming. The original communication was followed by a subsequent request to change the address on these publications; but to date this has not been handled

CG 134-46 Sub B

by the CP of China. This failure to change such mailing addresses by the CP of China was pointed out by CG 5824-S* because he ^{has} receives the same two Chinese publications through a Chicago drop box, namely Post Office Box 8427, New Post Office, Chicago. This example, he cited, was a good reason why any former or cancelled drops should be retained for some period of time.

Possibility of Changing Drops
and Boxes to Nearby Cities

In discussing this matter, CG 5824-S* advised that the most important and immediate consideration in this regard would be the obvious and apparent access to such drop boxes on his part. He does not feel that the Soviets would favorably consider the utilization of any drops at points distant from the source's base of operation since he would not be in a position of having ready and immediate access. In line with this, CG 5824-S* does not feel, based on a necessity to control the apparatus, that he should presently bring into it individuals who might be in a position to service such drops located outside of his immediate base of operation. He also pointed out that any city being considered for the location of drop boxes must be large and fall generally in the category of size of New York City, Chicago, Detroit, Philadelphia, and possibly Milwaukee. In smaller cities the source feels that there is present the hazard of the remote possibility of curiosity or some slip-up bringing these boxes to the attention of government officials.

*Case 8
Died, from
M...
...*

Possibility of Periodic
Changes of Drop Boxes

The biggest problem in this regard that CG 5824-S* sees is that some of these drop box addresses have been furnished to other CPs by him. In most cases

CG 134-46, Sub B

such drops have never been utilized and may not be utilized in the future. However, since their identities are known to some other CPs and to individuals, there is always the possibility that they might in the future be utilized for communication channels. Any effort to change at frequent or periodic intervals such boxes would involve considerable communication and disruption of possible channels of communication.

*Discarded
to the
FBI*

Regarding the Limitation of
Traffic to the Drops and Boxes
of Essential and Necessary
Communication

This point, according to CG 5824-S*, has been given serious consideration on his part. He noted that while abroad he had taken steps which would, in part, effectuate such an objective. This was in part accomplished when arrangements were made with representatives of the CPSU and the CP of Czechoslovakia that when certain routine but pertinent pamphlets, books, and similar material were mailed to him from such points that it be sent in part to locations like the Modern Book Store in Chicago, which is operated by [redacted] a CP member, or through World Books, the CP book store in New York City. This procedure was adopted by the Soviets and he is now receiving, for example, through the Modern Book Store a number of Soviet pamphlets and publications. Prior to the time he made such arrangements with the Soviets, he had discussed the matter with [redacted] of the Modern Book Store and with representatives of World Books in New York.

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In addition, CG 5824-S* advised that arrangements had been completed to cut down the items mailed by him to Box 341 in Moscow, Russia, of certain non-classified publications and newspaper clippings. These arrangements consisted of his securing the agreement of HELEN WINTER of Detroit to prepare and mail such material, on his instructions, from Detroit, Michigan. She in turn will advise CG 5824-S* when such material is actually sent by her. By this means, he has not only relieved himself of a considerable amount of extra work, but he has brought about a change of the origin of such material and eliminated many of the Chicago mailings abroad.

CG 134-46, Sub B

Recommendation Regarding Methods of
Communication Between Informants on
Solo Trips

Since no such trip is presently contemplated or anticipated in the near future, CG 5824-S* would like time to discuss in full this matter with NY 694-S*. He has hopes that such a meeting to discuss this point as well as other problems can be held in the near future. As a result of this discussion, it is hoped suggestions in this regard can be made to the Bureau. However, as of the present time, no opportunity has been available where CG 5824-S* and NY 694-S* have been able to get together at their mutual convenience to discuss this matter. Until such time as these sources have fully discussed the problem, it is felt that no specific recommendations should be made.

Concerning Matter of Utilizing Hand-
printing or Typewriting in Connection
with Communications Between Informants

According to CG 5824-S*, he has in the past in addressing communications in most cases alternated between handwriting and handprinting; however, in the opinion of the Chicago Office, this is not a complete solution since it is apparent that both have certain identifiable characteristics. In view of this, CG 5824-S* will in the future, when appropriate and possible, attempt to utilize typewriting.

In summarizing and in line with the above, Chicago will commence immediately to make the necessary suitable adjustments and changes which will in the overall strengthen the security of this operation. In the immediate future, CG 5824-S* will be supplied with at least one or more new Chicago drop boxes and have him prepare a message advising the Soviets accordingly. New suitable code names will be discussed, but prior to any furnishing of same to Soviets, it will be brought to the attention of the Bureau. In addition, the feasibility will be discussed with CG 5824-S* of the location of additional drop boxes in cities, for example, like Detroit or Milwaukee if it could be arranged that these drops might be serviced and controlled solely by the Bureau.

This matter is being followed closely, and the Bureau and New York will be kept advised.

F B I

Date: 3/9/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL REGISTERED MAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46, Sub B)

SOLO
IS - C

Enclosed herewith for the Bureau are four copies and for the New York Office one copy of an informant's statement captioned, "Information Concerning Frederick Lichtblau."

The information appearing in the enclosed informant's statement was orally furnished on 3/7/62 by CG 5824-S*, who has furnished reliable information in the past, to SA RICHARD W. HANSEN and stenographer [redacted]

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b7c

In view of the sensitive nature of the source of this information and because any disclosure of this information might jeopardize the Bureau's most highly placed source, a copy of this communication has not been directed to Los Angeles, the office of origin in the LICHTBLAU case.

An extra copy of this communication, however, is being enclosed herewith for the Bureau in case the Bureau feels that this information can be made available in total to the Los Angeles Office. However, should the Bureau decide upon dissemination of this information to the Los Angeles Office, it is suggested that it not be placed even in paraphrased form in any report or that any information contained

- 4-Bureau (Enc. 4) (RM)
- 1-New York (100-134637) (Enc. 1) (Info) (RM)
- 1-Chicago
- RWH:MDW
- (6)

file 227
enclosure in
100-403243 (Lichtblau)

2-11-62 257/MDW

REC-41
MAR 19 1962
100-403243-1953

MAR 12 1962

Approved: [Signature]
Special Agent in Charge

Sent _____ Per _____

57 MAR 22 1962

CG 134-46, Sub B

therein be utilized as the basis of any investigative leads in this matter.

For the information of the Bureau, CG 5824-S* prepared a message containing the information appearing in the enclosed informant's statement for transmission to the Soviets. This message was transmitted by Chicago to the New York Office on 3/8/62 to be relayed, in turn, to NY 694-S*. The instructions of CG 5824-S* in regard to this message were that NY 694-S* should transmit it abroad through the Solo apparatus. Therefore, this information must be considered extremely sensitive to the security of both CG 5824-S* and NY 694-S*.

GALE

INFORMATION CONCERNING FREDERICK LICHTBLAU

It will be recalled that in the past a representative of the North and South American Section of the International Department, Central Committee, Communist Party of the Soviet Union (CPSU) had made inquiry concerning the current status of Frederick Lichtblau, an individual who had a number of years ago spent some time in the Soviet Union.

It has now been learned that Isadore Wofsy recently traveled to California to see his son [redacted]. During the course of this visit, Wofsy had occasion to meet with Frederick Lichtblau at which time a rather extensive discussion occurred.

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The essence of the information learned at this time by Wofsy through conversation with Lichtblau is as follows:

Frederick Lichtblau remains friendly and has recently become active in public organizations but is not a member of the Communist Party. Presently, he is running a number of haberdasheries for which his father supplied the capital. His wife now also has become a bit more active and friendly than she had been in the past.

In discussing his studies while in the Soviet Union, Lichtblau stated that the school he had attended was conducted on a very low level; that if he had applied the same energy in self-study and reading, he would have gained just as much.

Lichtblau also complained that during his stay in the USSR he had been totally isolated and never invited anywhere. Except for official invitations to public places, he had never visited the home of any Party member or functionary or the home of anyone with whom he worked.

Lichtblau reportedly stated that after leaving the USSR and attending a youth conference, he had gone to Budapest. This had occurred during the counterrevolution which occurred in Hungary. At the time he took safety in a cellar and had no food for days. His youngest child was ill and a number of efforts to go out and get food and medicine for this child failed because of the shooting going on in the streets. He

100-47809-243
UNRECORDED COPY FILED IN

ENCLOSURE

100-47809-1-1953

stated that it was during this period that the Soviet comrade who was with him, or as Lichtblau says, deserted him. He later made some contacts with Soviet citizens and asked that he be allowed to go to Czechoslovakia. At first these individuals counseled against it and the Hungarians refused him permission to leave the country. However, a few days later they did allow him to leave and put him on a boat, and he went to Czechoslovakia.

In Prague, Czechoslovakia, he saw Irving Potash who advised him to go to the United States. Lichtblau claims that it was Potash who advised him to go to the United States Embassy in Prague, to register his child as a United States citizen, and apply for permission to come back to the United States. Lichtblau stated he had no trouble at the United States Embassy which, in granting him permits, was supposed to have told him that you won't have any difficulties in getting back because McCarthyism is dead in the United States.

The essence of the above information is to be furnished to the CPSU in accordance with their early request. In preparing this information for the Soviets, it will be clearly set forth that Lichtblau did not voluntarily get in touch with the Communist Party and that the two contacts with him had been sought by the Party. It will also be noted that the comments set forth do not reflect the opinion of the CP, USA but are the words of Lichtblau.

F B I

Date: 3/13/62

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

Transmit the following in _____ (Type in plain text or code)

Via AIRTEL _____ (Priority or Method of Mailing)

TO: DIRECTOR, FBI (100-428091)
 FROM: SAC, CHICAGO (134-46 Sub F)

SOLO
 IS - C

Re Chicago airtel dated 3/5/62, and Bureau letter to New York, copy Chicago, dated 3/9/62.

Referenced Bureau letter notes that Page 2 of referenced Chicago airtel listed expenditures from SOLO funds in the amounts of \$50 and \$70 on 2/12 and 23/62, respectively, to HELEN WINTER for the purchase of public source material.

CG 5824-S* on 3/9/62, stated he had been advised by HELEN WINTER that the sum of \$50 furnished on 2/12/62, had gone towards the purchase of and the mailing of the following items:

1. A book entitled "Contours of American History", author and publisher not furnished by WINTER.
2. A book entitled "Yalta" by a FNU [redacted] (phonetic).
3. A large abridged English dictionary.
4. A book of English synonyms.

- 3 - Bureau (RM)
- 2 - New York (RM)
 - (1 - 100-134637 SOLO)
 - (1 - 100-128861 CP, USA - RESERVE FUNDS)
- 1 - Chicago

REC-44

100-428091-1954

25 MAR 15 1962

RWH:Plb

(6) MAR 22 1962

ST-104

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

CC - Wick

CG 134-46 Sub F

Item 3 was selected by WINTER on the instruction of CG 5824-S* for use of the wife of ALEKSEI GRECHUKHIN, an employee of the North and South American Section of the International Department of the Central Committee, CPSU.

Item 4 was selected by WINTER on the instruction of CG 5824-S* and was to be sent to SEMA KUZNETSOV, an employee of the North and South American Section of the International Department of the Central Committee, CPSU.

In order that there would be no misunderstanding as to who was to receive Items 3 and 4 and to identify the actual transmitter of these items, Item 3 was to contain a blonde hairnet for the personal use of Mrs. GRECHUKHIN, and Item 4 was to contain a dark hairnet for KUZNETSOV.

Items 1 and 2 were submitted for the general information of the International Department.

In regard to the manner in which these items were submitted, they were packaged and addressed by HELEN WINTER and mailed from Detroit, Michigan. CG 5824-S*'s handwriting does not appear in connection with this transaction. No Chicago mail drop address was set forth as the return address but rather these items were submitted with a Detroit return address selected by HELEN WINTER on CG 5824-S*'s instruction. The specific return address utilized by WINTER in this regard is unknown and CG 5824-S* does not feel it would, at this time, be proper for him to make inquiry regarding it; however, such information might be forthcoming at a later date. This material was submitted on CG 5824-S*'s instruction to Post Office Box 341, Moscow, Russia. As previously noted, there could be, because of the placing of the hairnets in Items 3 and 4 above, no question as to the true identity of the individual responsible for the overall submission of these items.

In regard to the \$70 provided WINTER on 2/23/62, source advised that he has received no information indicating that WINTER had utilized these funds for the purchase of

CG 134-46 Sub F

additional material to be sent to Post Office Box 341, Moscow. In regard to such material, CG 5824-S* advised he will inform WINTER of the nature of the material she should purchase and she, on his instructions, will later advise him of the specific items purchased and sent.

In connection with the request in referenced Bureau letter as to whether the serial numbers were recorded by the source of SOLO funds provided various individuals, CG 5824-S* advised that this had not been done in connection with any payment recorded in referenced Chicago airtel. He advised that this had resulted from the fact that these payments were all made as a result of "spur of the moment situations" and were from "out of his pocket" and personal funds. For example, the payment made to GUS HALL on 3/7/62, occurred on the West Coast and was based on an "on the spot" request made by HALL. In the instance of the payment of 2/12/62, to WINTER, he noted that during conversations with WINTER at the time of her departure from Chicago, arrangements had been made for her to make certain mailings and, accordingly, supplied her funds at this time.

Normally, CG 5824-S* advised that he does not carry in his possession monies which are part of reserve funds in order to avoid intermingling with his own funds and the loss of these monies. Therefore, when he travels, he does not have available to him reserve funds.

However, where larger sums are involved and no important time factor is present, CG 5824-S* makes available necessary information regarding serial numbers, etc., for example, that involving the \$2,000 recently turned over to PEGGY DENNIS from such funds in San Francisco.

GALE

F B I

Date: 3/9/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL REGISTERED MAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)
FROM: SAC, CHICAGO (134-46, Sub B)

SOLO
IS - C

Enclosed herewith for the Bureau are three copies and for the New York Office one copy of an informant's statement captioned, "Information Concerning Possible Travel to Warsaw, Poland, by [redacted] of Jack Stachel, to Attend a Scientific Conference, July, 1962."

The information appearing in the enclosed informant's statement was orally furnished on 3/7/62 by CG 5824-S*, who has furnished reliable information in the past, to SA RICHARD W. HANSEN and stenographer [redacted]

Because of the sensitivity and nature of the information set forth in the enclosed informant's statement and since it is unknown to Chicago if information regarding the possible travel of [redacted] is previously known to the Bureau, the decision on any dissemination of all or part of this information is being left to the discretion of the Bureau.

See p. 2

ENCLOSURE

GALE

- 3-Bureau (Enc. 3) (RM)
- 1-New York (100-134637) (Enc. 1) (Info) (RM)
- 1-Chicago

RWH:MDW
(5)

100-428091-1955

EX 100

REC-69

100-428091-1955

1 Re Sub C

Approved: JUG/ey
Special Agent in Charge

Sent _____ M Per _____

b6
b7c

CG 134-46, Sub B

For the information of the Bureau, CG 5824-S* prepared a message containing the information appearing in the enclosed informant's statement for transmission to the Soviets. This message was transmitted by Chicago to the New York Office on 3/8/62 to be relayed, in turn, to NY 694-S*. Instructions of CG 5824-S* in regard to this message were that NY 694-S* should transmit it abroad through the Solo apparatus. Therefore, this information must be considered extremely sensitive to the security of both CG 5824-S* and NY 694-S*.

**INFORMATION CONCERNING POSSIBLE TRAVEL TO
WARSAW, POLAND, BY [REDACTED] OF JACK
STACHEL, TO ATTEND A SCIENTIFIC CONFERENCE,
JULY, 1962**

During late February, 1962, it was learned from a leading functionary of the Communist Party, USA (CP, USA) that [REDACTED] of Jack Stachel, a National functionary, CP, USA, had been invited to participate in a delegation of United States scientists to a conference on Relativistic Theories of Gravitation scheduled to be held in Warsaw, Poland, in late July, 1962.

In regard to the above, instructions have been issued by the CP, USA that a message be transmitted to the Communist Party of the Soviet Union (CPSU). This message is to reflect that [REDACTED] would like to visit with Soviet physicists and also see Socialist progress in all fields of work. He would also like to speak and visit with Timur Timofeev, a Soviet citizen and [REDACTED] late Eugene Dennis, Chairman, CP, USA. In this regard, the CP, USA feels it would be desirable for [REDACTED] to receive like invitations as a scientist and as a guest in order that he might visit the Soviet Union for a limited period.

b6
b7c

[REDACTED] attended a similar conference at Royaumont, France, in 1959. At this conference he met some Soviet physicists working in the same field of endeavor, among whom were V. Fosl of Leningrad and a (first name unknown) Ivanenko, whom [REDACTED] believes was from Moscow. [REDACTED] intends to write to both Fosl and Ivanenko urging them as workers in the same field to make an effort to secure an invitation for him to visit the Soviet Union unless there is some disapproval by the CPSU. In this regard, the CP, USA believes that it is essential that he make this public effort to receive an invitation for security reasons because of his connections with the University of Pittsburgh and generally because of the nature of the current state of things in the USA.

[REDACTED] is now doing research in the field of relativity as a member of the University of Pittsburgh, Pittsburgh, Pennsylvania. He is 33 years of age.

ENCLOSURE

100-428097-1955

1 - Sack
1 - Mr. Gurley

SAC, Chicago(134-46 Sub B)

March 16, 1962

Director, FBI (100-428091) - 1966

REC-29

SOLO
INTERNAL SECURITY - C

EX-114

ReCGairtel 3/12/62 enclosing copies of an informant statement from CG 5824-S^o entitled "Information Concerning Future Possible Participation of U. S. Youth in the Eighth World Youth Festival, Summer, 1962." This informant statement indicated that Gus Hall has instructed informant to advise the Soviets that it would be desirable that the International Festival Committee take immediate steps to lend financial aid to "progressive youth" to enable them to reach Helsinki, Finland, and return to the United States.

Chicago and New York should follow this matter closely and advise the Bureau promptly in the event the Soviets make available to the Communist Party, USA, any funds for the above-mentioned purpose.

2 - New York (100-134637)

LTG:cjcgc
(7)

MAILED 4
MAR 16 1962
COMM-FBI

- ___ Tolson
- ___ Belmont
- ___ Mohr
- ___ Callahan
- ___ Conrad
- ___ DeLoach
- ___ Evans
- ___ Malone
- ___ Rosen
- ___ Sullivan
- ___ Tavel
- ___ Trotter
- ___ Tele. Room
- ___ Ingram
- ___ Gandy

MAR 16 1962
COMM-FBI
100-428091
100-134637
100-134637

FBI - WASH DC
SEC ID - 207747
MAR 19 10 43 AM '62

[Handwritten signatures and initials]

67 APR 3 - 1962

FBI

Date: 3/12/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL _____
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)
FROM: SAC, CHICAGO (134-46 Sub B)

REC-29

SOLO
IS-C

Remyairtel 12/11/61, and enclosed letterhead memorandum captioned "Information Concerning a Meeting With the Chairman, Committee of Youth Organizations, USSR, Moscow, Russia, 11/21/61".

Enclosed herewith for the Bureau are 3 copies and for New York, one copy of an informant statement captioned "Information Concerning Future Possible Participation of U.S. Youth in the 8th World Youth Festival, Summer, 1962".

The information in the enclosed statement was orally furnished 3/7/62 by CG 5824-S* to SA RICHARD W. HANSEN and Bureau Stenographer [redacted]

b6
b7c

For the Information of the Bureau, CG 5824-S* prepared a message containing the essence of the information appearing in the enclosed informant statement for transmission to the Soviets. This message was transmitted by Chicago to the New York Office on 3/8/62 who in turn was to relay it to NY 694-S*. Instructions of CG 5824-S* in regard to this message were that NY 694-S* should transmit it abroad through the Solo apparatus. Therefore, this information must be considered extremely sensitive to the security of both NY 694-S* and CG 5824-S*.

- 100-428091-1956
- 3 - Bureau (RM) (Encl 3)
- 1 - New York [redacted] (RM)
- 1 - Chicago
- RWH:jem
- (5)

ENCLOSURE
end dist.

REC-29

100-428091-1956
13 MAR 31 1962

Approved: [Signature] Special Agent in Charge

Sent [Signature] Per [Signature]

INDEXED

**INFORMATION CONCERNING FUTURE
POSSIBLE PARTICIPATION OF U.S.
YOUTH IN THE 8TH WORLD YOUTH
FESTIVAL, SUMMER, 1962**

During late February, 1962, GUS HALL, General Secretary, Communist Party (CP), USA, brought up a discussion relating to the 8th World Youth Festival scheduled to be held during later summer, 1962, in Helsinki, Finland. When discussing this matter, HALL desired that a message be transmitted to the Soviets to the following effect.

It is the opinion of Comrade HALL that unless some material aid is given to the youth or to the U.S. Youth Festival Committee, either through their or our channels, the most progressive youth will be unable to leave the United States to participate in this festival.

In addition, it will be recalled that a representative of the CP, USA, during the latter part of 1961, discussed with representatives of the CP of the Soviet Union, the possibility of a number of U.S. youths being invited to the Soviet Union from Helsinki to participate in seminars or any other type of activity which would enhance their political understanding. At the present time, it does not appear that these Party youths will ever reach Helsinki, because of financial problems, even though they are now making a public drive for funds. The CP, USA, therefore suggests that it would be desirable that the International Festival Committee take some immediate steps to give these progressive youths the desired material help which will enable them to reach Helsinki and return to the United States.

ENCLOSURE

100-428091-195/2

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 3/14/62

FROM : SAC, CHICAGO (134-46, Sub B)

SUBJECT: SOLO
IS - C

ReCGairtel dated March 7, 1962, and enclosed informant's statement captioned, "Information Concerning [redacted] and Wife [redacted] Americans, Now Residing in Czechoslovakia."

b6
b7C

For the information of the Bureau, the Chicago Office has received from the Seattle Office a copy of a communication containing information that office received from [redacted] relating to a meeting attended by GUS HALL in Seattle on February 6, 1962.

b7D

This communication notes that [redacted] had reported that during this meeting with HALL, BURT NELSON had asked GUS HALL if he had "any info on CP background of [redacted] who is a U of W (University of Washington) professor in Social Department who came to Seattle with his wife about a year and a half ago and contacted BURT, requesting transfer from the CP back East to here---that he (BURT) had many reservations about [redacted] and that his wife---that, for one thing, [redacted] and [redacted] seemed overly interested in national decisions and seemed to know more about what goes on in the national than they have any right to know and they seem to know everybody from the East to the West Coast who holds any position of consequence in the Party---that [redacted] was born in the Soviet Union; came to this country when she was 19 years old; is now 45 years old---that [redacted] and [redacted] travelled throughout the Soviet Union where [redacted] family still resides, last summer---that [redacted] mentioned having visited with HELEN WINTER on his way to the West Coast when returning home from abroad."

b6
b7C

Based on a comparison of the information set forth above, as reported by Seattle, with the information in the informant's statement enclosed with reCGairtel relative to the memorandum prepared by NELSON, it appears evident that [redacted] and [redacted] are probably identical with "M.N." and "O.P.N." referred to in the NELSON memorandum.

- ②-Bureau (RM)
- 1-New York (100-134637)(Info)(RM)
- 1-Chicago
- RWH:MDW
- (4)

REC-100

MAR 17 1962 SUB

5 1 MAR 23 1962

35
COR

11
11

1957

REC-500

CG 134-46, Sub B

The above-noted Seattle communication also reflects that that office maintains security files on the [redacted] which are as follows:

100-24581

100-24582

In view of the foregoing, the Bureau may desire to ignore suggestion #5 appearing on page two of reCGairtel. Instead, the Bureau may desire to conduct a review of Bureau files regarding these individuals and request Seattle to supply the Bureau with a summary background on these individuals.

b6
b7c

UNITED STATES GOVERNMENT
MEMORANDUM

TO : DIRECTOR, FBI (100-1287)
FROM : SAC, NEW YORK (100-1696)
SUBJECT: ELIZABETH GURLEY FLYNN
IS-C; ISA-50
(OO: NY)

DATE: 3/13/62 ~~X~~ (U)

~~SECRET~~

L

On 3/2/62, [redacted] Madison Square Hotel, 35-37 Madison Ave., NY, NY, advised that on 3/1/62, ELIZABETH GURLEY FLYNN paid him \$240.00, representing a balance payment of \$126.85 on February's rent and \$113.15 toward the rent for March.

b6
b7C

The payment was in the form of 7 notes of \$20.00 denomination each and a check (#95) dated 2/19/62, written by LYDIA GIBSON MINOR on the Bank of New York, 706 Madison Ave., NYC, to ELIZABETH GURLEY FLYNN for \$100.00. The check was endorsed for deposit to the Madison Square Hotel for [redacted].

- 5-Bureau (100-1287) (RM)
(1-65-65405) (TRACING OF AMERICAN MONEY USED BY SOVIETS ON ESPIONAGE OPERATIONS)
 - (1-100-3-63) (CPUSA - FUNDS)
 - (1-100-428091) (SOLO)
 - 2-Chicago [redacted] (RM)
 - 1-New York (65-17696) (TRACING OF AMERICAN MONEY USED BY SOVIETS ON ESPIONAGE OPERATIONS) (34)
 - 1-New York (100-74560) (CPUSA - FUNDS) (415)
 - 1-New York (100-134637) (SOLO) (41)
 - 1-New York (100-93611) (LYDIA GIBSON MINOR)
 - 1-New York (100-1696) (415)
- DEH:rmv
(12)

b7D

(U)

~~Classified by 428 REP/ps
Declassify on OADR~~

~~SECRET~~

[100-428091] ~~X~~ (U)
NOT RECORDED
178 MAR 15 1962

(U) ~~X~~

~~X~~ [50 MAR 26 1962]

ORIGINAL COPY FILED IN 100-1287-845

NY 100-1696

Serial numbers for the \$20.00 notes were noted
as follows: u

Series 1950 B	G88988336B
"	J54990015A
"	G86481024B
"	D20994795B
"	G65079772B
"	J53891954A
Series 1950A	B03559599B

u

The above 7 \$20.00 notes are identical with
\$20.00 notes furnished to NY 694-S* by the Soviets on 6/10/61,
for use of the CPUSA. ~~\$~~ (U)

It is noted that following the death of KATHY
FLYNN, GUS HALL instructed CG 5824-S* to furnish the
subject some funds since FLYNN complained that she was
broke. It appears that FLYNN paid her rent from money
furnished by the informant. ~~\$~~ (U)

Chicago is requested to interview CG 5824-S*
as to the amount of money furnished to FLYNN. ~~\$~~ (U) ^

UNITED STATES GOVERNMENT

Memorandum

Tolson	_____
Belmont	_____
Mohr	_____
Callahan	_____
Conrad	_____
DeLoach	✓
Evans	_____
Malone	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

TO : Mr. W. C. Sullivan *2/15*

DATE: March 13, 1962

FROM : Mr. F. J. Baumgardner *7/9/62*

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Mr. Baumgardner *Baumgardner*
- 1 - Mr. Bland
- 1 - Mr. Branigan
- 1 - Mr. Phillips *Phillips*
- 1 - Mr. Gurley

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

By airtel March 9, 1962, the Chicago Office advised that CG 5824-S* had furnished information on March 7, 1962, that during late February, 1962, Gus Hall, General Secretary, Communist Party, USA (CPUSA), had directed that a message be prepared and transmitted to the Communist Party of the Soviet Union (CPSU) to the following effect:

John Pittman, who is presently assigned as the Moscow correspondent for "The Worker" is being replaced in that capacity and the CPUSA desires that Pittman and his family return to the United States before the end of the Summer of 1962. *Krupsky*
J.A. Johnson

As a replacement for Pittman, Art Shields has been assigned as the new correspondent for "The Worker" in Moscow. He will be accompanied by his wife, Esther. The CPUSA will submit to the CPSU a biographical sketch concerning both Art and Esther Shields in the near future.

The CPUSA advised that a representative of the "People's World" to Moscow has not yet been selected and when this decision is made the CPSU will be informed.

"The Worker" is an east coast communist newspaper. The "People's World" is a west coast communist newspaper. John Pittman, Art and Esther Shields are on the Security Index. *Y*

CG 5824-S* prepared a message containing the above information for transmission to the Soviets. This message was transmitted by Chicago to New York on March 8, 1962, to be relayed in turn to NY 694-S*. Instructions of CG 5824-S* in regard to this message were that NY 694-S* should transmit it abroad through the Solo apparatus.

100-428091-116

LTG:bgc
(8)

[Handwritten signature]
REC-24

100-428091-1958

MAR 20 1962

[Handwritten signature]

53 MAR 26 1962

Memo to Mr. Sullivan
RE: SOLO
100-428091

ACTION:

For information. In view of the fact that only Gus Hall and our two informants know of this information at this time and since it is being transmitted to the Soviets through our Solo clandestine operation, it is not being disseminated at this time. Immediately upon receipt of this information from other sources, it will be expeditiously disseminated to the Department of State and the Central Intelligence Agency.

Loy J
JH

we

9

✓

1 - Mr. Gurley

SAC, Chicago (134-46 Sub B)

March 20, 1962

Director, FBI (100-423091)

SOLO
INTERNAL SECURITY - C

Chicago and New York should make an immediate check with informants CG 5024-S* and NY 694-S* to determine the exact amount of SOLO funds in the possession of each. Informants should not be advised of the balance of this fund as shown by our records until an accounting is received from the informants.

Any differences in the amount in the possession of each informant and the balance shown for the fund by each office should be reconciled and any discrepancies resolved.

At this time it should be determined from each informant whether or not he must account for those funds to the Communist Party, USA (CPUSA), and whether or not the CPUSA makes any record of the amount received by informants from the Communist Party of the Soviet Union (CPSU) and the amount released by informants to the CPUSA, as well as whether or not the Soviets advise any other member of the CPUSA of the amount of money provided to informants for the CPUSA from the CPSU. Determine whether or not the informants are the only individuals who know the amount maintained by them at all times, who authorize the use of these funds, and to whom do informants account as regards these funds.

2 - New York: (100-134637)

LTG:bgc
(6)

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Ingram _____
- Gandy _____

MAR 21 1962
COMM-FBI

60 MARCH 20 1962

MAIL ROOM TELETYPE UNIT

1959

25 MAR 20 1962

EX-105

REC-105

MAR 17 1962

7

212

- 1 - Mr. Orley
- 1 - Mr. Vizas
- 1 - Mr. Pettit

SAC, Seattle

March 19, 1962

Director, FBI (105-104632)

[Redacted]

INTERNAL SECURITY - C2

[Redacted]

SECURITY MATTER - C

ReCGairtel 3-7-62 captioned "Solo, IS-C." One copy each of referenced airtel and letterhead memorandum of same date is enclosed for Seattle.

The letterhead memorandum mentioned above sets forth a copy of a message prepared by Bert Nelson, party functionary in Seattle, to Gus Hall. This message was obviously prepared by Nelson in response to a request from Gus Hall to identify a couple from Seattle who have taken up residence in Czechoslovakia. CG 5824-S^o was previously requested by the Communist Party of Czechoslovakia to furnish information regarding this couple. Nelson has concluded that the Youngermans are identical with [Redacted] and [Redacted] Seattle has previously developed no information regarding the Youngermans but has noted that the circumstances fit those of the Junges.

It is noted that Nelson's communication sets forth that he was unsuccessful in learning much about the [Redacted] but that he did learn that the [Redacted] departed from Seattle approximately February 5, ostensibly to take up residence in Sweden. Nelson states that he does not know if there is a connection between the [Redacted] and the [Redacted].

Bureau files are negative regarding the [Redacted] prior to newspaper publicity in the Fall of 1961 following their arrival in Czechoslovakia. Bureau files show that [Redacted] was involved in the past with the Committee to Secure Justice for Morton Sobell, the Civil Rights Congress and the St. Louis Emergency Defense Committee.

Enclosures - 2

- 50 MAR 26 1962
- 1 - 100-353645 [Redacted]
- 1 - 100-428091 (Solo)

MAR 19 1962
 MAILED 100-428091-
 NOT RECORDED
 126 MAR 21 1962

(See note on yellow page 2)

BGLP:bnt

(11)

ORIGINAL FILED IN 105-104632-117

b6
 b7c

Letter to Seattle

RE: [REDACTED]

105-104632

The last report concerning [REDACTED] was dated 10-23-59 at Seattle. In March, 1961, intelligence authorities in Australia requested information concerning [REDACTED] and eleven other individuals who were applicants for migrant visas for Australia. Nothing is contained in Bureau files showing any connection between the [REDACTED] and the [REDACTED] and no information is known concerning the [REDACTED] present travel to Europe.

Nelson's communication to Hall also mentions "L. N. and G. N." who traveled to Russia last year. These individuals are possibly identical with [REDACTED] and his wife, Olga Jeannette Northwood, Security Index subjects of Seattle.

Chicago should reinterview CG 5824-S* to determine any connection between the [REDACTED] and the [REDACTED]. It was further noted that Nelson mentioned [REDACTED] employment at the Mason Clinic as a radiation expert. It would be of interest to the Bureau to know if Hall requested Nelson to find out about the [REDACTED] because of their interest in radiation and if such a request were made at the request of a foreign power.

b6
b7c

Seattle should verify the travel of [REDACTED] and his wife and attempt to discreetly determine the connection of the [REDACTED], if any, with the [REDACTED].

All inquiries in connection with this matter are to be handled in a most discreet and circumspect manner bearing in mind the very sensitive nature of the source of the information.

NOTE ON YELLOW:

On last Solo mission CG 5824-S* was requested by the Communist Party of Czechoslovakia to attempt to identify, first name unknown, Youngerman and his wife from

(Note on yellow continued page 3)

Letter to Seattle

RE: [REDACTED]

105-104632

b6
b7c

Seattle, Washington, recently settled in Czechoslovakia. The "Youngermans" are possibly identical with [REDACTED] and his wife who have been the subject of considerable publicity in Seattle because of their announced intention of remaining in Czechoslovakia. Subjects not on Security Index.

F B I

Date: 3/7/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL REGISTERED MAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46, Sub B)

Roby

SOLO
IS - C

ReCGairtel dated 12/27/61 and enclosed informant's statement captioned, "Inquiry by Representative of the Communist Party of Czechoslovakia Regarding an American Couple Now in Prague, Czechoslovakia, by the Name of (First Name Unknown) Youngerman."

CONF. INFO.

ReCGairtel dated 1/18/62 wherein it was noted that CG 5824-S* had discussed with GUS HALL the inquiry of the Communist Party of Czechoslovakia (CP of CZ) regarding the YOUNGERMANS and information that HALL would attempt to check up on these individuals and get some details during his contemplated West Coast trip.

b6
b7c

ReCGlet dated 1/30/62 noting possible conclusion, based on information from Seattle Division and supplemental information from CG 5824-S*, that the YOUNGERMANS probably identical with _____, and wife, _____

W

Enclosed herewith for the Bureau are three copies and for the New York Office one copy of an informant's statement captioned, "Information Concerning _____ and Wife, _____, Americans, Now Residing in Czechoslovakia."

REC-48

100-428091-1960

- 3-Bureau (Enc. 5) (RM)
- 1-New York (Enc. 2) (100-134637) (Info) (RM)
- 1-Chicago
- RWH:MDW
- (5)

IC C - Wick

*3/19/62
DGT
2-C*

13 MAR 12 1962

Approved: *[Signature]*
Special Agent in Charge

Sent *[Signature]* M

[Handwritten initials]

CG 134-46, Sub B

This information was made available on 3/5/62 by CG 5824-S* to SA RICHARD W. HANSEN.

In regard to the information incorporated in the enclosed informant's statement, CG 5824-S* noted that while it was not at the time specifically stated, the written message transmitted to him by PHIL BART undoubtedly had already been delivered to GUS HALL and HALL apparently had instructed BART to furnish it to CG 5824-S* so that certain portions thereof might be extracted and transmitted to the CP of CZ.

There is also being enclosed herewith for the Bureau two photostats and for the New York Office one photostat of the article referred to in the written message which had appeared in the "Seattle Post - Intelligencer," February 18, 1962, which had been included with the BURT NELSON memorandum.

One photostat of the original message and one photostat of the above-described newspaper clipping are being retained by the Chicago Office as exhibits in CGfile 134-46, Sub B.

In regard to the information set forth herein, it is suggested that the Bureau might desire to consider the following suggestions for action in this regard:

b6
b7C

1) Check Bureau indices on [redacted], former radiologist employed by the Mason Clinic, Seattle, Washington.

2) Conduct check of Bureau indices on [redacted] wife of [redacted].

3) Consider requesting the Seattle Division to review indices for full background information concerning the [redacted]

4) Upon ascertaining results of Bureau indices checks and background information from the Seattle Division regarding the [redacted] consider possibility of requesting WFO to review passport records on [redacted] and [redacted].

5) Consider the feasibility of having [redacted] discreetly contacted regarding the identity of "I.N." and "O.N." who are described as individuals known to [redacted] and CARL and HELEN WINTER.

b7D

CG 134-46, Sub B

In regard to the above suggestions being made to the Bureau, it should be noted that information reported herein, according to CG 5824-S*, is presently known to only BURT NELSON, GUS HALL, and CG 5824-S* and, therefore, if in any way revealed could place CG 5824-S* in serious jeopardy of being disclosed.

GALE

- Mr. Gurley

March 20, 1962

Airtel

EX-100

To: SAC, Chicago, (134-46 Sub B) PERSONAL ATTENTION

From: Director, FBI (100-428091) - 1961

SOLO
INTERNAL SECURITY - C

ReBuairtel 3/13/62 regarding a message to be transmitted to the Soviets relating to the sending of a film on William Z. Foster to the Communist Party, USA, through Canada and that delivery of this message should be held in abeyance pending further instruction. CG 5824-S* was to be contacted by Chicago to determine if this film could be delivered through utilization of the contact in Mexico.

CG 5324-S* was of the opinion it would not be feasible to use the Mexican contact but no valid reason was set forth for such a belief.

The Bureau is unable to fathom the informant's reasoning in continuing to insist on receiving this film through contacts in Canada instead of Mexico. As was pointed out to you previously, the Bureau does not desire that CG 5824-S* and NY 694-S* make trips to Canada or use such a course of action as suggested by CG 5824-S* unless some extraordinary emergency situation exists. As you know, Canadian authorities are most interested in NY 694-S* and this has caused some difficulty between the Bureau and the Royal Canadian Mounted Police.

Further, according to information submitted by informant, Soviet officials instructed CG 5324-S* not to use Canada as a contact point in the future. In spite of this and the Bureau's objection for the noted reason, informant apparently is intent on using his method for obtaining this film and it appears Chicago has not controlled him in this matter.

1 - New York: (100-134637)

LTG:bmt/kmo
(5)

- Tolson _____
- Belmont _____
- Mohr _____
- Cullivan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Holmes _____
- Gandy _____

MAIL ROOM TELETYPE UNIT

Handwritten signatures and initials:
WCS
J...
M...
M...
M...
M...

Airtel to Chicago
RE: SOLO
100-428091

It is also noted that CG 5824-S* did not believe that either he or NY 694-S* would be confronted with the necessity to travel to Canada. However, he did not make a positive statement in this regard. He also felt he could avoid jeopardy to himself and NY 694-S* through the use of a reliable third party completely under his control in regard to Canadian travel; however, here again he made no positive guarantee in this regard nor did he furnish the name of the person he anticipates using. At no point does informant state what course of action he will pursue or can pursue in the event Gus Hall instructs him or NY 694-S* to make this trip to Canada. Chicago must remember that any information received by Canadian authorities that the Communist Party of Canada has material for either of these informants may again trigger a situation which the Bureau desires to avoid.

In discussing this matter with the informant, we do not care whether the film comes in through Canada or through Mexico as long as it can be delivered into the United States with no possibility that either NY 694-S* or CG 5824-S* may have to make a trip into Canada. If it can be set up so that the package is mailed from Mexico or CG 5824-S* go to Mexico after it, this is fine. If it can be mailed from Canada into the United States with security, this is satisfactory. We do not want any situation to develop, however, wherein Gus Hall may order CG 5824-S* or NY 694-S* to go to Canada to pick up the film. If it is possible, the Bureau would like to completely eliminate Canada from this particular operation.

In the event the Chicago Office loses control of this situation and it becomes necessary for either of these informants to go to Canada on this trip or if as a result of this we are placed in a compromising position, responsible Chicago personnel will be held strictly accountable.

F B I

Date: 3/15/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL _____
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (100-428091)
FROM: SAC, CHICAGO (134-46 Sub B)

SOLO
IS - C

ReBuairtel dated 3/13/62, regarding a message to be transmitted to the Soviets relating to the sending of a film on FOSTER to the CP, USA, through Canada, and that delivery of this message was being held in abeyance pending further instruction. CG 5824-S* was to be contacted by Chicago to determine if this film could be delivered through utilization of Mexico contact.

CG 5824-S* was contacted on 3/15/62, by SA RICHARD W. HANSEN at which time he noted that he clearly understood the Bureau's intent and purpose in making the suggestion and its considerations regarding this matter. However, it was CG 5824-S*'s opinion that it would not be feasible to utilize the Mexican contact at this time for this type of bulky material. In addition, he personally felt that from past information available to him, there would be less difficulty in bringing this type of material into the United States over the Canadian border than there would be involved in a similar entry from Mexico.

In regard to the possibility and necessity of either himself or NY 694-S* being instructed to travel to Canada to obtain such film, CG 5824-S* stated that he had also considered this matter and did not believe that they would be confronted with such a situation. He stated that since he controlled this particular operation and since the message will be

- 3 - Bureau (RM)
- 1 - New York (100-134637) (Info) (RM)
- 1 - Chicago

RWH:Plb
(5)

REC-28 100-428091-1961
MAR 19 1962

Handwritten notes:
100-428091-1961
3/20/62
LTG
NY

Approved: J. H. G. [Signature] Special Agent in Charge Sent _____ M Per _____

CG 134-46, Sub B

designated specifically as originating from him, he would in regard to retrieving such film from Canada, if shipped, be able to utilize a reliable third party completely under his control. He could, he felt, therefore, avoid jeopardy to either himself or NY 694-S* in regard to Canadian travel.

As of the present time, CG 5824-S* has made no determination as to whom he might specifically consider for such Canadian travel; however, prior to any final determination on this matter would discuss it with the Chicago Office. Accordingly, this matter will be followed closely by Chicago with CG 5824-S* and the Bureau will be kept advised.

GALE

F B I

Date: 3/12/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL _____
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46 Sub B)

SOLO
IS-C

On 3/9/62, the Chicago Office received through a mail drop, 3 mimeographed English language items which had been directed to CG 5824-S* from the Communist Party of the Soviet Union (CPSU), Mail Drop Address Box 341, Moscow, Russia. All of these items appear possibly to be excerpts from the English edition of the daily review of the Soviet Press. The items received were as follows:

1) A 12 page mimeographed item entitled "Peaceful Co-Existence - General Course of Soviet Foreign Policy", by A. POPOV and A. SERGEYEV. This item appears to be a reprint in full of an article which appeared in the "Kommunist", No. 18, 1961.

2) A 24 page mimeographed item dated Tuesday, 12/26/61, and captioned "Lenin's Party - Leader and Organizer of the People's Effort for the Victory of Communism". This article is shown as having appeared in Pravda, 12/20,21/(61) and reportedly set forth in full.

3) A 21 page mimeographed item and dated Monday, 2/5/62, captioned "The 22nd Congress of the CPSU and the Tasks of the Social Science Chairs, Report of M.A. SUSLOV, Secretary of the Central Committee, CPSU, at USSR Conference of Heads of Social Science Chairs of Higher Educational Establishments". This article is shown as having appeared in Pravda, 2/4/(62) and is in full text.

ENCLOSURE

- 3 - Bureau (Encls. 6) (RM)
 - 1 - New York () (Encls. 3) (RM)
 - 1 - Chicago
- RWH:jem

REC-7

100-428091-1962
b7D
36 MAR 14 1962

(5)

Approved: _____ Sent _____ M Per _____

CC - M... Special Agent in Charge

53 MAR 29 1962

CG 134-46 Sub B

In regard to the above material, CG 5824-S* on 3/12/62, advised SA RICHARD W. HANSEN that he recently had heard that the bi-monthly theoretical organ of the Communist Party of China (CPC) "Hung Chi", had carried a strong attack on the policy which the CPC called "unconditional peaceful co-existence", in which it was noted that such policy calls for compromise and concessions to imperialism.

CG 5824-s* feels that the 3 items received on 3/9/62 undoubtedly reflect the current position of the CPSU to this and other attacks against it by the CPC. Accordingly, he felt these items had been submitted to the CP, USA, and probably other CPs of the world to set forth clearly the CPSU position on such matters. He further pointed out that while the CP, USA had previously had access to this material at the time of the release, the CPSU wanted to be certain by this method of such mailing to again alert the Party to these documents' importance. As further evidence of the possible importance and stress the CPSU places on these items, it is further reflected that this particular mailing to the Chicago drop involved was the first in the past year in which the source had not in some way initiated the drop's use. It came entirely unsolicited from the CPSU.

Two photostats of each of the above 3 described documents are being enclosed herewith for the Bureau and one photostat of each is being furnished New York. One photostat of each is being retained by the Chicago Office as an exhibit in 134-46 Sub B. The originals have been returned to the source.

GALE

FBI

DATE: 3/16/62

Transmit the following via AIRTEL

TO: DIRECTOR, FBI (100-3-63)
 FROM: SAC, NEW YORK (100-74560)
 SUBJECT: CPUSA - FUNDS
 IS-C
 (OO:NY)

Extreme caution must be exercised with respect to dissemination of the information herein since, by its nature, it tends to identify NY 694-S*, a valuable informant, as the source thereof. Unless this information is obtained from a source other than NY 694-S*, it should not be incorporated - even in paraphrased form - in the investigative section of a report.

- 6-Bureau (100-3-63) (RM)
- (1-100-3-76) (CPUSA YOUTH MATTERS)
- (1-100-428091) (SOLO)
- (1-100-3-102) (CPUSA RESERVE FUNDS)
- 1-Chicago (134-46-Sub B) (SOLO) (RM)
- 1-Detroit (100-) ("LABOR TODAY") (INFO) (RM)
- 1-NY 134-91 (INV.) (41)
- 1-NY 100-134637 (SOLO) (41)
- 1-NY 100-128861 (CPUSA RESERVE FUNDS) (415)
- 1-NY 100-84994 (GUS HALL) (415)
- 1-NY 100-144184 ("FREEDOMWAYS INC.") (415)
- 1-NY 97-169 (PUBLISHERS NEW PRESS) (415)
- 1-NY 100-80644 (CPUSA YOUTH MATTERS) (415)
- 1-NY 100-56579 (PHIL BART) (415)
- 1-NY 100-74560 (415)

ACB:ume
 (19)

100-428091-11
 NOT RECORDED
 201 MAR 27 1962

DM

60 APR 2 1962 FIVE

ORIGINAL FILED IN

NY 100-74560

On 3/15/62, NY 694-S* advised SA ALEXANDER C. BURLINSON that on 3/14/62, GUS HALL, CPUSA General Secretary, stated that, with regard to the source of the money which, in large part, is supporting the Party, he had in mind telling the CP leadership the following:

Since 1958, "a finance committee on the outside" (outside the leadership) has been responsible for obtaining most of the money which has been available to the Party. HALL organized this committee and has worked with it. In fact, of the \$250,000.00 which the committee raised last year, HALL himself raised about \$50,000.00. This committee has worked with "dogged determination, sacrificing everything in the interest of the Party."

The money has come from donors contacted by the committee, and from various business enterprises which the Party secretly operates.

The committee has had a particularly difficult task to perform since most of the important donors of the past have been lost and the income from Party enterprises has been reduced, as a result of which the Party's income had been drastically reduced. If HALL personally had not worked with this committee, if he had not traveled as he has, for the purpose of raising money, the committee would have lost heart and quit.

While this committee has been successful to date, there is no guarantee that it will continue to be successful in the future. The attitude of the leadership, particularly of PHIL BART, has been "to sit by placidly, and await the flow of gold into its lap every Friday night." HALL justifiably can accuse the CP leadership of gross negligence as regards obtaining money for the Party.

It is time that the leadership stir itself, and make some real effort to collect money for the Party. HALL suggests that the leadership appoint a committee of three from its own group to make a determined effort to raise money.

NY 100-74560

For the current year, the Party needs more than \$250,000.00 for its operations. Between \$1500.00 and \$2000.00 per week is required by the National Office. \$30,000.00 is required for "a good and welfare fund." In the latter part of the year, "The Worker" will need \$80,000.00. Between \$12,000.00 and \$20,000.00 will be required to subsidize the CP Youth Movement. The new trade union magazine ("Labor Today") and the negro magazine ("Freedomways"), between them, will need about \$25,000.00 during the current year. HALL anticipates that the National Committee, "for administrative purposes" will require about \$25,000.00 during the current year.

After outlining as above what he proposed to tell the CPUSA leadership at a coming meeting, HALL asked for NY 694-S*' opinion regarding his proposal. NY 694-S* expressed the opinion that whether HALL was acting "defensively or offensively" with regard to the leadership, HALL should not assume that the leadership would believe HALL's statement that money for the Party was being raised as HALL said. The informant suggested that before HALL make this statement to the leadership, he discuss it with CG 5824-S*.

HALL agreed that he would postpone making the statement until he should have an opportunity to discuss it with CG 5824-S*

UNITED STATES GOVERNMENT

Memorandum

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Ingram _____
 Gandy _____

TO : Mr. W. C. Sullivan

DATE: February 9, 1962

FROM : Mr. F. J. Baumgardner

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Mr. Baumgardner
- 1 - Mr. Gurley

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

My memorandum of 1/9/62 set forth in detail receipts of funds from the Soviet Union and Red China by the Communist Party, USA, and the disbursements of these funds during December, 1961. The following schedule shows the present status of these funds together with the receipts and disbursements during January, 1962.

SUMMARY

<u>Total received from Soviet Union 9/58 to 1/31/62</u>	<u>\$894,385</u>
<u>Total received from Red China 2/60 to 1/31/62</u>	<u>50,000</u>
<u>Grand total received 9/58 to 1/31/62</u>	<u>944,385</u>
<u>Total disbursements to 1/31/62</u>	<u>699,104**</u>
Balance of Fund 1/31/62	<u>\$245,281*</u>

\$195,333 maintained by NY 694-S in safe deposit box and in checking account, both in New York City; and \$49,948 maintained by CG 5824-S* in safe deposit box in Chicago.

DETAILS

Total received from Soviet Union 9/58 to 12/31/61	\$894,385	CW
Total received from Red China 2/60 to 12/31/61	50,000	
Grand total received 9/58 to 12/31/61	944,385	
Total disbursements to 12/31/61	685,504	
Balance of Fund 12/31/61		\$258,881

Receipts during January, 1962 (Repayment of loan) 100**

**Partial payment of \$200 loan by Lena Scherer, New York City, which loan made 7/61 by CG 5824-S* from Solo Funds. Since the sum of \$100 added to disbursements at time of loan has been repaid, this amount deducted from disbursements.

25 MAR 26 1962

Disbursements during January, 1962

1/31/62 - To Jack Kling, Chicago CP functionary, for purchase of 1,500 copies of book "The Case Against General Heusinger" made on instructions of Gus Hall, CP, USA, General Secretary. 500

100-428091-101
 65 MAR 22 1962

500
 100

Memorandum to Mr. Sullivan
RE: SOLO
100-428091

1/31/62 - To CG 5824-S* for transfer to Peggy Dennis, wife of late CPUSA National Chairman Eugene Dennis, to finance continuation for [redacted]	2,000	b6 b7C
1/31/62 - To CG 5824-S* as reimbursement for personal expense related to stay of Gus Hall in Chicago 1/8-16/62.	200	
1/3/62 - To Gus Hall for use of CP National Office.	5,000	
1/3/62 - To Isadore Needleman, CP attorney, as depository for use of CP youth movement.	4,000	
----- - To Gus Hall for expenses incidental to trip to west coast	2,000	
Total disbursements during January, 1962		<u>\$ 13,700</u>
Balance of Fund 1/31/62		<u><u>\$245,281</u></u>

ACTION:

None. This memorandum submitted for your information and an up-to-date accounting of the Solo Funds will be brought to your attention each month. Details of the accounting of these funds are not being disseminated.

Leg 21 *gmc*
gmc *203* *mcg* *EP* *Q* *✓*

UNITED STATES GOVERNMENT

Memorandum

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Ingram _____
 Gandy _____

TO : Mr. W. C. Sullivan *2/8/22* DATE: March 8, 1962

FROM : Mr. F. J. Baumgardner *FJB* 1 - Mr. Belmont
 1 - Mr. Sullivan
 1 - Mr. Baumgardner
 1 - Mr. Gurley

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

B'90-792

My memorandum of 2/9/62 set forth in detail receipts of funds from the Soviet Union and Red China by the Communist Party, USA, and the disbursements of these funds during January, 1962. The following schedule shows the present status of these funds together with the receipts and disbursements during February, 1962.

SUMMARY

Total received from Soviet Union 9/58 to 2/28/62	\$894,385
Total received from Red China 2/60 to 2/28/62	50,000
Grand total received 9/58 to 2/28/62	944,385
Total disbursements to 2/28/62	705,304
Balance of Fund 2/28/62	<u>\$239,081*</u>

\$190,208 maintained by NY 694-S in safe deposit box and in checking account, both in New York City; and \$48,873 maintained by CG 5824-S* in safe deposit box in Chicago.

DETAILS

Total received from Soviet Union 9/58 to 1/31/62	\$894,385
Total received from Red China 2/60 to 1/31/62	50,000
Grand total received 9/58 to 1/31/62	944,385
Total disbursements to 1/31/62	699,104
Balance of Fund 1/31/62	<u>\$245,281</u>

Receipts during February, 1962

Disbursements during February, 1962

2/7/62 - To Gus Hall, CPUSA General Secretary, 300 for travel to west coast on behalf of CPUSA

2/12/62- To Helen Winter, Detroit CP functionary, for public source information mailed to Soviet Union on behalf of CG 5824-S*

REC-12 100-450091-1964

25 MAR 26 1962

100-428091

LTG:kmo

(5)

65 MAR 30 1962

FMB

[Handwritten signature]

Memorandum to Mr. Sullivan
RE: SOLO
100-428091

2/20/62 - To Isidore Gibby Needleman, CP attorney, to hold as depository for CP national office	5,000
2/20/62 - To Elizabeth Mascolo, paramour of Chairman of Canadian CP, for travel expenses in connection with transmission of Canadian CP documents to CPUSA	125
2/23/62 - To Helen Winter, for additional mailings to Soviet Union in matter mentioned above on behalf of CG 5824-S*	70
2/23/62 - To Helen Winter, for travel expenses from Detroit to New York in connection with CPUSA duties	55
2/28/62 - To CG 5824-S* as additional repayment for expenses in connection with Solo Mission 10	300
2/28/62 - To CG 5824-S* for travel expenses to west coast 2/2-10/62	200
2/28/62 - To CG 5824-S* for expense in connection with travel to New York City on Gus Hall's instructions 2/19-28/62	100
Total disbursements during February, 1962	<u>\$ 6,200</u>
Balance of Fund 2/28/62	<u><u>\$239,081</u></u>

ACTION:

None. This memorandum submitted for your information and an up-to-date accounting of the Solo Funds will be brought to your attention each month. Details of the accounting of these funds are not being disseminated.

Jan 2/28/62 Rave
Wes
BV
✓

UNITED STATES GOVERNMENT

Memorandum

Tolson	_____
Belmont	_____
Mohr	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Malone	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

TO : Mr. W. C. Sullivan *wcs*

DATE: March 21, 1962

FROM : Mr. F. J. Baumgardner *FJB*

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Mr. Baumgardner
- 1 - Mr. Branigan
- 1 - Mr. Bland
- 1 - Mr. Gurley

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

This is an informative memorandum to set forth contact of NY 694-S* by Valentin Aleksandrovich Zaitsev, Counselor, Soviet Mission to the United Nations, and informant's Soviet contact.

On the evening of 3/16/62 informant met Zaitsev pursuant to previously made arrangements. During the course of this meeting informant asked Zaitsev whether the latter had replies from the Soviets concerning questions previously submitted to Moscow by the Communist Party, USA (CPUSA). Zaitsev said that with regard to Mrs. Morton Sobell, the Soviets are prepared to give her \$5,000 whenever she may require it. He instructed that Gus Hall, General Secretary, CPUSA, must use discretion in giving her this money in order that it may not be disclosed that the money came from the Soviets. Zaitsev suggested that Mrs. Sobell be told the money was contributed by an anonymous donor.

Morton Sobell is presently incarcerated in the Atlanta Penitentiary where he is serving a 30-year sentence after conviction for conspiracy to commit espionage on behalf of the Soviet Government.

It will be remembered that Colonel Rudolf Abel and Reino Hayhanen, Soviet espionage agents, were furnished \$5,000 by the Soviets which they were to supply to Mrs. Sobell. Hayhanen subsequently confiscated the money and converted it to his own use.

Memorandum Baumgardner to Sullivan 1/26/62 set forth contact between NY 694-S* and Zaitsev on 1/22/62, at which time Zaitsev stated the Soviets desired to be informed whether Mrs. Sobell is in need of money and, if so, they would supply it. That information was furnished to the Attorney General by letter dated 1/29/62.

Concerning the records of Robert Minor and James Ford, which the CPUSA had requested the Soviets to accept for temporary storage, Zaitsev said that in about one month this material could be shipped to Moscow for storage. It will be noted that the New York Office has already had access to these records for review for pertinent information contained therein. Robert Minor and James Ford are deceased former CPUSA national functionaries.

100-428091

LTG:kmo

65 APR 9 1962

REC-57
EX 110

12 MAR 27 1962

100-428091-1965
 100-428091-1965
 100-428091-1965
 100-428091-1965

Memorandum to Mr. Sullivan
RE: SOLO
100-428091

Zaitsev then stated that the Soviets were greatly interested in Gus Hall's report revealing the latter's evaluation of the Kennedy administration and that in the near future the CPUSA would receive the Soviets' "reaction" to said report. The Soviets, according to Zaitsev, agree that President Kennedy is not a fascist but they consider him "young and ambitious."

It will be recalled that the White House and interested Government officials have been advised previously concerning the evaluation of the Kennedy administration by the CPUSA.

Zaitsev then instructed NY 694-S* to inform the CPUSA that the Communist Party, Soviet Union (CPSU), desires between 20 and 25 "leading people" of the CPUSA to go to Moscow during the current year as guests of the Soviets. He instructed that the CPUSA give considerable thought to who these individuals should be.

Informant then furnished Zaitsev for transmission to the Soviets a roll of microfilm containing messages from the CPUSA to the CPSU. These messages consisted of general information from the CPUSA.

OBSERVATION:

Since information concerning the fact that the Soviets have agreed to furnish Mrs. Morton Sobell with money if she needs it has been recently furnished to the Attorney General, this more recent information is not being disseminated. At such time as definite information is received that the \$5,000 has actually been furnished by the Soviets to the CPUSA for Mrs. Sobell, we will re-evaluate the circumstances and give consideration to furnishing that information to the Attorney General.

ACTION:

For information. You will be advised promptly of pertinent information received concerning clandestine contacts between NY 694-S* and Zaitsev.

JS
Log 7 RUC
BR
*NY 694-S**

V.

FBI

Date: 3/22/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL REGISTERED
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (100-437063)
FROM: SAC, DETROIT (100-30141)
SUBJECT: "LABOR TODAY"
IS - C
(OO: Detroit)

Re New York airtel to Bureau, 3/9/62, captioned "CP, USA - PAMPHLETS AND PUBLICATIONS; IS - C".

- 7 - Bureau (100-437063)(RM)
 - (1 - 100-3-63)(CP FUNDS)
 - (1 - 100-3-102)(CP FUNDS - RESERVE FUNDS)
 - (1 - 100-428091)(SOLO FUNDS)
 - (1 - 100-3-89)(STRATEGY IN INDUSTRY)
- 7 - New York (100-)("LABOR TODAY")(RM)
 - (1 - 100-74560)(CP FUNDS)
 - (1 - 100-128864)(CP FUNDS - RESERVE FUNDS)(415)
 - (1 - 100-134637 Sub A)(SOLO FUNDS)(41)
 - (1 - 65-17696)(TRACING, ETC.)(34)
 - (1 - 100-89590)(STRATEGY IN INDUSTRY)(415)
- 5 - Detroit (100-30141)
 - (1 - 100-13460)(CP FUNDS)
 - (1 - 100-26478)(CP FUNDS - RESERVE FUNDS)
 - (1 - 100-17161)(STRATEGY IN INDUSTRY)
 - (1 - 100-1758)(EVE NEIDELMAN)

RJF:EC
(19)

100-428091-
NOT RECORDED
100 MAR 28 1962

ORIGINAL COPY FILED IN 100-437063-3

Approved: [Signature]
62 APR 2 1962 Special Agent in Charge

Sent _____ M Per _____

[redacted] Warren-Prairie Branch, Bank of the Commonwealth, Detroit, Mich., advised SA [redacted] on 3/21/62, that EVE NEIDELMAN had on that date deposited 25 - \$20 bills as part of a deposit into the account of "Labor Today", account number C59-597, maintained by her at that branch; and two \$20 bills as part of a deposit into her personal account at that branch. The \$20 bills are Federal Reserve Notes and are as follows:

<u>Serial No.</u>	<u>Series</u>
DO 1028227B	1950A
LO 6909684* (star)	"
I 10535047A	"
L 14188562B	"
L 23023413B	"
H 25229696A	1950
L 26787479B	1950A
L 27523980B	"
L 28827793B	"
L 29097281B	"
L 29456113B	"
G 33948864B	"
L 41970212B	"
G 42667940B	"
G 45105702B	1950B
L 47412192B	1950A
L 52903806B	"
L 65794286B	1950B
L 66026766B	"
L 67503406B	"
L 68547352B	"
L 68582311B	"
E 74369025A	1950A
L 75369027B	1950B
L 76274919B	"
D 87376743A	1950A
G 89027441A	"

FD-302 being prepared.

DE 100-30141

LEAD

NEW YORK

At New York, N.Y.:

Will determine if bills identical with pertinent bills.

1 - Mr. Bland
1 - Mr. Reddy
1 - Mr. Gurley

SAC, New York (100-134637)

March 22, 1962

Director, FBI (100-428091) - 1966

~~SOLO~~ (U)
INTERNAL SECURITY - C

~~ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE~~

~~Classified by 2250
Declassify on: OADR
DATE 07/01/99~~

Re New York airtel 3/19/62 concerning a contact
between NY 694-S* and Valentin Zaitsev. (U)

During the above contact, Zaitsev instructed
informant to inform the Communist Party, USA (CPUSA),
that the Communist Party, Soviet Union, desires between
20 and 25 "leading people" of the CPUSA to go to Moscow
during the current year as guests of the Soviets. (U)

New York should recontact source to determine
Gus Hall's reaction to this order. Also determine whether
or not informant advised Zaitsev of the current restric-
tions regarding foreign travel by CPUSA members. (U)

In the event Hall decides to defy existing
Government regulations regarding this travel, expedi-
tiously advise the Bureau and identify the individuals
selected by Hall. (U)

Keep the Bureau promptly advised of all details
concerning this matter. (U)

1 - Chicago (134-46 Sub B) (U)

MAILED 19
MAR 21 1962
COMM-FBI

Tolson _____
DeLoach _____
Mohr _____
Bishop _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

LTC:kmo
(7)

APR 3 1962

FBI - INCLICE
REC'D - 211/11/62
MAR 31 5 05 PM '62

~~SECRET~~
Handwritten initials and signatures, including "WJH" and "JHK".

F B I

Date: 3/19/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL _____
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (100-428091) (U)
FROM: SAC, NEW YORK (100-134637) (U)
SUBJECT: ~~SOLO~~ (U)
IS-C ~~(U)~~

11-2184
Classified by SP2 [unclear] 7/7/82
Declassify on: OADR
CR # 99 CIV 999
SP501-411 11-7-86
CR # 77 CIV 999

On 3/17/62, NY 694-S* advised SA ALEXANDER C. BURLINSON as follows: (U)

On the evening of 3/16/62, pursuant to previously made telephonic arrangements, the informant met VALENTINE ALEKSANDROVICH ZAITSEV, his Soviet contact, in the vicinity of the Town House Restaurant in Queens, NYC. They went to the Hofbrau Restaurant at 116th St. and Jamaica Ave., Queens, where they had refreshments and talked as follows: (U)

NY 694-S* asked ZAITSEV whether the latter had replies from the Soviets concerning questions previously submitted to Moscow by the CPUSA. ZAITSEV said that with regard to Mrs. MORTON SOBELL, the Soviets are prepared to give her \$5000 whenever she may require it. GUS HALL, however, must use discretion in giving her this money in order that it may not be disclosed that the money came from the Soviets. ZAITSEV suggested that Mrs. SOBELL be told the money was contributed by an anonymous donor. (U)

Concerning the records of ROBERT MINOR and JAMES FORD, which the CPUSA had requested that the Soviets accept for temporary storage, ZAITSEV said that in about a month this material could be shipped to Moscow for storage.

- 4-Bureau (100-428091) (RM)
- ~~(1-105-21599) (VALENTINE ALEKSANDROVICH ZAITSEV)~~
- 1-Chicago (134-46-Sub B) (SOLO) (RM)
- 1-NY 134-91 (INV.) (41)
- 1-NY 105-3571 (VALENTINE ALEKSANDROVICH ZAITSEV) (34)
- 1-NY 100-134637 (41)

ACB:ume

(9)

REC-101

10 MAR 20 1962

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

[NY 100-134637] ~~(S)~~ (U)

ZAITSEV then stated that the Soviets were greatly interested in GUS HALL's report reflecting the latter's evaluation of the KENNEDY administration, and that in the near future the CPUSA would receive the Soviets "reaction" to the said report. The Soviets, according to ZAITSEV, agree that President KENNEDY is not a Fascist, but they consider him "young and ambitious." ~~(S)~~ (U)

7/26/53
With respect to VALENTIN GREGORY BURTAN, ZAITSEV stated that the Soviets were reconsidering the CPUSA request that BURTAN be invited to visit the Soviet Union, and that it would be several weeks before ZAITSEV could give NY 694-S* an answer regarding this matter. ~~(S)~~ (U)

In reply to a question from NY 694-S* concerning what might be expected to happen at the proposed Geneva Conference, ZAITSEV said, "Nothing new or startling." ~~(S)~~ (U)

ZAITSEV then instructed NY 694-S* to inform the CPUSA that the CPSU desires between 20 and 25 "leading people" of the CPUSA to go to Moscow during the current year as guests of the Soviets. The CPUSA should give considerable thought to who these individuals should be. ~~(S)~~ (U)

ZAITSEV also commented that the microfilm material being sent to Moscow by NY 694-S* is generally good, but here and there there is some light seepage. ~~(S)~~ (U)

Further conversation between ZAITSEV and the informant concerned the arrest of GUS HALL and BENJAMIN J. DAVIS, ZAITSEV listening attentively as NY 694-S* furnished him with details of the arrest, but making no significant comments with respect thereto. ~~(S)~~ (U)

Before leaving ZAITSEV, who agreed to meet the informant again in the near future, NY 694-S* gave ZAITSEV, for transmission to the Soviets, a roll of microfilm containing messages from the CPUSA to the CPSU. ~~(S)~~ (U)

[NY 100-134637 ~~(S)~~ (U)

~~SECRET~~

The microfilm contained the following messages, information concerning which previously has been furnished to the Bureau by the Chicago and New York Offices: ~~(S)~~ (U)

A summary of a report by GUS HALL to a New York State Cadre, after his return from a trip to the West Coast, entitled "New Thoughts on Developing Mass Movements and Action in the USA"; a message that ART SHIELDS has been assigned to replace JOHN PITTMAN as Moscow correspondent of "The Worker," and that the CPUSA desires PITTMAN to return before the end of the summer; a message that the CPUSA desires that [redacted] a CP member about to be deported, visit the Soviet Union and a few of the Socialist countries before going to Great Britain; a message that [redacted] CPUSA functionary JACOB STACHEL, will attend a conference in Warsaw in July, and that the CPUSA desires that he be invited to visit the Soviet Union; a message that, with respect to the CPUSA's sending a representative to Puerto Rico to study the Party situation there, the CPUSA is willing to do so, but has no available funds for such a project; a message that the CPUSA would appreciate that the CPSU arrange that a cordial reception be given in Cuba and Latin American countries to GEORGE CROCKETT, "a friendly attorney," who plans to visit those countries; a message containing a report of the complaints of FREDERICK LICHTBLAU concerning his attendance at a Moscow school; a message that unless financial assistance from the Soviets is received, US delegates will not be able to attend the Youth Festival in Helsinki; a message of thanks for receipt of information concerning the health of HENRY WINSTON; a photograph of CP attorney ISADORE GIBBY NEEDLEMAN, identifying him as the individual to whom CHEDDI JAGAN, Premier of British Guiana, had submitted a request that the Soviets subsidize a CP cadre school to be held in July, 1962; a copy of a statement of the Executive Committee of the Communist Party of Great Britain, entitled "Albania and The World Communist Movement," 10,000 copies of which will be distributed in the USA; and a letter sent by LEON JOSEPHSON to the editorial board of the "World Marxist Review," complaining that the aforesaid publication contains no references to China. ~~(S)~~ (U)

b6
b7C

Since the above described messages were voluminous, ~~(S)~~ (U)

[NY 100-134637] ~~(S)~~ (U)

they were not ciphered, but were sent in open text. ~~(S)~~ (U)

In accordance with Bureau instructions, a message suggesting that a film of WILLIAM Z. FOSTER's funeral be sent by the Soviets to Canada for transmission to the CPUSA was not included. ~~(S)~~ (U)

1 - Mr. Gurley

March 27, 1962

Airtel

REC-72 SAC, New York (100-134637)

From: Director, FBI (100-423091) 1967

Handwritten initials

SOLO
INTERNAL SECURITY - C

Re Chicago airtel 3/23/62, copy furnished New York, concerning the film prepared by the Soviets on William Z. Foster and recommending that the Bureau authorize New York to arrange for the transmittal of the Hall message in this regard at the earliest time.

Based on Chicago's positive statements that our informants' operations will not be jeopardized in this instance, New York should have NY 694-S* transmit the message to the Soviets at the earliest possible time.

1 - Chicago (134-46 Sub B)

MAILED 19
MAR 27 1962
COMM-FBI

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Holmes _____
- Gandy _____

LTG: kmo
(5)

REC'D
MAR 27 1962
FBI - NEW YORK

Handwritten initials

69 MAR 29 1962 MAIL ROOM TELETYPE UNIT

F B I

Date: 3/23/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL REGISTERED MAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46, Sub B)

SOLO
IS - C

ReBuairtel dated 3/20/62.

CG 5824-S* contacted 3/23/62 per Bureau request and made following observations re the bringing into the U.S. of the FOSTER film from the Soviet Union:

Informant recalled that in 9/61 he had been told by the Bureau that he was to avoid Canada in connection with any of his apparatus work.

He further recalled that on the occasion of his tenth Solo mission he had met with "PAUL" who told him that new arrangements were being set up by the CPSU so that the CP, USA would have a means of contact other than by utilization of CP of Canada or other Canadian contacts. "PAUL," according to informant, at that time "intimated" that the situation in Canada was difficult (10/61) but did not give explanations as to why additional contacts in Canada should be discontinued. (See CGairtel 12/20/61 entitled, "SOLO," page 4.)

The informant further recalled that while on the Solo mission he had occasion to discuss with NIKOLAI VLADIMIROVICH MOSTOVETS, head of the North and South American Section, International Department, Central Committee, CPSU,

- 3-Bureau (RM)
- 1-New York (100-134637) (Info) (RM) REC-72
- 1-Chicago

100-428091-1967
28
16 MAR 20 1962

CNF:MDW
(5)

Approved: James H. Gal
Special Agent in Charge

Sent _____ M Per [Signature]

CG 134-46, Sub B

the question of getting the FOSTER film into the U.S. MOSTOVETS, in discussion, recognized that it was not possible for the CP, USA to bring the film into the U.S. and stated that the CPSU would arrange to deliver the film either through its Canadian channels or their (the Russian) film representative in NYC (Artkino). (See CGairtel 12/18/61 entitled, "SOLO," page 1.)

The informant further recalled the instructions of HALL with regard to sending a message to the Russians on this subject matter which in the words of HALL stated "perhaps it would be advisable to ship the film through the Canadian comrades and the CP, USA could pick it up from there." (see CGairtel 3/9/62 entitled "SOLO.")

The informant additionally recalled that upon his return from the tenth Solo mission in 12/61, he had learned of the recent Canadian spy case which broke in Canada and based upon this and the Bureau's instructions, he clearly understood the reason for the Bureau's instructions as well as for the Russian instructions. In view of this, he certainly would not even consider physically making a trip to Canada.

With regard to Mexico, the informant noted that his Russian contacts and specifically "PAUL" noted the possibility in view of the Canadian situation that a representative of the CP, USA may need to have contacts in another country with representatives of the CPSU. "PAUL" at that time stated that if the CP, USA found it necessary for a contact with a representative of the Soviet Union at a place outside of the U.S., a letter should be prepared to an address furnished the informant by the Russians in Mexico in a specified manner and he gave further instructions as to how the personal contact would be made in the vicinity of Mexico City.

The informant, in explaining this arrangement, advised that the type of arrangement contemplated in Mexico by "PAUL" was for meetings on matters of importance to the CPSU and the CP, USA which might necessitate a personal discussion with an individual of "rank" from the Soviet Union who might be operating in Mexico. Such individual in the opinion of CG 5824-S* could be at the Embassy level. Such detailed arrangements by the Russians, informant observed,

CG 134-46, Sub B

are not normally made to cover an insignificant item such as a film on the FOSTER funeral. Instead, the problems which he understood the Mexican arrangements to apply to were intended to encompass perhaps political, organizational or financial problems that would require personal contact and consultation. The informant recalled that his discussions with "PAUL" took place after the U.S. Supreme Court decision on the ISA of 1950 and among things that were being considered in the new arrangements, in addition to the security problem in Canada, were whether or not CP, USA functionaries might not, as a result of this decision, be permitted to travel. The informant observed that in these discussions relating to the changed situation in the U.S., the discussions centered around problems involving "big things;" for example, the possible need for the continuation of the CP, USA. This is the thought that was behind the arrangements made concerning Mexico as coming within the scope of the utilization of Mexican channels and Mexican contacts.

The informant also recalled that in this conversation arrangements were made for someone, if agreeable and necessary and vouched for by CG 5824-S*, to carry through such a meet in Mexico if CG 5824-S* was unable to handle it himself. This individual, according to CG 5824-S*, could conceivably, among other things, be used as a courier but again he stated that he did not feel that the overall arrangement was intended to cover insignificant matters such as the FOSTER film. In making this observation, he commented that the Russians know and recognize that on each contact, wherever it is, a certain amount of risk is involved and, therefore, it was the informant's opinion that the use of a courier to obtain the FOSTER film through Mexico might cause the Russians to seriously question the judgment of CG 5824-S* because the Mexican arrangement was not made or intended to cover such an item as a film.

With regard to the Mexican apparatus, the informant additionally observed that to date he has not succeeded in successfully testing that this apparatus is currently operative.

CG 134-46, Sub B

With the above background, the informant noted that an item such as a film is bulky, insignificant, and simply would not be an assignment of a type that either he or NY 694-S* should be assigned to bring into the country personally. The reason for his deduction in this regard is that the Russians know that the overall Solo operation might be placed in jeopardy through the utilization of these key individuals. He observed that at best the physical procuring of the film from outside the country should be a courier operation and he also noted the possibility that other avenues are open to bring this film into the country such as a normal mailing of such an item or as indicated by MOSTOVETS, the Russians might even send the film to the U.S. through their film company (Artkino) or in the diplomatic pouch.

*with informant
if this is
the case*

The informant additionally recalled that BESS MASCALO, the girl friend of TIM BUCK, still acts as a courier to NYC and suggested the possibility that should the Russians send the film to Canada, TIM BUCK or [redacted] may take it upon themselves to get the film to the CP, USA either through her or other Canadian comrades traveling into this country. Further, in recent conversations with HELEN WINTER, she, WINTER, indicated that recently she had made one or two trips across the Canadian border and the informant noted that she is also a possibility to bring this film into the country.

b6
b7c

With regard to the question raised by the Bureau that HALL may demand that either of the two key informants get the film, the informant advised that he is certain that HALL, like CG 5824-S*, realizes that the obtaining of the film from Canada or elsewhere is not important enough to jeopardize the security of either NY 694-S* or CG 5824-S* by asking them to physically go to Canada or elsewhere to bring back such a film which would be a bulky item. CG 5824-S* stated that he considers himself the closest advisor and confidant of HALL in regard to the apparatus and noted that HALL trusts his judgment implicitly and has rarely in the past even questioned him or advised on apparatus work.

In regard to the film, CG 5824-S* stated that he anticipates no unreasonable requests from HALL to get the

CG 134-46, Sub B

FOSTER film and stated that in his opinion it is not even conceivable that HALL would make such a request. Regardless of this, however, CG 5824-S* said that if HALL should even make such a ridiculous request, he, HALL, would be bound by the Russian instructions re Canada and CG 5824-S* could, on this ground, alone convince him that neither he nor NY 694-S* should go to Canada.

With regard to the manner and means in which this film might be brought to the U.S., CG 5824-S* again reverted to HALL's statement which in HALL's exact words stated "pick it up" and stated that this language must be viewed figuratively and not viewed as meaning necessarily that someone from the U.S. will physically obtain the film in Canada.

In explaining, further, HALL's knowledge of the workings of the apparatus of NY 694-S* and CG 5824-S*, the informant stated that HALL has no idea how the apparatus works and does not really care to know so long as the apparatus, in fact, is working. Relating this to bringing the film into this country, the informant stated that HALL will never know that the film was ever shipped by the Russians or received nor to what country they shipped it unless he is told by either of the informants. He qualified this remark only to the extent that he still considers it a possibility that the Russians may ship this film directly either in the diplomatic pouch or to their NY film outlet Artkino. He added that any information regarding the arrival of this film, wherever the Russians decide to send it, will, in all probability, be conveyed through the apparatus channels controlled by NY 694-S* or CG 5824-S*.

Informant stated that once he or NY 694-S* receives word that the film has arrived at any place and is available for transshipment into the U.S., then he feels he can make plans to get it in and any plans made prior to that time are, in the opinion of the informant, premature. At that time, the informant may request that the film be shipped to a drop controlled by the informants, he may send a trusted courier under his control to make the contact, or, as stated before, the Canadians may arrange to get it to the CP, USA through their own means. Under no circumstances, the informant

CG 134-46, Sub B

stated, will he or NY 694-S* go to Canada solely to bring in this film.

With regard to the identity of the person CG 5824-S* may use as a courier, the informant stated that at this time he believes even a consideration of such an individual is premature and that once he learns that some action has been taken by the Russians re this film, he can then make plans, if necessary, for a courier to get it. At the present time, he has no one specific in mind but he observed that the item involved does not have a time element and if plans are necessary to arrange to get it, there will be sufficient time for him to arrange for same to the complete satisfaction of the Bureau because, in all probability, either he or NY 694-S* will control the operation.

Chicago has always complied with Bureau instructions with regard to the handling of this informant. Chicago also observes that this informant has been controlled for ten years and where the security of the operation is involved, this office has been most sensitive to preserving the security of this operation. The case in point is no exception.

Recommendation

In view of the clarifying info set out in this airtel as regards the intentions of these informants not to physically visit Canada to bring this film into the U.S. and since these assurances, in effect, comply with Bureau's views set out on page 2, paragraph 2 in reBuairtel, it is recommended that the Bureau authorize NY to arrange for the transmittal of the HALL message re the film at the earliest possible time.

GALE

1 - Mr. Gurley

SAC, New York (100-134637 Sub A)

March 23, 1962

Director, FBI (100-423001) *1968*

100-25

SOLO
INTERNAL SECURITY - C

Re New York letter 3/23/62 relative to Solo funds in possession of NY 694-S*. In this connection, it is noted that he has \$30,000 in negotiable bonds in his possession.

The Bureau is desirous of knowing the following concerning these bonds:

- (1) Did informant convert cash to bonds on his own initiative? If not, identity of person instructing him to do so.
- (2) Date bonds purchased.
- (3) Type of bonds purchased.
- (4) Identity of person in whose name bonds purchased.
- (5) Name of person who derives benefit of the interest on the bonds.
- (6) Are taxes paid on the interest?

It is desired that your future monthly Solo funds letters show the total in this fund broken down as to cash, bonds, et cetera.

2 - Chicago (134-46 Sub F)

MAILED 6
MAR 27 1962
COMM-FBI

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Holmes _____
- Gandy _____

LTG:kmo
(6)

MAR 30 1962

MAIL ROOM TELETYPE UNIT

Handwritten initials and scribbles

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 3/23/62

FROM : SAC, NEW YORK (100-134637)

SUBJECT: SOLO
I-C

ReBulet 3/20/62.

On 3/22/62, SAS GEORGE EDWIN JONES and ALEXANDER BURLINSON, accompanied by NY 694-S*, went to two branch offices of the CHEMICAL BANK-NEW YORK TRUST COMPANY, in each of which the informant maintains a safe deposit box for SOLO money. In his box at the 30 Broad Street branch, the agents examined the contents of the box wherein was located \$80,000 in cash and \$30,000 in negotiable bonds.

At the 20th Street and Fifth Avenue branch of the aforesaid bank, an examination of the safe deposit box reflected that \$66,408 in cash was in the box.

The total amount of cash and securities in the safe deposit box amounting to \$176,408 coincides with the amount of SOLO money, which NYO records reflect are currently in the possession of NY 694-S*.

The NYO letter of 3/2/62 reflected the balance of SOLO money on hand as of 2/28/62 to be \$190,208. Since the last accounting date, the informant has given GUS HALL \$5,000 for the Negro magazine "FREEDOMWAYS"; \$3,000 for the Trade Union Magazine "LABOR TODAY"; \$2,000 for Baltimore CP functionary GEORGE MEYERS to be used in CP work in the South and \$2,000 for the use of the National Office.

- 2 - BUREAU (RM)
- 1 - CHICAGO (134-46 Sub B) (RM)
- 1 - NEW YORK (#41)

ACB:DJG

100-428091-1968
APR 25 1962

Handwritten notes:
4/10/62
2/10/62
3/10/62
LTC

Handwritten initials:
JH
JH

Letter to Director
NY 100-134637

The informant also gave HALL \$1,000 for reimbursement for money HALL had taken from his personal funds to make the following disbursements:

\$500 to CLARENCE HATHAWAY for the latter's personal use;
\$300 for ROBERT THOMPSON for medical expenses for THOMPSON's daughter and
\$200 to ELIZABETH FLYNN to help defray expenses of her sister's funeral.

The above-mentioned disbursements since the date of the last accounting total \$13,000.

The item not reflected in the last accounting is the sum of \$800 taken from NY 694-S* safe deposit box by CG 5824-S* during the period in February when NY 694-S* was in Miami. CG 5824-S*, on instructions from GUS HALL, had taken this money to defray some of the expenses of the funeral of ELIZABETH FLYNN's sister. Inasmuch as NY 694-S* was in Miami when the last accounting of money was submitted this item was not included in the report.

It should be noted that \$3,000 given by NY 694-S* in March to IRVING POTASH for the purpose of providing part of the bail money for GUS HALL and BENJAMIN DAVIS was returned to the informant, bonds having been used for the said bail.

The following are the answers to the specific questions asked by the Bureau in relet as obtained by NY 694-S*:

1. Must he account for these funds to the CPUSA?

No.

2. Whether or not the CPUSA makes any record of the amount received by informant from the CP of the Soviet Union.

Not to the informant's knowledge, although CG 5824-S* may have a more precise answer.

Letter to Director
NY 100-134637

3. Whether CPUSA makes any record of the amount released by informants to the CPUSA.

Not to his knowledge and it is very doubtful that they do.

4. Whether or not the Soviets advise any other member of the CPUSA of the amount of money provided to the informants for the CPUSA from the CPSU.

None to the informant's knowledge.
He is convinced that they do not in fact.

5. Are the informants the only individuals who know the amount maintained by them at all times?

Yes

6. Who authorizes the use of the funds?

GUS HALL, although instances arise whereby such individuals as IRVING POTASH will ask for certain sums of money on the authority of HALL without any knowledge on the part of the person making the request that a special fund is maintained. HALL is the only one who is supposed to know about the fund. As to what such individuals as IRVING POTASH may presume is problematic.

7. As to whom do informants account as regards to these funds as they pertain to question #6.

CG 5824-S*.
NY 694-S* does not specifically call to the attention of GUS HALL such requests assuming that HALL knows all about them.

1 - Mr. Gurley

SAC, New York (100-134637)

March 29, 1962

REC-37

Director, FBI (100-428691)

1969

SOLO
INTERNAL SECURITY - C

There are attached hereto two copies of a letter from Chicago dated 3/21/62 concerning the establishment of a special indices in the handling of the Solo operation.

For the purpose of uniformity, it is desired that the New York Office, after reviewing the Chicago letter, submit its observations concerning this special indices and submit the manner in which indexing procedures in the Solo operation are handled in the New York Office.

New York should expedite this matter inasmuch as Bureau approval of Chicago's request is being held in abeyance pending receipt of New York's letter.

Enclosures (2)

1 - Chicago (134-46 Sub B)

MAILED 19
MAR 28 1962
COMM-FBI

EST
6500

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Holmes _____
- Gandy _____

LTG:kmo
(5)

MAR 29 1962

Handwritten initials

Handwritten number 7

MAIL ROOM TELETYPE UNIT

UNITED STATES GOVERNMENT

Memorandum

J.P.M.
TO : DIRECTOR, FBI (100-428091) DATE: 3/21/62
FROM : SAC, CHICAGO (134-46, Sub B)
SUBJECT: SOLO

The Bureau will note that the inspection report of Inspector JAMES T. HAVERTY dated 2/24/62 contained a suggestion memorandum concerning the handling of information obtained from the various Solo missions. The Bureau will note that CG 5824-S* is one of the most outstanding informants utilized by the Bureau in the security field and that he supplies top level information both internationally and nationally on the Communist movement on a day-to-day basis in volume.

The memorandum further notes that to date CG 5324-S* has accomplished ten Solo missions which are considered to be the most outstanding facet of the accomplishments of this informant. Further, that information acquired from such missions has proven to be of unusual intelligence value and the information has been promptly disseminated by the Bureau to the White House, the Secretary of State, The Attorney General, the Director of the Central Intelligence Agency, etc. The comment was made that due to the timely nature of the information, it is mandatory the Bureau disseminate the information at the earliest possible moment. *C.*

The observation was further made that when the informant returns from Solo missions he possesses great volumes of information dealing with many persons, topics and countries. Since the informant is not able to make many notes, and in some cases has no notes, it is necessary for the agent handling this operation to do considerable research in Chicago files to fill out full details of previously reported information on persons, places and situations. Continuing, the observation is made that the unusual intelligence value of the information supplied by the informant makes it incumbent upon the handling agent to explore thoroughly each item of information, evaluate the information and query the informant to assure that every detail is fully developed in order that the Bureau and the recipient top government officials can properly assess the intelligence value of each item.

64-211
2 - Bureau (RM)
1 - Chicago

CNF:mcc
(3)

31-1969
30

CG 134-46, Sub B

The suggestion memorandum notes that an analysis of the handling and debriefing of the informant had been made and recommended that certain changes in procedure be accomplished in order to facilitate the objectives above enumerated.

Among these suggestions was that the Chicago Office with Bureau authority and clearance set up a special Solo indices broken down not only by names but by topics which would be a further tool in aiding the agent in locating material in the most expeditious manner possible.

As the Bureau is aware, the Solo materials reflect in the main information concerning individuals throughout the United States and the world which Chicago furnishes indexing to the Bureau files, but since it does not pertain to Chicago activity such names are not indexed to the general indices of the Chicago Office. The result is that when it becomes necessary for the agent handling the Solo material to locate previous information on the same person or on the same subject matter he must thumb through the extensive Solo files until he locates previously furnished information. Since the sole purpose for indexing is to facilitate the handling of the Solo operation, it is, therefore, not recommended that indexing be made to the general indices of the Chicago Office.

It is, therefore, the recommendation of the Chicago Office that the Bureau authorize Chicago to prepare a separate Solo indices to be maintained in the Chicago Office in a securely locked cabinet maintained in the office of the supervisor having over-all responsibility for Solo material. No suggestion is being made for the maintenance or indexing of these materials to the general indices files of the Chicago Office.

It is recommended that Chicago be permitted to maintain this indices with the following breakdowns:

1. That Chicago be permitted to maintain a name indices maintained in the same fashion as are our general indices cards.

CG 134-46, Sub B

2. That an unknown subject indices for the Solo mission alone be prepared and based upon descriptions only on these individuals. It is felt that this index will be justified because the informant frequently returns from abroad with either first names and descriptions or just descriptions on which cases are opened and investigations conducted. The maintenance of this indices will afford a ready reference to all unknown subjects described by this informant on all of his ten Solo missions.

3. That an index broken down by topics the informants reports on be prepared and currently maintained.

It is recommended that the Bureau authorize the maintenance of the above indices which, due to the "need to know" restrictions placed on Solo materials by the Bureau, must necessarily be maintained by Bureau agents. It is recognized that the setting up of these indices will require a considerable amount of agent time in the initial stages; however, once the indices are brought to date it is believed that it will not involve an undue burden on the responsible agents for this operation and can be done in the process of regular dictation to the stenographers who are cleared to handle this operation.

r. Gurley

SAC, New York (100-134637 Sub A)

March 23, 1962

REC-41

Director, FBI (100-428091) - 1970

SOLO
INTERNAL SECURITY - C

Re New York letter 3/23/62 stating that wherever possible NY 694-S* will record the serial number of Solo funds furnished to various individuals for the use of the Communist Party (CP), USA, but by reason of the time element, this informant has not been able to make such a recording of Solo funds. It was also pointed out that on occasion the informant is called upon to deliver as much as \$5,000 or \$10,000 to Gus Hall or some other CP functionary; that to record such an amount consisting of \$20 bills is a time-consuming operation.

The Bureau appreciates the fact that the recording of large amounts of currency is time consuming and probably could not be done where time is of the essence. It is believed, however, that with some initiative this informant can record the serial numbers from several thousand dollars, possibly in packages of \$1,000 each, at some time prior to the request for a large amount of money by CP functionaries. Small amounts should produce no problem.

It is the Bureau's understanding that NY 694-S* produced a sizable amount of bail money at the time of Gus Hall's arrest. New York is requested to determine from informant where he obtained this money since presumably the banks were closed at that hour.

1 - Chicago (134-16 Sub F)

RECEIVED
MAR 27 1962
COMM-FBI

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Holmes _____
- Gandy _____

LTG:kmo
(5)

MAR 20 1962

MAIL ROOM TELETYPE UNIT

COMM-FBI
MAR 27 1962

[Handwritten signature]

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 3/23/62

FROM : SAC, NEW YORK (100-134637-Sub A)

SUBJECT: SOLO
IS-C
(OO:CG)

ReBulet, 3/9/62, paragraph 4, wherein the NY and Chicago Offices are requested to advise whether or not the serial numbers of SOLO funds furnished to various individuals for the use of the CPUSA are recorded by the informants. Referenced Bureau letter also reflects that it is felt that such recording is desirable in order to maintain the chain of evidence, and should be done in all instances where feasible and possible.

By reason of the time element involved, NY 694-S* has not been able to make the suggested recording of SOLO money. When GUS HALL requests that money be delivered to him or some designated functionary, he expects the informant to deliver it as soon as the informant can obtain it from his safe deposit box. Recently HALL severely reprimanded NY 694-S* because four or five hours had elapsed between the time when HALL requested money and the time when it was delivered.

As the Bureau is aware, for one person to record from several thousands of dollars in \$20 bills the type of currency, serial numbers, series numbers, date, and denomination is a time consuming operation. On occasion, the informant is called upon to deliver as much as \$5000 or \$10,000 to HALL or some other CP functionary.

An additional problem to date in this regard is the fact that the informant has no place where he can do such recording with complete security. By reason of his family situation, he cannot do it at home. His office is not secure because he never knows when his Soviet contact or a CP functionary may enter his office.

- 2-Bureau (100-428091) (RM)
- 1-Chicago (134-46-Sub-F) (INFO) (RM)
- 1-NY 134-91 (INV.) (41)
- 1-NY 100-134637-Sub A (41)

ACB:ume
(5)

REC-41

100-428091-1970
28
13

Handwritten notes:
3/23/62
ITC

Handwritten initials: FKA
INT. SEC.

NY 100-134637-Sub A

The NYO appreciates the desirability of such recording, however, and has instructed NY 694-S* to make such recording whenever it is possible to do so.

UNITED STATES GOVERNMENT
MEMORANDUM

TO: DIRECTOR, FBI (100-428091)
FROM: SAC, NEW YORK (100-134637-Sub A)
SUBJECT: ~~SOLO TRACING OF SOLO FUNDS~~
INTERNAL SECURITY-C

DATE: 3/19/62

o
Solo

Extreme caution must be exercised with respect to dissemination of the information herein since, by its nature, it tends to identify NY 694-S*, a valuable informant, as the source thereof. Unless this information is obtained from a source other than NY 694-S*, it should not be incorporated - even in paraphrased form - in the investigative section of a report.

On 3/15/62, NY 694-S* advised SA ALEXANDER C. BURLINSON that on that date, pursuant to a request therefor from GUS HALL, CPUSA General Secretary, he transmitted to the latter, through JEAN SMITH, secretary at CP headquarters, \$2000 from SOLO funds (funds from a Soviet source) in the informant's possession.

According to the informant, HALL had indicated that he wished to give this money to GEORGE MEYERS, Baltimore CP functionary, "for work in the South."

For the information of the Baltimore Office, pursuant to Bureau instructions, the serial numbers and other identifying information on SOLO money is recorded by the NYO. Also, pursuant to Bureau instructions, where feasible and consistent with security, this money, for future evidentiary purposes, should be traced to payees to whom it is transmitted by CPUSA functionaries. For example, such money might be traced with security to a bank,

- 3-Bureau (100-428091) (RM)
- ~~1-100-3-105 (CPUSA SOUTHERN REGION)~~
- 2-Baltimore (100-20475) (CPUSA SOUTHERN REGION) (RM)
- (1-100-12065) (GEORGE MEYERS)
- 1-NY 134-91 (INV.) (41)
- 1-NY 100-131666 (CPUSA SOUTHERN REGION) (415)
- 1-NY 100-84994 (GUS HALL) (415)
- 1-NY 100-68934 (JEAN SMITH) (422) EC-116
- 1-NY 100-74560 (CPUSA FUNDS) (415)
- 1-NY 65-17696 (TRACING OF SOVIET MONEY, ETC.) (34)
- 1-NY 100-134637-Sub A (41)

100-428091-1976

ACB:ume
(12)

W 700

23
12 MAR 21 1962

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67 MAR 30 1962

NY 100-134637-Sub A

common-carrier, etc. In the event, therefore, that any information is received reflecting that a CPUSA functionary is in receipt of SOLO money, the following information should be obtained from the payee to whom the money has been transferred: the type of currency - whether Federal Reserve note, silver certificate, U.S. note or national bank note; serial number (including any letter, prefix, or suffix in addition to the actual serial number); series number (including any letter suffix such as series 1950A); and denomination.

Information regarding the tracing of SOLO funds should not be reported in the body of reports concerning individual CP functionaries, but should be reported to the Bureau under the caption "SOLO (TRACING OF SOLO FUNDS), INTERNAL SECURITY-C," Bureau file 100-428091, with a copy to the NY file of said case, 100-134637-Sub A.

UNITED STATES GOVERNMENT

Memorandum

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach VA
 Evans VA
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Ingram _____
 Gandy _____

TO : Mr. W. C. Sullivan *WCS 3/1/63*

DATE: January 22, 1962

FROM : Mr. F. J. Baumgardner *FJB*

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Mr. Baumgardner
- 1 - Mr. Bland
- 1 - Mr. Branigan
- 1 - Mr. Donahoe
- 1 - Mr. Gurley

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

Official of Communist Party, USA (CPUSA), instructed NY 694-S* on 1/16/62 to send two messages to Soviets in informant's crypto system. One message concerned desire of Dr. Valentine Gregory Burtan, Security Index subject, to visit Russia and fact CPUSA feels Burtan should continue with the Kenya clinic project in Africa for CPUSA. Another message authorized Joseph North, Foreign Affairs Editor of "The Worker," to remain in Cuba. *NY*

On 1/16/62 NY 694-S* advised he was instructed by Irving Potash, CPUSA official, to submit the following to the Soviets:

Gus Hall and Irving Potash view Dr. Valentine Gregory Burtan's association with Jay Lovestone and the International Confederation of Free Trade Unions of utmost importance to the CPUSA. Therefore, Burtan will continue with the Kenya clinic project for the CPUSA. Burtan will leave for Africa in March, 1962, and while en route he wishes to visit the Union of Soviet Socialist Republics. Hall requests that Burtan be invited as a guest of the Communist Party, Soviet Union (CPSU), and that Burtan be given a "floating visa" to facilitate his travel. Hall is of the opinion that Burtan's activities will be of benefit to the CPSU.

The note concluded with the statement that if the Soviets so desire, Burtan will be available for any talks they may wish to have with him. This message was signed by Gus Hall, General Secretary, CPUSA, and he requested an answer.

The other message was to Joseph North in Cuba and was in answer to North's message of 12/2/61. It authorized North to remain in Cuba for the time being but noted that Gus Hall directed criticism to North for neglect and missing reports of events in Cuba lately.

The Kenya clinic project mentioned in the first message refers to a union medical clinic which Burtan proposes to establish in Africa similar to various union medical clinics in the United States.

100-428091

REC-50

25 MAR 30 1962

ST-102

LTG:kmo

65 APR 9 1962

Handwritten signatures and initials

Memorandum to Mr. Sullivan
RE: SOLO
100-428091

Referral/Direct

[REDACTED]

Memo Baumgardner to Sullivan 1/11/62 points out that Vladimir Barkovsky, Counselor-Advisor of the Soviet Mission to the United Nations and Soviet contact of NY 694-S*, on 1/8/62 furnished informant with \$2,100 to be given to Burtan. This money was to cover expenses of a trip Burtan made to Paris, France, in November, 1961, at the request of the Soviets. Soviet officials advised CG 5824-S* while on Solo Mission 10 in Moscow, Russia, that they did not keep this meet with Burtan and were no longer interested in him. During the Summer of 1961 Burtan made a trip to Africa where he gathered information concerning the activities of Western labor leaders which was transmitted to NY 694-S* through a mail drop and this information was later sent to the Russians. In 1934 he was sentenced to 15 years' imprisonment for activity in a counterfeiting operation to obtain money to finance Soviet agents. CIA has been advised previously that Burtan plans to return to Africa.

On 1/8/62 Barkovsky also gave informant an unsigned letter for CPUSA officials. Informant believed this letter to be from Joseph North. This letter furnished reasons why North should remain in Cuba rather than return to his post in New York.

ACTION:

For information. No dissemination since informant's crypto system used and very limited number of people are aware of this information. Dissemination would jeopardize security of informant. *RWC*

EP

WJ

Q

WJ

V.

WJC

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 3/27/62

FROM : SAC, NEW YORK (100-134637)

SUBJECT: SOLO
INTERNAL SECURITY-C
(OO:CG)

ReBulet, 3/22/62, with regard to the Soviet request that the CPUSA send between 20 and 25 "leading people" to Moscow during the current year as guests of the Soviets.

On 3/27/62, NY 694-S* advised SA ALEXANDER C. BURLINSON that on 3/26/62, GUS HALL, referring to the above Soviet request, instructed the informant to transmit to the Soviets HALL's thanks for the invitation, and his regrets that, in view of the provisions of the McCarran Act, the CPUSA could not comply with the Soviet request. HALL further instructed NY 694-S* to tell the Soviets, "We will take a 'rain check,' and hope that next time we can send 100 or 150 people."

According to the informant, when he discussed this matter originally with VALENTIN ZAITSEV, his Soviet contact, the latter indicated he was fully familiar with current restrictions concerning foreign travel by CPUSA members, but stated that he nevertheless was under orders to transmit the Soviet request to the CPUSA.

- 2-Bureau (100-428091) (RM)
- 1-Chicago (134-46-Sub B) (RM)
- 1-NY 134-91 (INV.) (41)
- 1-NY 100-134637 (41)

ACB:ume
(5)

100-428091-1973

APR 3 1962

INT. SEC.

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Handwritten initials 'A.C.' on the right margin.

Handwritten notes at the bottom left: "memo prepared 3/29/62" and "100-134637".

Handwritten initials 'JST'.

Handwritten initials 'JST'.

Handwritten initials 'HWA'.

UNITED STATES GOV.

Memorandum

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Holmes _____
- Gandy _____

TO : Mr. W. C. Sullivan *WCS*

DATE: March 29, 1962

FROM : Mr. F. J. Baumgardner *FJB*

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Mr. Bland
- 1 - Mr. Baumgardner
- 1 - Mr. Reddy
- 1 - Mr. Gurley

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

Baumgardner
Gurley

Memorandum Baumgardner to Sullivan 3/21/62 set forth contact of NY 694-S* by Valentin Zaitsev, Counselor, Soviet Mission to the United Nations, and informant's contact. During the course of this meeting, Zaitsev instructed NY 694-S* to inform the Communist Party, USA (CPUSA), that the Communist Party, Soviet Union, desired between 20 and 25 "leading people" of the CPUSA to go to Moscow during the current year as guests of the Soviets.

The New York Office was instructed to follow this matter closely and to have NY 694-S* determine the reaction of Gus Hall, General Secretary, CPUSA, to this order.

On 3/27/62 NY 694-S* advised that on 3/26/62 Gus Hall instructed the informant to transmit a message to the Soviets, the thanks of Hall for the above invitation and his regrets that, in view of the provisions of the McCarran Act, the CPUSA could not comply with the Soviet request. Hall further instructed informant to tell the Soviets "We will take a rain check and hope that next time we can send 100 or 150 people."

According to informant, when he originally discussed this matter with Zaitsev, the latter indicated he was fully familiar with current instructions concerning foreign travel by CPUSA members but stated that he, nevertheless, was under orders to transmit the Soviet request to the CPUSA.

ACTION:

REC-46

100-428091-1974

For information. You will be advised promptly as to any pertinent information received concerning clandestine contacts between NY 694-S* and Zaitsev.

100-428091

LTG:edb
(7)

gms
Bz
50 APR 5 1962
R452

✓
5 *edd*

Domestic _____ Division

INFORMATIVE NOTE

Date 3-29-62

Informant's Soviet contact is Valentin Zaitsev, Counselor, Soviet Delegation to United Nations. We are not preparing a separate memo for AG on this but we will incorporate information concerning this change in control of this Party-operated publishing firm in the memo we are preparing for possible dissemination to AG concerning CP in U.S. Only one issue of "Progressive Labor" has been published. It is not favorably disposed toward Communist Party, USA, and the one issue was published by individuals who have been expelled from the Party.

DBS

100-428091-1975

FBI

DATE: 3/28/62

Transmit the following via AIRTEL

TO: DIRECTOR, FBI (100-428091)

FROM: SAC, NEW YORK (100-134637)

SUBJECT: SOLO
IS-C
(OO:CG)

Mr. Tolson	✓
Mr. Belmont	✓
Mr. Mohr	✓
Mr. Callahan	✓
Mr. Conrad	✓
Mr. DeLoach	✓
Mr. Evans	✓
Mr. Malone	✓
Mr. Rosen	✓
Mr. Sullivan	✓
Mr. Tavel	✓
Mr. Trotter	✓
Tele. Room	✓
Miss Holmes	✓
Miss Gandy	✓

Extreme caution must be exercised with respect to dissemination of the information herein since, by its nature, it tends to identify NY 694-S*, a valuable informant, as the source thereof. Unless this information is obtained from a source other than NY 694-S*, it should not be incorporated - even in paraphrased form - in the investigative section of a report.

On 3/27/62, NY 694-S* advised SA ALEXANDER C. BURLINSON as follows:

On 3/26/62, GUS HALL, General Secretary of the CPUSA, instructed the informant to notify his Soviet contact that as of 4/1/62, ALEXANDER TRACHTENBERG no longer would be president of "International Publishers," but would operate the "Trachtenberg Foundation," his function hereafter being to write the history of Marxist literature in the USA.

- 7-Bureau (100-428091) (RM)
- (1-100-) (INTERNATIONAL PUBLISHERS)
- (1-61-2115) (ALEXANDER TRACHTENBERG)
- (1-100-) (JAMES ALLEN)
- (1-100-437641) ("PROGRESSIVE LABOR")
- 1-Chicago (134-46) (CG 5824-S*) (INFO) (RM)
- 1-NY 134-91 (INV.) (41)
- 1-NY 100-21421 (ALEXANDER TRACHTENBERG) (415)
- 1-NY 100-57557 ("INTERNATIONAL PUBLISHERS") (415)
- 1-NY 100-32826 (JAMES ALLEN) (415)
- 1-NY 100-147372 (PROGRESSIVE LABOR) (413)
- 1-NY 100-134637 (41)

ACB:ume
(15)

WTTW

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INT. SEC.

Kneffsky

Pl...

100-428091-198/100

Be...

NY 100-134637

The Soviets also are to be told that JAMES ALLEN will be the new president of "International Publishers", and that in future all transactions regarding the said company should be negotiated with ALLEN and not with TRACHTENBERG.

Further, with regard to publications, the Soviets are to be told that "Progressive Labor" is "strictly taboo" as far as the CPUSA is concerned.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 3/29/62

J. J. [unclear]
FROM : SAC, NEW YORK (100-134637-Sub A)

SUBJECT: SOLO
IS-C
(OO:CG)

ReBulet, 3/28/62, paragraph 3 thereof, requesting that NY 694-S* explain where he obtained the money that he made available to GUS HALL and BEN DAVIS for bail.

The informant has explained this matter as follows:

On 3/14/62, the day prior to HALL's and DAVIS' arrest, HALL requested that NY 694-S* procure for him \$2000, which the informant later learned, HALL intended to give to GEORGE MEYER, Baltimore AP functionary. Being busy with other matters, NY 694-S* did not go immediately to his safe deposit box for the money. Some hours later, HALL demanded to know why the informant had not delivered the money as yet, and severely reprimanded NY 694-S* for the delay, stating that when he asked for money he wanted it immediately, and not when the informant might decide to give it to him.

NY 694-S* then went to the safe deposit box and instead of withdrawing only the \$2000 demanded by HALL, withdrew \$5000. In view of HALL's reprimand, the possibility that HALL make further demand for money within a day or so, and the fact that the informant did not relish the prospect of running back and forth to the safe deposit box in the bank, NY 694-S* decided to have the extra money available in anticipation of any emergency demand therefor from HALL.

The informant noted that as a result the above-mentioned delay in NY 694-S*' delivering money to him, HALL has given NY 694-S* instructions to have available at all times for immediate delivery - and not in a safe deposit box - several thousand dollars.

- 100-428091-1976
- REC-19
- 2-Bureau (100-428091) (RM)
- 1-Chicago (134-46-Sub F) (SOLO FUNDS) (RM)
- 1-NY 134-91 (INV.) (41)
- 1-NY 100-134637-Sub A (41)

ACB:ume
(5)

4-8

177

INDEXED

134-91

100-134637-Sub A

NY 100-134637-Sub A

The informant also noted that when he learned of the radio report of the indictment of HALL and DAVIS, he realized that their arrest might be imminent, and that he might be approached for bail money. Knowing the Bureau's interest in tracing Soviet funds to payees, he realized that in that particular instance it would definitely be in the Bureau's interest for him to record the serial numbers on bills which he might transfer to the Party for bail purposes.

The informant, therefore, recorded the serial numbers on the \$3000 in \$20 bills he had in his possession, which he subsequently gave to IRVING POTASH as bail money for HALL and DAVIS. It is to be noted that this money was returned to the informant by reason of the fact that bail in this case was furnished in the form of bonds.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 3/30/62

FROM : SAC, NEW YORK (100-134637)

SUBJECT: SOLO;
IS-C

ReBulet 3/29/62, referring to a suggestion made by the Chicago Office under date of 3/21/62, concerning the establishment of a special indices in the handling of the SOLO operation. The Bureau requested that for the purpose of uniformity the NYO submit its observation concerning this special indices.

The Bureau inquired as to the manner in which indexing procedures in the SOLO operation are handled in the NYO. The SOLO file is not indexed in this office. Rather, information obtained and submitted in the SOLO file is channelized to the appropriate files on a need-to-know basis. In connection with this channelizing, appropriate precautionary remarks are included in the channelizing memorandum with reference to the reporting of information.

It will be noted with reference to Chicago letter of 3/21/62 that the basis for their suggestion is an inspection report dated 2/24/62, which contained a suggestion memorandum concerning the handling of information obtained from the various SOLO missions. In view of the fact that the question raised pertains solely to SOLO missions and not problems involving general indexing of information in the file not otherwise channelized, NY will limit its comments to the issue at hand.

- 2 - BUREAU (100-428091) (RM)
- 1 - CHICAGO (134-46 Sub B) (RM)
- 1 - NEW YORK (100-134637) (#41)

WTM:DJG
(4)

REC-28

100-428091-1977

16 APR 5 1962

37
SEARCHED
SERIALIZED
INDEXED
FILED

4146
65 APR 9 1962

Letter to Director
NY 100-134637

Chicago Office has made an excellent case in our opinion for maintaining a special indices. CG 5824-S* makes numerous trips abroad where many individuals are contacted by him, resulting in many communications being submitted on his return, thus making it difficult to locate these communications without a complete review of the file in the absence of a special indices. Therefore, NYO believes that such an index would be valuable to the Chicago Office.

With reference to the NYO, it should be noted that relatively speaking, the trips made by NY 694-S* are of a different nature and not as frequent as the Chicago informant. Furthermore, while CG 5824-S* contacts numerous individuals abroad, the contacts made by NY 694-S* are extremely limited. It may be stated, again relatively speaking, NY 694-S* contacts are much more of a covert operation than those of CG 5824-S*.

It has been the experience of the NYO that there have been rare occasions whereby the file had to be reviewed in order to obtain the necessary information in order to intelligently prepare a communication setting out the results of information furnished by NY 694-S*. It is felt that the amount of work expended by the agent in those rare instances would not justify the amount of work necessary to prepare and maintain a special index. On the other hand, if the Bureau desires that such an index be maintained for the purpose of uniformity, the NYO has no objection. The only objection would be that it is not felt that NYO should maintain such indices in the office of the supervisor, but rather it should be maintained under the same security as the SOLO files are presently maintained and possibly in the same location. It is hoped, although NYO does not feel any great need for such an indices, that this will not affect the decision of the Bureau with reference to the Chicago Office, as it is felt that Chicago has made an excellent case for their needs.

Domestic Intelligence Division

INFORMATIVE NOTE

Date 3/26/62

Valentine Aleksandrovich Zaitsev is the Russian contact of NY 694-S in our Solo operation. The Helsinki Youth Festival is scheduled to be held in Helsinki, Finland, 7/27 to 8/5/62. When our informant receives Soviet funds for transmittal to CPUSA for transportation and expenses of group of 50 people to attend the Festival, we will then consider dissemination under a "~~Top Secret~~" classification.

The "Report on Investigation in Europe" (November, 1946) reportedly prepared by John Rogge, former Departmental attorney, may be a report concerning the Nuremberg trials. We are checking on this matter.

100-428091-1978 *CV*

FBI

Date: 3/23/62

Mr. Tolson	✓
Mr. Belmont	✓
Mr. Mohr	✓
Mr. Callahan	✓
Mr. Conrad	✓
Mr. DeLoach	✓
Mr. Evans	✓
Mr. Malone	✓
Mr. Rosen	✓
Mr. Sullivan	✓
Mr. Tavel	✓
Mr. Trotter	✓
Tele. Room	✓
Miss Holmes	✓
Miss Gandy	✓

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL _____
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (100-428091)
 FROM: SAC, NEW YORK (100-134637)
 SUBJECT: SOLO
 IS-C
 (OO:CG)

Extreme caution must be exercised with respect to dissemination of the information herein since, by its nature it tends to identify NY 694-S*, a valuable informant, as the source thereof. Unless this information is obtained from a source other than NY 694-S*, it should not be incorporated - even in paraphrased form - in the investigative section of a report.

On 3/23/62, NY 694-S* advised SA ALEXANDER C. BURLINSON as follows:

At 2:45 p.m. on 3/23/62, VALENTINE ALEKSANDROVICH ZAITSEV came to the informant's office, and indicated by motion of his hand that the informant should follow him out into the outside hall. At a stairwell some distance from the informant's office, ZAITSEV stopped, and told NY 694-S* that, with regard to the Helsinki Youth Festival, the Soviets would provide, through the International Youth Festival Committee, transportation for fifty people from New York to Helsinki, from Helsinki to the USSR, and from the USSR back to New York. The Soviets, he said, also would pay for the expenses of this group during its stay in the USSR.

ZAITSEV also stated that the Committee of Internal Organizations would formally invite this group to visit the USSR, after the Helsinki Youth Festival. ZAITSEV then inquired as to how the Soviets should transmit to the CPUSA funds for the transportation of the aforementioned group of fifty people.

- 3-Bureau (100-428091) (RM)
- 1-Chicago (134-46-Sub B) (SOLO) (RM)
- 1-NY 134-91 (INV.) (41)
- 1-NY 105-3571 (VALENTINE ALEKSANDROVICH ZAITSEV) (34)
- 1-NY 100-134637 (41)

ACB:ume

Approved: *[Signature]*
 Special Agent in Charge

Sent _____ M Per _____

REC-31, 2
Rosen
DeLoach
Malone
Sullivan
Tavel
Trotter
Tele. Room
Miss Holmes
Miss Gandy

100-428091-1478

17 MAR 24 1962

REC-31

NY 100-134637

NY 694-S* told ZAITSEV that the funds should be sent, if possible, "in the usual way," that is, through the informant for transmittal to GUS HALL.

ZAITSEV then handed NY 694-S* a piece of paper on which was typed the following message:

"We are very much interested in obtaining a copy of the report of John Rogge (November 1946) presented to the Congress under a title 'Report on Investigation in Europe.' It deals with connections between the pro-German elements in the USA and the Nazi leaders of Germany. In 1951, several copies of report were in the hands of the staff of the DAILY WORKER and you personally."

Before ZAITSEV departed, NY 694-S* handed the latter a roll of microfilm containing Washington and Oregon newspaper clippings concerning GUS HALL's recent trip to the West Coast.

NY 694-S* advises that with regard to the message above concerning JOHN ROGGE, "you personally" in the last line refers to HALL, and not to the informant. If NY 694-S* can obtain a copy of the ROGGE report mentioned in the message, the Bureau will be furnished with a copy thereof.

S/C, Chicago (134-46 Sub B)

April 5, 1962

Director, FBI (100-428691)

PERSONAL ATTENTION

(Solo)

1 - Mr. Gurley

INTERNAL SECURITY - C

11/1

Recclet 3-21-62, Bulet 3-29-62 and NYlet 3-30-62 concerning establishment and maintaining of a special indices for the Solo operation.

Bureau authority is granted for Chicago to set up and maintain a special indices for the Solo operation as outlined in recclet. However, the Bureau feels that names which are placed in the name indices of the special Solo indices should also be placed in the general office indices. The exception, of course, would be information concerning an individual to whose main file this information might have been channeled which would obviate the necessity of a card being placed in the general indices.

Chicago noted in relet that due to the "need-to-know" restrictions placed on Solo material, the Solo indices must necessarily be maintained by Bureau Agents.

Since clerical employees are already assigned certain duties in connection with this operation, you should satisfy yourself that any clerical function which can be handled, with appropriate security, by clerical employees is not designated for handling by Agents.

Inasmuch as the New York Office did not feel that the establishment and maintenance of a special index was worthwhile in connection with the handling of NY 694-S, the Bureau is not directing that one be so established. It

1979

REC-97A 100-428691-1979

2 - New York (100-134637)

19 APR 6 1962

LTG:blw (C)

SEE NOTE PAGES TWO & THREE

- Belmont
- Mohr
- Casper
- Callahan
- DeLoach
- Evans
- Malone
- Rosen
- Sullivan
- Tavel
- Trotter
- Tele. Room
- Holmes
- Gandy

12 1962

MAILED 31
APR 6 - 1962
COMM-FBI

MAIL ROOM TELETYPE UNIT

100-428691-1979

Letter to Chicago
RE: SOLO
100-428091

appears from the reply of the New York Office that New York is not indexing names of individuals obtained in the Solo operation into its general indices. The New York Office should immediately place into effect the practice of indexing individual's names to the general indices except in those instances where information is channelized to main files. It is believed worthwhile that New York index past Solo operations to the general office indices where necessary.

NOTE ON YELLOW:

During the inspection of the Chicago Office in February, 1962, Inspector Haverty made some suggestions in connection with the handling of the Solo operation as aids to the Agents handling CC 5824-S*. Among the suggestions was that a special indices be established not only by names but by topics which would aid the Agent in locating material in a more expeditious manner.

It was also suggested by Inspector Haverty that Chicago request appropriate Bureau clearance for setting up this indices.

Chicago by letter 3-21-62 requested authority to set up and maintain a name indices on Solo in the same fashion as the general indices cards; also, that an unknown subject indices for the Solo mission alone be prepared and based on descriptions only of these individuals. Chicago also requested authority to maintain an index broken down by topics on which the informants report. Chicago stated that no suggestion was being made for the maintenance or indexing of these materials to the general indices of the Chicago Office.

Letter to Chicago
RE: SOLO
100-428091

NOTE ON YELLOW (CONTINUED):

By Bulet 3-29-62 copies of Chicago's letter were sent to New York to determine what method New York used in indexing Solo operations.

NYlet 3-30-62 reveals that the Solo file is not indexed in the New York Office but that information obtained and submitted in the Solo file is channelized to the appropriate files on a need-to-know basis.

As an investigative aid to the Agent handling the Chicago Solo operation it is felt that a special indices would be most helpful. However, it is felt names obtained during the course of this Solo operation should be indexed to the general indices of the office. Information would still be maintained on a need-to-know basis since the files themselves are maintained under secure conditions under appropriate supervision. While we must maintain appropriate security for information obtained in the Solo operation this information is worthless if it cannot be found. At the present time when the Chicago Agent needs to locate previously submitted information by the informant he thumbs through the material until he locates the previously furnished information. This practice, of course, is highly undesirable.

DIRECTOR, FBI (65-65405)

3/22/62

SAC, NEW YORK (65-17696)

TRACING OF AMERICAN MONEY
USED BY SOVIETS IN ESPIONAGE
OPERATIONS
ESP - R
(OO: NY)

[redacted] worker at CP Headquarters, NY, on 3/1/62, visited the Chemical Bank, New York Trust Co., 28th St. and Broadway, NYC, and exchanged 40 \$20.00 notes (\$800.00) for notes of smaller denomination.

When the above money was compared against the index of CP and Soviet-bloc espionage money maintained in captioned case, it was determined that all 40 \$20.00 notes were identical with \$20.00 notes furnished to the CPUSA by the Soviets in late 1959 or early 1960.

In addition, [redacted] on the same date, at the same bank, purchased a \$90.00 money order # 28674 and paid for it with 5 \$20.00 notes. The latter 5 \$20.00 notes were identical with \$20.00 notes furnished by the Soviets to the CPUSA in late 1959 or early 1960.

The statement - in late 1959 or early 1960 - was set forth for the following reason:

When the index maintained in captioned case was originally set up, no date of receipt of the recovered money was set forth on the 3 X 5 card which carried the identification of the note. This situation has been rectified, however, since mid 1960.

It is known, however, that the above notes were obtained by either NY 694-S* or CG 5824-S* from the Soviets.

- 4 - Bureau (65-65405) (RM)
- 1 - 100-3-63 (CPUSA - FUNDS)
- 1 - 100-428091 (SOLO) (TRACING OF SOLO FUNDS)
- 1 - New York (100-79500) (CPUSA - FUNDS) (415)
- 1 - New York (100-8033) [redacted] (424)
- 1 - New York (100-134537) (SOLO) (41) 100-428091
- 1 - New York (65-17696)

RLP:rmv
(8)

NOT RECORDED
100 MAR 28 1962

63 APR 12 1962

ORIGINAL COPY FILED IN 65-65405-310

b6
b7c

NY 65-17696

The Sub A file in instant case has recorded therein the identification and dates and by whom all Soviet money was recovered, so that in the event necessity dictates that all this information be ascertained, such can be done.

It was not deemed necessary, however, that this extensive research be done at this time, inasmuch as the identification of notes set forth in the Sub A files are not in numerical order. They are placed in numerical order only in the index.

DIRECTOR, FBI (65-65405)

3/29/62

SAC, NEW YORK (65-17696)

TRACING OF AMERICAN MONEY
USED BY SOVIETS IN ESPIONAGE
OPERATIONS
ESP - R
(OO: NY)

worker at CP Headquarters, NY,
on 3/15/62, converted \$600.00 in \$20.00 notes for notes of
smaller denomination.

The above \$20.00 notes, when compared against
the list of money known to have been issued to the Soviets
in NY and WFO, failed to effect an identification.

When compared against the index of CP and Soviet-bloc
espionage money maintained in case file captioned, "TRACING
OF AMERICAN MONEY USED BY SOVIETS IN ESPIONAGE OPERATIONS",
out of the total of 30 \$20.00 notes exchanged, 5 were
determined to be identical with 5 \$20.00 notes furnished by
the Soviets on 10/23/61, in the Solo operation for use of
the CPUSA.

Information concerning comparison against the
index is not to be set forth in report form or dissemination
memorandum without Bureau authority.

ORIGINAL FILED IN 65-65405-320

b6
b7c

- 4-Bureau (65-65405) (RM)
- 1-100-428091 (SOLO) (TRACING OF SOLO FUNDS)
- 1-100-3-63 (CPUSA - FUNDS)
- 1-New York (100-74560) (CPUSA - FUNDS) (415)
- 1-New York (100-8033) (424)
- 1-New York (100-134637) (SOLO) (41)
- 1-New York (65-17696) (415)

RLP:zmv
(8)
63 APR 11 1962

100-428091-
NOT RECORDED
185 APR 2 1962

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: April 3, 1962

FROM : SAC, CHICAGO (134-46 Sub F)

SUBJECT: SOLO
IS - C

ReBulet dated 3/28/62, and Chicago letter dated 4/2/62.

Referenced Bureau letter noted that it was desirable that future monthly SOLO fund letters show the total in the fund broken down as to cash, bonds, etc. Referenced Chicago letter set forth total SOLO funds on hand as of March 31, 1962, however, no statement contained therein reflecting the composition of this money.

For information of the Bureau, total reported amount of SOLO funds in possession of CG 5824-S* as of March 31, 1962, consisted of Federal Reserve notes in \$10, \$20, and \$50 denominations. No bonds, etc., are involved in funds held by CG 5824-S*.

In accordance with instructions in referenced Bureau letter, Chicago will hereafter incorporate information relating to the composition of SOLO funds into its monthly fund letter.

100-428091-1980

- 2 - Bureau (RM)
- 2 - New York (RM)
 - (1 - 100-134637 Sub A)
 - (1 - 100-128861 CP, USA - RESERVE FUNDS)
- 1 - Chicago

RWH:Plb
(5)

REC-9

APR 5 1962

58 APR 11 1962

EX-111

Handwritten initials and stamps

DIRECTOR, FBI (65-65405)

3/28/62

SAC, NEW YORK (65-17696)

TRACING OF AMERICAN MONEY
USED BY SOVIETS IN
ESPIONAGE OPERATIONS
ESP-R
(OO: NY)

As the Bureau is aware, [redacted] CP Headquarters, NY, on 3/14/62, purchased money orders numbered 29135 - 29148, totaling \$490.00. She paid for the money orders with 22 \$20.00 notes and 5 \$10.00 notes.

The above money, when compared against the list of money known to have been issued to the Soviets in NY and Washington Field Office, failed to effect an identification.

When compared against the index of CP and Soviet-bloc espionage money maintained in captioned case, no patterns of serialization were noted.

There were three instances, however, namely, L369335388B; L42987968B; L39269571B, all 1950A series in \$20.00 notes, that were identical with 3 \$20.00 notes furnished by the Soviets to the CPUSA via the Solo operation in late 1959 - early 1960.

The above information concerning comparison against the index is not to be set forth in report form or dissemination memorandum without Bureau authority.

- 4-Bureau (65-65405) (RM)
- (1-100-428091) (SOLO (TRACING OF SOLO FUNDS))
- (1-100-3-63) (CPUSA - FUNDS)
- 1-New York (100-74560) (CPUSA - FUNDS) (415)
- 1-New York (100-8033) [redacted] (424)
- 1-New York (100-134637) (SOLO) (41)
- 1-New York (65-17696)

RLP:rmv
(8)

100-428091-

NOT RECORDED
158 MAR 30 1962

50 APR 12 1962

F146

ORIGINAL FILED IN

b6
b7c

UNITED STATES GOVERNMENT

Memorandum

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

TO : Mr. W. C. Sullivan

DATE: April 6, 1962

FROM : Mr. F. J. Baumgardner

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

Handwritten signature: Baumgardner

On 4/6/62 ASAC Roney of the New York Office telephonically advised that Gus Hall, General Secretary, Communist Party, USA, had just called NY 694-S* and instructed that an indefinite amount of money from Solo Funds be brought to Hall at 4 p.m. on 4/6/62. The informant stated he would not have time to record the serial numbers of this money inasmuch as he did not know how much money Hall would want but he felt it might be several thousand dollars. The informant stated he was waiting in his office for a contact from Valentin Zaitsev, Counselor, Soviet Mission to the United Nations, and in view of this it would be impossible for him to get the serial numbers of the money he plans to give to Hall.

ASAC Roney wanted to know whether New York Agents could assist in taking the serial numbers from the money.

ACTION:

I told Roney that if it could be done with security the Agents of the New York Office could record the serial numbers of the money.

I told him that in the future when the serial numbers of a new batch of money received from the Soviets are first recorded by the New York Office, at that time they should put the money in \$1,000 packages and that in the future the recording of serial numbers of money furnished to Hall by the informant would be no problem. ASAC Roney said this would be done.

Handwritten letter 'A'

100-428091

- 1 - Mr. Sullivan
- 1 - Mr. Baumgardner
- 1 - Mr. Fox
- 1 - Mr. Gurley

Handwritten initials: JWB

Handwritten initials: Wef

Handwritten file number: 100-428091-1980

REC-58

9 APR 11 1962

FJB:kmo
(5)

Handwritten signature: Gurley
INTER-OFFICE

65 APR 18 1962

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: MAR 29 1962

FROM : SAC, CHICAGO (134-46, Sub F)

SUBJECT: SOLO
IS - C

ReBulet dated March 20, 1962, and NYlet dated March 23, 1962.

In conformance with Bureau instructions, a physical check was made of the cash available in the Solo box maintained by CG 5824-S* located at the Michigan Avenue National Bank, Chicago, Illinois, on March 23, 1962, by Bureau Agents. These funds, consisting in the main of \$20 bills, were counted and individually itemized by serial number, reserve bank, and series in the total amount of \$48,873.00. This amount is the exact figure reported to the Bureau in the February, 1962, accounting of funds under the Solo caption.

In reference to the questions propounded by the Bureau in paragraph three of relet, CG 5824-S* was contacted on March 27, 1962, after a review of Solo files had been made by this office relating to the subject matter in question. Copies of these Solo communications have been previously furnished to the Bureau and New York and from the basis for the answers supplied by CG 5824-S* in this connection, the Bureau's attention is particularly called to the following communications, portions of which will be referred to in Chicago's answer:

Chicago airtel to the Director dated March 3, 1960, captioned "SOLO; IS-C" with copy to New York;

Chicago airtel to the Director dated March 14, 1960, captioned "SOLO; IS-C" with copies to New York;

- 2-Bureau (RM)
- 2-New York (Info) (RM)
 - (1-100-134637) (SOLO)
 - (1-100-) (Tracing of Solo Funds)
- 2-Chicago
 - (1-100-39538) (Tracing of Solo Funds)

CH:HOW

(6)

MAY 1 1962

Handwritten notes and signatures:
Right
100-428091-1982

CG 134-46, Sub F

Chicago airtel to the Director dated
January 9, 1962, captioned "SOLO; IS-C"
with copies to New York;

Chicago airtel to the Director dated
January 18, 1962, captioned "SOLO; IS-C"
with copies to New York.

CG 5824-S*, on the occasion of his contact of
March 27, 1962, advised that in his opinion it would be
easier to reply to the Bureau's inquiry by referring to
past agreements and discussions which he has had with Party
officials relating to the Solo funds transactions, all of
which he has reported on in the past. He stated further, too,
that in replying to these questions it would be necessary
to bear in mind that there are a number of funds maintained
by the Party for various purposes. Specifically, he noted
that a distinction must be made between the ordinary books
and records maintained by the Party in relation to its open
transactions and which records, to his recollection, are
computed by CHARLES DIRBA. A distinction must also be drawn
between the Solo funds and the funds maintained as a reserve
by ISADORE WOFSEY. A further distinction must be made between
the Solo funds and funds in the hands of ALEXANDER TRACHTENBERG.
He stated that there may be other funds maintained by other
persons of which he has no knowledge but which are unrelated
to the Solo funds.

At the same time, informant cautioned that some
of the Solo funds from time to time may be channelized by
HALL into the hands of some of these people through book-
keeping entries which do not specifically refer to Solo funds
as the source. Further, he knows that WOFSEY from time to
time has been the recipient of some Solo funds.

So the informant suggested that in analyzing the
complex structure of the funds operation of the Communist Party
(CP) as a whole, it must further be kept in mind that the
intention of the CP at all times is to evade any tracing of
funds in one degree or another but particularly where Solo
funds are involved. He cautioned also that the Bureau must
know that the CP does not maintain books and records in
accordance with common, ordinary accounting practices such
as a corporation is required to keep. This is an intentional
thing on the part of the Party designed to cover and protect
people and the Party itself.

CG 134-46, Sub F

He stated that his reason for prefacing his replies to the questions propounded by the Bureau is because immediately prior to the death of EUGENE DENNIS the informant and DENNIS had a conversation in which it was decided that GUS HALL must be furnished with knowledge of the Solo operations as it relates to funds from the Soviet Union (see CGairtel 3/14/60). Continuing, the informant cautioned that in this discussion, which occurred in March, 1960, there was a report furnished to HALL by the informant on matters relating to all of the above circumstances and financial transactions, and he stated that he desired to avoid confusion and possible misinterpretation. First of all, he recalled that there was a general discussion and report on the general finances of the CP, USA. *J.L.L.* Certain references were made to funds available from ALEXANDER TRACHTENBERG and the International Publishers, which the Party desired to use in connection with its everyday work. *J.L.L.*

J.L.L. There was also some mention of funds in the possession of ISADORE WOFSY and this was also described as a "reserve." In 1960, for example, WOFSY indicated that the annual income available from sources to him was around \$20,000 but implied that in former years a larger figure was available.

The informant further recalled that HALL, after hearing this report, indicated that he thereafter expected to take an active part in matters relating to funds. In this regard, he indicated that he desired a system for the control of funds, noting that there had been a laxity in the auditing of funds and expressed the desire to create an auditing committee. The informant advised that this auditing committee was subsequently set up and the informant was one of the people assigned to this committee, holding the position of Chairman. The informant, continuing, advised that this auditing committee, to his recollection, has not met within almost a year.

There was also a discussion concerning the Party's assets and in that connection one of the items discussed was the "12th-13 Realty Corporation" in which it was indicated the Party still had an equity. *J.L.L.*

Also, this discussion brought out the need for the raising of additional funds, and it was mentioned that WOFSY was a member of the Party finance committee. There was some discussion concerning a concentrated drive to obtain donations from Party angels. Further, the informant recalled that at this same meeting, there was an agreement between HALL, DENNIS, and the informant that once every three months these individuals would meet to discuss finances.

Near the conclusion of this meeting, the informant recalled that all three individuals agreed on the need to work out some bookkeeping methods for funneling of funds received from the Soviet Union into the hands of individuals such as WOFSY who maintains funds, and from WOFSY into the Party and into such publications as "The Worker." In this connection, according to the informant, the possibility was discussed of compiling a list of individuals who would consent to permitting themselves to be listed as contributors of sums of money to the Party.

HALL made several suggestions, in addition, concerning the need for scattering of funds, particularly the reserve funds from Solo into hands of trusted individuals who would be used as depositories or trustees for these funds. The informant recalled that since this discussion several individuals, specifically one in the Cleveland area, one in the Milwaukee territory, and JACK ALING in the Chicago area, have been entrusted with Solo reserve funds. The informant emphasized that when he speaks of "Trustees" he is not using the term in a legal sense but rather in the sense that these funds were entrusted to hard core Communists to hold for the Party by oral instruction without formal trust documents and without asking questions.

Part of this discussion was devoted to the problem of handling the International Publishers and New Century Publishers, ostensibly operated by ALEXANDER TRACHTENBERG and JOE FIELDS, respectively. It was decided that a committee should be set up to look into these businesses, particularly in reference to finances.

Handwritten notes:
Wofsy
HALL
Dennis
Solo
"Angels" work
Healy
angels
Wofsy

Handwritten notes:
B...
J...

Handwritten initials: J.L.

CG 134-46, Sub F

A discussion was also held on the possibility of obtaining funds for the Party as a result of the liquidation of the Jefferson School of Social Science in which TRACHTENBERG had an interest.

The informant recalled that near the close of the meeting, a statement was made to HALL by DENNIS that he, HALL, now knows as much about the CP, USA's overall financial situation as do DENNIS and CG 5824-S*. The three individuals then agreed that the financial matters discussed at this meeting, especially those relating to Solo funds or other funds received from the Soviet Union, would be within the knowledge of the three persons present there.

The informant recalled that subsequent to this briefing of HALL, which in addition indicated that the CP, USA could rely on approximately \$200,000 coming from the Soviet Union in 1960, DENNIS died. The informant added that this basic discussion with HALL in March, 1960, continues to be the basis for the operation of funds transactions with regard to Solo. The sole exception to this is that sometime later HALL authorized the informant to include NY 694-S* in on knowledge of the fund's operation on a "need-to-know basis."

In reference to some of the proposals mentioned in this basic agreement, the informant also stated he desired to point out that while elaborate plans were made at this meeting with regard to auditing committees, bookkeeping transactions, fund-raising efforts, etc., some of these plans, to the informant's knowledge, were not carried through. In other cases, for example in regard to actual books and records maintained, the informant has little or no knowledge as to what records are maintained or who maintains them. He added again that the auditing committee has only functioned to a limited degree and it was his recollection that it has not met for many months.

The informant advised and as indicated from the file that subsequent to HALL's taking full control of the CP, he has involved himself with respect to the Solo funds to the extent that he is knowledgeable through reports from CG 5824-S*, in round figures, of the amount available in the Solo reserve funds at all times as well as future commitments from the Soviet Union as to what he may expect in each fiscal

CG 134-46, Sub F

year. The informant further advised that it is also his recollection that during the initial meeting in March, 1960, HALL, DENNIS, and the informant agreed that hereafter any expenditures of sums received from the Soviet Union would have to be authorized by HALL, DENNIS, and the informant. The sole exception was that if it was not possible because of an emergency for all three to concur on the expenditures, then anyone of the three could, without consulting the others, authorize expenditures up to \$1,000. Subsequent to such authorization, the informant recalled that the agreement was that each of the other two would be notified of any amounts taken from these funds. Therefore, according to the informant and in conformance with the agreement, the informant has sought and received the authorization of all funds expended from the Solo reserve funds.

After the demise of DENNIS, no third party was brought into this tight-knit group and therefore HALL specifically is knowledgeable of all expenditures. Specifically, the source noted that he had raised the question of adding a third party to replace DENNIS in these fund operations and HALL objected even to such a consideration. The informant stated that it is for this reason that he cautiously makes certain that he accounts for every expenditure from the Solo funds, even going as far as accounting to HALL for small withdrawals for book purchases.

The informant stated that his accounting to HALL covers both the expenditures made by him from the Chicago funds as well as the expenditures he may make from the funds maintained in New York without HALL's knowledge. He reported that HALL frequently makes requests for funds from NY 694-S* and in that connection specifically directs as to how and to whom these funds are to be disbursed.

In making these accountings to HALL, the informant furnishes him with no books or records. Each expenditure the informant makes he places on a slip of paper and when he sees HALL he notes the total amount expended from the funds and furnishes him with a round figure on the balance of the amount available, and in HALL's presence this slip of paper is burned. The reverse is true as it regards HALL. However, source stated that records of expenditures that HALL has made available have been receipts for anonymous contributions to "The Worker."

In this same regard, NY 694-S* does not have to account for these funds because the amounts expended are directly authorized by HALL and the informant has the overall responsibility for keeping HALL advised of the total amount of funds received and expended.

CG 134-46, Sub F

With the above in mind, the informant stated that he would attempt to answer the questions propounded by the Bureau as follows:

1. Must he account for funds to the CP, USA?

The informant stated that in order to reply accurately and correctly to this question, he would have to be definitive on terminology and stated that if by CP, USA the Bureau means "does some accounting of this fund have to be given to the CP, USA membership, a finance committee, or to some other Party official other than HALL," the answer is no. However, if one looks at the workings of the Party as regards to its handling of such a sensitive thing as the Solo reserve funds and looks to the individuals who have some general knowledge of the existence of such a fund, for example HALL, FLYNN, and possibly others, the answer must be yes since there is always a foreseeable possibility that at a given time under certain unforeseeable conditions such an item might be raised and a request for an accounting be asked for. So, in light of the narrower terminology, the informant stated his answer should be yes.

In explaining further the "possibility" that others have specific knowledge that funds are coming from abroad, the informant stated that NY 694-S* from time to time is told to give substantial funds to WOFSY. PHIL BART, the Organizational Secretary of the Party, from time to time gets substantial funds that emanate from Solo. He added that only logic on their part would at least lead them to the conclusion that these funds must be coming from somewhere other than normal Party channels in this country. Therefore, he concluded that while these people have no specific knowledge that these funds are, in fact, coming from the Soviet Union, they could logically deduce that they are, in fact, coming from abroad, and that CG 5824-S* and NY 694-S* may have a key role in these transactions.

*Jackson
Flynn
possibly
know*

2. Whether or not the CP, USA makes any record of the amount received by the informants from the CP of the Soviet Union?

CG 134-46, Sub F

The informant in reply to this question again stated that the word "CP, USA" must be more narrowly defined as indicated above. Insofar as physical records are concerned, the informant stated that he is certain that no physical record of the amount received by the informant from the CP of the Soviet Union is maintained. Again, he referred to the fact that HALL has knowledge of the total amount received from the Soviet Union in round figures and also is kept advised of expenditures. So, therefore, in a technical sense, HALL, as the leader of the CP, USA, has such knowledge.

The informant stated that the only record, to his knowledge, that is maintained is maintained by him only for the month in which receipts and disbursements are noted and until such time as he furnishes this information to HALL. After reporting to HALL from the slip of paper which he carries, he then burns this slip of paper in HALL's presence. At all times, however, the informant maintains a final figure as to the amount in the reserve funds on his person. Therefore, based upon the reports that CG 5824-S* makes to HALL, he, HALL, at any given time knows in round figures the total available funds from Solo.

3. Whether the CP, USA makes any record of the amount released by the informants to the CP, USA?

Source advised that he is certain that the CP, USA maintains no records, specifically labeling monies received from the "Solo" operation as emanating from informants. However, he again recalled that during discussions with DENNIS, HALL, and CG 5824-S* in March, 1960, there was a decision made that bookkeeping procedures had to be worked out in order that Solo funds could be funneled into certain books maintained by the CP, USA and its other enterprises in which the Party is interested and subsidizing, for example "The Worker." Source stated he has no personal knowledge that these bookkeeping procedures were ever actually established, nor does he have knowledge of whether any of the funds actually turned over by him or NY 694-S* to HALL or others had actually, in fact, appeared in any records of the Party or its enterprises disguised as "anonymous contribution" or in some similar language. He added that his only personal knowledge of the existence of records is limited to those computed by DIRBA and WOPSY.

CG 134-46, Sub F

4. Whether or not the Soviets advised any other member of the CP, USA of the amount of money provided to the informants for the CP, USA from the CP of the Soviet Union?

The informant, in reply to this question, recalled that he had furnished the Bureau with previous information in this regard following his return from the tenth Solo mission.

He recalled specifically that ELIZABETH GURLEY FLYNN, in September, 1961, was in Russia after the death of WILLIAM Z. FOSTER. During the period of her stay in Moscow, she had occasion to speak with LEONID CHERNOV, Chief Secretary to BORIS N. PONOMAREV, head of the International Department, Central Committee, CP of the Soviet Union and a Secretary of the Central Committee, CP of the Soviet Union. CHERNOV, knowing FLYNN to be the Chairman of the CP, USA and assuming that she was entitled to all information, noted for her benefit the total amount of aid which had been furnished to the CP, USA as financial assistance for the current year from the CP of the Soviet Union.

He recalled further that upon FLYNN's return to the United States, she had discussed this matter with GUS HALL at which time she stated she had made no specific inquiry of the Soviets but had been informed of the Soviet contribution and at that time she had told them that she did not want to have further information in this regard.

The informant recalled that in December, 1961, he had discussed this indiscretion on the part of CHERNOV with HALL at which time CG 5824-S* stated the Soviets had no business discussing funds matters with FLYNN and should not have given her a figure on the Soviet contribution to the CP, USA. HALL concurred. During this discussion with HALL, HALL instructed CG 5824-S* that in the future the only other individuals who should have knowledge of such fund matters were to be himself, CG 5824-S*, and where necessary NY 694-S* could be cut in and furnished with some minimum details. HALL, in the same conversation, indicated that as far as he was concerned not even the names of the people holding certain reserve

CG 134-46, Sub F

funds for the Party should be known to other Party leadership.

Therefore, according to the source, and in answer to the Bureau's inquiry, the Soviets have advised at least one individual of the amount of money provided to the CP, USA for at least 1961. He also recalled that the Russians, when JAMES JACKSON was in the Soviet Union and in answer to a specific inquiry by JACKSON, told JACKSON in most general terms to the effect that the "CP, USA need not worry about funds." He emphasized therefore that both FLYNN and JACKSON have some general knowledge that funds are being received from the Soviet Union but he emphasized that they have no specific knowledge of the Solo apparatus and its workings. In further explaining how HALL is trying to keep knowledge of the particulars of the Solo operation within the knowledge of himself, CG 5824-S*, and NY 694-S*, the informant recently, in discussing the succession of leadership with HALL and after HALL had named IRVING POTASH, asked HALL whether he desired POTASH to be generally informed regarding the Solo apparatus. HALL immediately said, "No--not now, and in the future only in case of extreme emergency and even then only when my unavailability is certain."

Continuing, the informant reiterated that in his opinion the intimate Party leadership, including BART, JACKSON, POTASH, and STACHEL, would have some general ideas that money is being received from the Soviets, but the informant is certain that they do not know the particulars of any such dealings.

5. Are the informants the only individuals who know the amounts maintained by them at all times?

The answer is yes, but since HALL is cognizant of the amount authorized for expenditures and is briefed periodically by the informant for budget purposes and for report purposes generally in round figures, he has some knowledge of the amounts maintained by the informant. The informant added that while HALL in the past has always accepted oral reports, he has the right to physically check the Solo funds maintained by both informants at any time and could ask at any time for such an accounting.

6. Who authorizes the use of these funds?

CG 134-4G, Sub F

HALL only has the authority to authorize the use of these funds with the exception of the provision in the original agreement in March, 1960, wherein the informant, CG 5824-S*, can authorize expenditures up to \$1,000 subject to subsequently receiving the approval of HALL. This was a three-way agreement until DENNIS' death.

7. As to whom the informants account in regard to these funds as they pertain to question six?

The informant advised that he believes that he has answered this question in connection with previous questions set out above.

The informant stated, however, that he is extremely careful on all funds which he takes from the Solo reserve funds in that he even accounts for the books he purchases when he sends them abroad. In the accountings which the informant has given to HALL periodically in the form of a figure on a piece of paper relative to expenditures, HALL looks at the paper, nods his approval, and then the informant burns the paper. HALL, on occasions in the past, has questioned specific items. He has instructed that no one is to be loaned money from this fund without his, HALL's, specific permission. CG 5824-S* advised that he even gets permission for expenditures for himself relative to travel, etc., and this is why he is extremely cautious in taking amounts for travel which are in sums which HALL recognizes as legitimate and which are in amounts which HALL will raise no questions.

In explaining this, the informant stated that in connection with Solo missions, for example, he is extremely cautious not to take from the funds amounts that would be over and above what any other CP functionary would take from the funds for a similar trip. On trips in the past to the Soviet Union which were taken by other functionaries allotments have been made not to exceed \$1,000. The informant advised that when he makes his deductions for similar missions, he feels bound by this figure, that is \$1,000, despite the fact that due to the nature of his travels, his overall expenditures grossly exceed this figure. He also follows this procedure in connection with funds he takes from the Solo reserve in regard to travel in this country.

CG 134-46, Sub F

In further explaining the restrictions he has placed on taking funds for his official missions for the CP, USA, both at home and abroad, the informant stated that both he and NY 694-S* have, from the beginning of the Solo operation, operated as successful businessmen who are making substantial contributions to the Party in form of services, at their own expense. This is why he and NY 694-S* have been successful in penetrating the Communist movement at such high levels. To be specific, while CG 5824-S* feels that he can and has taken limited funds from the Solo reserve for his official missions, the Party has been led to believe that the brothers are voluntary workers, not on the Party payroll, making substantial financial contributions over and above these minimum necessary expenses as dedicated, loyal Communists and successful business people who can stand the added financial burden.

He added that he believes this pretense, which has some basis in that NY 694-S* at the time he became an informant was a successful businessman, must continue if both he and NY 694-S* are to continue to operate at such high levels in the Party. Also, since he must render accountings for all money expended, the informant feels that should HALL see a large number of items of small or trivial amounts charged for expenses of either of these informants, he might seriously question whether or not he and NY 694-S* are making a satisfactory contribution to the Communist movement, considering their ostensible financial worth.

In concluding his remarks, the informant stated that he desired to make this lengthy reply to the Bureau's inquiry because he recognizes that the practices of accounting and handling of large sums of money in the CP are not in line with what is considered good bookkeeping practice. He stated, however, that the practices that are followed in connection with the handling of Solo reserve funds have been approved by the Party leadership and are completely in line with the normal handling of such sensitive funds which the Party possesses. The informant cited a parallel situation currently in existence in the CP in the case of reserve funds maintained by ISADORE WOFYSY. He recalled that the Bureau can go back into his reports for years and will note that WOFYSY maintains only slips of paper as his records of amounts received and

CG 134-46, Sub F

expended. While the Party recognizes that this is not totally desirable even in connection with apparatus work, the Party knows that such a situation is necessary and considers it entirely normal. In fact, this practice, when sensitive matters are involved, has been followed in the Party for at least 25 years to source's knowledge.

The informant feels that even a comparison of the maintenance of reserve funds between him and WOFSY is not a good one for the reason that the funds maintained by CG 5824-S*, since they come from the Soviet Union, are much more sensitive and secretive than those handled by WOFSY and, therefore, even more loose practices are recognized by HALL and others as necessary for the protection of the Party.

The informant stated that he has been most scrupulous in all of his operations in connection with the maintenance of this fund, keeping in mind the interest of the Bureau primarily and secondarily the need to keep the Party happy.

This office recognizes that this reply letter is lengthy but in view of the complex nature of the CP finances and funds and due to the Bureau's interest in the funds operations as a whole, a detailed interview and review of past practices was felt to be the only practical way in which the overall picture could be presented and, therefore, this interview was conducted at length with this informant.

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

FROM : SAC, CHICAGO (134-46 Sub F)

SUBJECT: SOLO
IS - C

DATE: April 2, 1962

Remylet dated 3/5/62, captioned as above; Chicago telephone call to Bureau re case GERALDYNE LIGHTFOOT, 3/29/62, and Chicago airtel to Bureau captioned "GERALDYNE LIGHTFOOT, SM - C, ISA OF 1950", and "[redacted] SM - C, ISA OF 1950", dated 3/29/62.

b6
b7c

Reference is made to Bureau letter dated May 4, 1960, instructing Chicago to set out details of disbursements of funds in possession of CG 5824-S* and that such information should be reported to the Bureau by the fifth of the month following the month being reported on.

Balance of Funds In Possession
of CG 5824-S* as of March 1, 1962

\$48,373.

Additions

None.

Disbursements

On 3/29/62, to CLAUDE LIGHTFOOT, Chicago, on authority of GUS HALL as payment for transportation expense to the U.S.S.R. for GERALDYNE LIGHTFOOT and [redacted]\$1,400

Balance in Possession of CG 5824-S*
as of March 31, 1962

\$47,473.

CG-91 100-428091-1983

- 2 - Bureau (RM)
- 2 - New York (RM)
 - (1 - 100-134637 SOLO)
 - (1 - 100-128861 CP, USA - RESERVE FUNDS)
- 2 - Chicago
 - (1 - 100-39538)

RWH:Plb
(6)

SEARCHED

CG 134-46 Sub F

Based upon recommendations of the Chicago Office noted in referenced Chicago telephone call and set forth in referenced Chicago airtel, no attempt was made to trace the SOLO fund disbursement referred to above. However, in connection with the funds disbursed on March 29, 1962, all pertinent data was secured therefrom and a permanent record was made of the denomination, serial numbers, series numbers, and issuing bank.

UNITED STATES GOVERNMENT

Memorandum

Tolson _____
 Belmont _____
 Mohr _____
 Callahan _____
 Conrad _____
 DeLoach _____
 Evans _____
 Malone _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

TO : Mr. W. C. Sullivan *WCS*

DATE: April 9, 1962

FROM : Mr. F. J. Baumgardner *AB*

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Mr. Baumgardner
- 1 - Mr. Gurley

SUBJECT: SOLO
INTERNAL SECURITY - COMMUNIST

Baumgardner

My memorandum of 3/8/62 set forth in detail receipts of funds from the Soviet Union and Red China by the Communist Party, USA, and the disbursements of these funds during February, 1962. The following schedule shows the present status of these funds together with the receipts and disbursements during March, 1962.

SUMMARY

Total received from Soviet Union 9/58 to 3/31/62	\$894,385
Total received from Red China 2/60 to 3/31/62	50,000
Grand total received 9/58 to 3/31/62	<u>944,385</u>
Total disbursements to 3/31/62	<u>720,504</u>
Balance of Fund 3/31/62	<u>\$223,881*</u>

\$176,408 maintained by NY 694-S in New York City; \$47,473 maintained by CG 5824-S* in Chicago.

DETAILS

Total received from Soviet Union 9/58 to 2/28/62	\$894,385
Total received from Red China 2/60 to 2/28/62	50,000
Grand total received 9/58 to 2/28/62	<u>944,385</u>
Total disbursements to 2/28/62	<u>705,304</u>
Balance of Fund 2/28/62	\$239,081

Receipts during March, 1962

Disbursements during March, 1962

To Elizabeth Gurley Flynn, CPUSA Vice-Chairman, for funeral of her sister. (Not included in previous accounting.)

3/5/62 To Gus Hall, CPUSA General Secretary, for use of CP national office.

100-428091

LTG:kmo

(5)

68 APR 13 1962

EX-116

REC-91

800

100-428091-1984

17 APR 12 1962

2,000

Handwritten signature

Memorandum to Mr. Sullivan
RE: SOLO
100-428091

3/6/62 - To Gus Hall as reimbursement for personal funds given to following: \$500 to Clarence Hathaway, CPUSA National Committee member, for personal use; \$300 to Robert Thompson, CP functionary, for medical expenses of latter's daughter; and \$200 to Elizabeth Gurley Flynn for sister's funeral.	1,000
3/6/62 - To Gus Hall for trade-union magazine "Labor Today"	3,000
3/9/62 - To Gus Hall for Negro magazine "Freedomways"	5,000
To Gus Hall for transmittal to George Meyers, Chairman, Maryland-DC District, CPUSA, for CP work in the South	2,000
3/29/62 - To Claude Lightfoot, CPUSA Vice-Chairman, on authority of Gus Hall as payment for transportation expense to USSR for Geraldine Lightfoot and Sylvia Beatrice Woods, CP members	1,400
Total disbursements during March, 1962	<u>\$ 15,200</u>
Balance of Fund 3/31/62	<u>\$223,881</u>

ACTION:

None. This memorandum submitted for your information and an up-to-date accounting of the Solo Funds will be brought to your attention each month. Details of the accounting of these funds are not being disseminated.

Handwritten signatures and initials:
A
J
S
Wes
G
V

DIRECTOR, FBI (65-65405)

4/2/62

SAC, NEW YORK (65-17696)

NO DISSEM ABROAD

TRACING OF AMERICAN MONEY
USED BY SOVIETS IN ESPIONAGE
OPERATIONS
ESP - R
(OO: NY)

~~NO FOREIGN DISSEMINATION~~

It has previously been reported that the CPUSA through ISADORE NEEDLEMAN would provide DANIEL RUBIN with \$1,000.00 a month for use in CP youth work.

On 3/8/62, a deposit in the amount of \$1,132.25 was made in the account of Youth Publications, Incorporated. Said deposit consisted of checks, \$4.81 in coin and \$664.00 in notes. The notes consisted of 29 \$20.00 notes, 4 \$10.00 notes, 4 \$5.00 notes and 24 \$1.00 notes.

The above \$10.00 and \$20.00 notes, when compared against the list of money known to have been issued to the Soviets in NY and WFO, failed to effect an identification.

When compared against the index of CP and Soviet-bloc espionage money maintained in captioned case, the following resulted:

Out of the total of 29 \$20.00 notes, 26 were found to be identical with \$20.00 notes furnished by the Soviets for use of the CPUSA.

None of the \$10.00 notes were identical, nor did they show any pattern of sequence in the index.

Information concerning comparison against the index is not to be set forth in report form or dissemination memorandum without Bureau authority.

Checked from [unclear] [unclear] [unclear]
 Date of [unclear] [unclear] [unclear]

ORIGINAL FILED IN 65-65405-327

FM
38 APR 10 1962

100-428091-

- 1-Bureau (65-65405) (RM)
- 1-100-428091 (SOLO) (TRACING OF SOLO FUNDS)
- 1-100-3-63 (CPUSA - FUNDS)
- 1-65-60544 (DANIEL RUBIN)
- 1-New York (100-134637) (SOLO)
- 1-New York (100-74560) (CPUSA - FUNDS) (415)
- 1-New York (100-128861) (CPUSA - FUNDS (RESERVE FUNDS)) (415)
- 1-New York (100-141893) (YOUTH PUBLICATIONS, INC) (415)
- 1-New York (100-128255) (DANIEL RUBIN) (415)
- 1-New York (65-17696) (415)

NO DISSEM ABROAD

~~NO FOREIGN DISSEMINATION~~

NOT RECORDED
198 APR 4 1962

RLP:rmv (11)

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 4/6/62

J. J. [unclear]

FROM : SAC, NEW YORK (100-134637-Sub A)

SUBJECT: SOLO
IS-C
(OO:CG)

Remylets, 3/23/62 and 4/6/62.

Records of the NYO reflect that as of 3/31/62, transactions in the SOLO account reported by NY 694-S* during the month of March, 1962, have been as follows:

Credit

On hand - 3/1/62:	
Cash	\$162,244.69
Bonds at cost (face value \$30,00.00)	27,963.31
TOTAL	<u>\$190,208.00</u>

Debit

To ELIZABETH GURELY FLYNN, given on instructions of GUS HALL by CG 5824-S* during absence from NYC of NY 694-S* for expenses incidental to funeral of KATHERINE FLYNN - February, 1962 (not included in previous accounting) \$ 800.00

To GUS HALL for use of National Office - 3/5/62 2,000.00

To GUS HALL as reimbursement for personal funds given to following: \$500 to CLARENCE HATHAWAY for latter's personal use; \$300 to ROBERT THOMPSON for medical expenses of latter's daughter; and \$200 to ELIZABETH FLYNN for expenses incident to funeral of KATHERINE FLYNN - 3/6/62 1,000.00

- 2-Bureau (100-428091) (RM)
- 1-Chicago (134-46-Sub F) (SOLO FUNDS) (INFO) (RM)
- 1-NY 134-91 (INV.) (41)
- 1-NY 100-128861 (CPUSA FUNDS-RESERVE FUNDS) (415)
- 1-NY 100-134637-Sub A (41)

ACB:ume

(6)

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COPIES

Handwritten signatures and initials

REC-91 1,000.00 APR 11 1962

APR 9 1962

INDEXED

NY 100-134637-Sub A

To GUS HALL for trade union magazine "Labor Today" - 3/6/62	\$ 3,000.00	
To GUS HALL for negro magazine "Freedomways" - 3/9/62	5,000.00	
To GUS HALL for transmittal to Balti- more CP functionary GEORGE MEYERS for CP work in the South	<u>2,000.00</u>	
Total Debit		\$13,800.00
Balance		\$176,408.00

Pursuant to Bureau instructions, the NYO, where
consistent with security, is attempting to/transfers of
SOLO funds. trace

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 4/6/62

FROM : SAC, NEW YORK (100-134637-Sub A)

SUBJECT: SOLO
IS-C
(OO:CG)

ReBulet, 3/28/62; NYlet, 3/23/62.

With respect to the questions submitted by the Bureau regarding \$30,000.00 in bonds purchased by NY 694-S* with SOLO funds, the NYO has ascertained the following from the informant:

1. These bonds were purchased as a result of HALL's suggestion that it would be well to have available negotiable bonds which in an emergency could be utilized as bail bonds. Such bonds would be utilized for bail only in the event that bail money or bonds from other CP sources should be insufficient or not available.

Referenced NY letter reflects that the amount of \$176,408.00 in cash and bonds in the informant's safe deposit boxes on 3/22/62, coincided with the amount of SOLO funds which NYO records reflected were currently in the possession of NY 694-S*. At the time of the examination of the boxes by the Agents, it did not occur to them to evaluate the bonds at other than face value, and they consequently counted \$30,000.00 in negotiable bonds as equivalent to \$30,000.00 in cash.

Subsequently NY 694-S* was questioned with regard to the purchase price of the bonds, and advised that the actual price paid for the bonds was not \$30,000.00, but \$27,963.31, which created a discrepancy of \$2036.69 with respect to the actual amount of SOLO money accounted for.

The discrepancy above mentioned was explained as follows: Thirty thousand dollars in cash taken from the safe deposit box for purchase of bonds was deposited in the JACK BROOKS account (account in name used by informant in foreign SOLO operations).

- 2-Bureau (100-428091) (RM) REC-19
- 1-Chicago (134-46-Sub F) (SOLO FUNDS) (RM)
- 1-NY 134-91 (INV.) (41)
- 1-NY 100-134637-Sub A (41)

ACB:ume
(5)

APR 9 1962

INT. SEC.

EXP. PROC.

Bevington

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NY 100-134637-Sub A

After purchasing the bonds with a check on this account, the informant placed the bonds in the safe deposit box, the difference of \$2036.69 remaining in the account. The NYO is currently auditing all of the monies for which NY 694-S* is a Party depository. The Bureau will be advised of the results of this audit, under the informant's caption (Bufile 100-340711), with a copy designated for the SOLO file.

2. & 3. NY 694-S* purchased US Treasury bonds as follows:

2½'s of Aug. '63 in denominations of one \$10,000 and three \$1,000 bonds, purchased on 1/5/62.

Price	98.52	\$12,845.63
Accrued interest		128.94
Total paid		<u>\$12,974.57</u>

2½'s of Dec. '72 in denominations of one \$10,000, one \$5,000 and two \$1,000 bonds, purchased on 11/22/61.

Price	87.4/64	\$14,800.63
Accrued interest		188.11
Total paid		<u>\$14,988.74</u>

Total price of bonds		\$12,974.57
		14,988.74
		<u>\$27,963.31</u>

4. The bonds are bearer bonds, but were purchased through the JACK BROOKS account from the Chemical Bank New York Trust Company.

5. Interest on the bonds is collectible by the owner of the bonds at the time the coupons are presented for payment. NY 694-S* does not intend to clip the coupons to collect the interest on the bonds when the same is payable, but will let them accumulate until the bonds are sold. He will then clip the coupons and the interest will be placed in the SOLO funds.

NY 100-134637-Sub A

In the event that NY 694-S* is ordered by HALL to turn these bonds over to someone else, NY 694-S* will turn the bonds over with the coupons attached and will let the second party collect the interest.

6. Since NY 694-S* is not the owner of these bonds, but merely a depository for the Party, he does not intend to pay taxes on the interest because that is the Party's responsibility.

The Attorney General

April 19, 1962

Director, FBI
3/20
COMMUNIST PARTY, USA
INTERNATIONAL RELATIONS
INTERNAL SECURITY - C

- 1 - Mr. Belmont
- 1 - Mr. Evans
- 1 - Mr. Sullivan
- 1 - Mr. Baumgardner
- 1 - Mr. Wannall
- 1 - Mr. Branigan
- 1 - Mr. Bland
- 1 - Mr. Gurley

In early April, 1962, a source which has supplied reliable information in the past advised that an official of the Communist Party, USA, recently stated to a Soviet official in the United States that by reason of a report that both Chinese and Soviets attended a recent conference in Vienna, Austria, there had been an inference that the Chinese-Soviet relations had improved. The Soviet stated that so far as he knew, there had been no amelioration of Chinese-Soviet relations.

Due to the sensitive nature of our source, we have classified this communication "~~Secret~~"

100-423091

1 - The Deputy Attorney General

NOTE ON YELLOW:

Classified "~~Secret~~" because unauthorized disclosure of this information could reveal the identity of the source, who is of continuing value, and such revelation could result in exceptionally grave danger to the Nation. Source is NY 694-S* as shown in New York airtel 4/16/62 captioned "Solo, IS - C." Memo Baumgardner to Sullivan 4/17/62 captioned "Solo, IS - C," LTG:kmo, revealed this information would be furnished to Rusk, McCone, Attorney General and Deputy Attorney General.

REC'D-READING ROOM
FBI
APR 19 9 35 AM '62

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Holmes _____
- Gandy _____

LTG:kmo
(12)

INDEXED 2
APR 17 1962
COMM-FBI

REC-15

11 APR 20 1962

57 APR 20 1962

MAIL ROOM TELETYPE UNIT

1987

[Handwritten signatures and initials]

F B I

Date: 4/17/62

Transmit the following in _____
(Type in plain text or code)

Via AIRTEL AIRMAIL - REGISTERED
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (65-65405)

FROM: SAC, DETROIT (105-4766)

TRACING OF AMERICAN MONEY USED
BY SOVIETS IN ESPIONAGE OPERATIONS
ESP - R
(OO: New York)

b6
b7c

Re New York letter to Bureau 4/11/62.

Mr. [REDACTED] Bank of the Commonwealth,
(BOC), Detroit, Mich., advised on 4/17/62, that EVE
NEIDELMAN had deposited 100 \$20.00 bills (\$2,000.00) into
the account "Labor Today", Account No. C59-597, maintained
by her at the Warren-Prairie Branch, BOC, 4/16/62. The
bills were recorded as follows: ALL FEDERAL RESERVE NOTES

- 8 - Bureau (AM-RM)
 - (1 - 100-437063) (Labor Today)
 - (1 - 100-3-63) (CP Funds)
 - (1 - 100-3-102) (CP Funds - Reserve Funds)
 - (1 - 100-428091) (Solo Funds)
 - (1 - 100-3-89) (Strategy in Industry)
- 7 - New York (65-17696) (AM-RM)
 - (1 - 100-147568) (Labor Today)
 - (1 - 100-74560) (CP Funds)
 - (1 - 100-128864) (CP Funds - Reserve Funds)
 - (1 - 100-134637 Sub A) (Solo Funds)
 - (1 - 100-89590) (Strategy in Industry)
- 6 - Detroit
 - (1 - 100-30141) (Labor Today)
 - (1 - 100-13460) (CP Funds)
 - (1 - 100-26478) (CP Funds - Reserve Funds)
 - (1 - 100-17161) (Strategy in Industry)
 - (1 - 100-1758) (EVE NEIDELMAN)

RJF/sal
(21)

NOT RECORDED
87 APR 19 1962

ORIGINAL FILED IN 65-17696-59

58 APR 23 1962

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

100-428091

UNITED STATES GOVERNMENT
MEMORANDUM

TO: DIRECTOR, FBI (65-65405)

DATE: 4/11/62

FROM: SAC, NEW YORK (65-17696)

SUBJECT: TRACING OF AMERICAN MONEY USED
BY SOVIETS IN ESPIONAGE OPERATIONS
ESP - R
(OO: NEW YORK)

Re Detroit airtel dated 3/22/62, in case file captioned "Labor Today", IS - C (Bufile 100-437063) wherein was set forth the following:

- 8 - Bureau (65-65405) (RM)
 - (1 - 100-437063) (Labor Today)
 - (1 - 100-3-63) (CP Funds)
 - (1 - 100-3-102) (CP Funds - Reserve Funds)
 - (1 - 100-428091) (Solo Funds)
 - (1 - 100-3-89) (Strategy In Industry)
- 6 - Detroit (100-30141) (RM)
 - (1 - 100-13460) (CP Funds)
 - (1 - 100-26478) (CP Funds - Reserve Funds)
 - (1 - 100-17161) (Strategy In Industry)
 - (1 - 100-1758) (EVE NEIDELMAN)
- 7 - New York (100-147568) (Labor Today) (412)
 - (1 - 100-74560) (CP Funds)
 - (1 - 100-128864) (CP Funds - Reserve Funds)
 - (1 - 100-134637 Sub A) (Solo Funds)
 - (1 - 100-89590) (Strategy In Industry)
 - (1 - 65-17696) (Tracing of American Money Used By Soviets In Espionage Operations)

LM:amg
(21)

ORIGINAL FILED IN 65-65405-337

100-428091-
NOT RECORDED
176 APR 12 1962

FILED
58 APR 13 1962

NY 65-17696

EVE NEIDELMAN on 3/21/62, deposited 27 \$20.00 notes as part of a deposit into the account of "Labor Today", account # C59-597, maintained by her at that branch.

The above \$20.00 notes when compared against the list of money known to have been issued to the Soviets in NY and WFO failed to effect an identification.

When broken down into Federal Reserve Districts and series, the following resulted:

D - Cleveland

1950 A - 2

E - Richmond

1950 A - 1

G - Chicago

1950 A - 3

1950 B - 1

H - St. Louis

1950 - 1

I - Minneapolis

1950 A - 1

L - San Francisco

1950 A - 11

1950 B - 7

NY 65-17696

As the above chart reflects, 66.6% of the notes were originally issued by the San Francisco Federal Reserve District (SFFRD) This percentage fits into the continuous picture displayed by the Soviet funds.

One unusual aspect concerning the above is the fact that of the 18 notes issued by the SFFRD, 17 of them had been issued by the FRD branch covering Los Angeles. The 18th was issued by the Seattle branch.

When the total of 27 \$20.00 notes were compared against the index of CP and Soviet-bloc espionage money maintained in captioned case, no patterns of serialization were noted.

For Bureau and Detroit Information

Continuous analysis of the index and knowledge acquired from FRD's reveal that it is most unusual for so many notes of any FRD to appear in another FRD. The major portion of all notes circulating in any FRD are normally of that FRD.

Because of this and in conjunction with the developed 66.6% SFFRD pattern, this office feels that the money deposited by NEIDELMAN was not obtained locally in the Detroit area.

It is suggested that attempts be made to obtain further deposits made by NEIDELMAN. If future deposits prove to be also of a continuous SFFRD issuance strong suspicions can be held that either the Soviets or someone on the west coast is financing the operation.

Information concerning comparison against the index is not to be set forth in report form or dissemination memorandum without Bureau authority.

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Mr. Baumgardner
- 1 - Mr. Wannall
- 1 - Mr. Branigan
- 1 - Mr. Bland
- 1 - Liaison
- 1 - Mr. Gurley

April 19, 1962

BY LIAISON

Honorable John A. McCone
Director
Central Intelligence Agency
Washington 25, D. C.

My dear Mr. McCone:

In early April, 1962, a source which has supplied reliable information in the past advised that an official of the Communist Party, USA, recently stated to a Soviet official in the United States that by reason of a report that both Chinese and Soviets attended a recent conference in Vienna, Austria, there had been an inference that the Chinese-Soviet relations had improved. The Soviet stated that so far as he know, there had been no amelioration of Chinese-Soviet relations.

Due to the sensitive nature of our source, we have classified this communication ~~as~~ "Secret." This information is being furnished to other interested officials of the Government.

Sincerely yours,

NOTE ON YELLOW:

Classified "~~as~~ Secret" because unauthorized disclosure of this information could reveal the identity of the source, who is of continuing value, and such revelation could result in exceptionally grave danger to the Nation. Source is NY 694-S* as shown in New York airtel 4/16/62 captioned "Solo, IS - C." Memo Baumgardner to Sullivan 4/17/62 captioned "Solo, IS - C," LTG:kmo, revealed this information would be furnished to Rusk, McCone, Attorney General and Deputy Attorney General.

100-428091

LTG:kmo
(10)

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Holmes _____
- Gandy _____

MAIL ROOM

TELETYPE UNIT

REC'D-READING ROOM
FBI
APR 19 9 32 AM '62

REC-22
100-428091-1988
APR 19 1962

~~SECRET~~

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-19-2011

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Mr. Baumgardner
- 1 - Mr. Wannall
- 1 - Mr. Bland
- 1 - Liaison
- 1 - Mr. Gurley
- 1 - Mr. Branigan

April 19, 1962

BY LIAISON

Honorable Dean Rusk
The Secretary of State
Washington, D. C.

My dear Mr. Rusk:

In early April, 1962, a source which has supplied reliable information in the past advised that an official of the Communist Party, USA, recently stated to a Soviet official in the United States that by reason of a report that both Chinese and Soviets attended a recent conference in Vienna, Austria, there had been an inference that the Chinese-Soviet relations had improved. The Soviet stated that so far as he knew, there had been no deterioration of Chinese-Soviet relations.

Due to the sensitive nature of this source, we have classified this communication ~~Secret~~ Secret. This information is being furnished to other interested officials of the Government.

Sincerely yours,

NOTE ON YELLOW:

V. 207-10

REC-71

428091 1962

Classified ~~Secret~~ Secret because unauthorized disclosure of this information could reveal the identity of the source, who is of continuing value, and such revelation could result in exceptionally grave danger to the Nation. Source is NY 694-S* as shown in New York airtel 4/16/62 captioned "Solo, IS - C." Memo Baumgardner to Sullivan 4/17/62 captioned "Solo, IS - C," LTG:kmo, revealed this information would be furnished to Rusk, McCone, Attorney General and Deputy Attorney General.

100-428091

LTG:kmo

(D)

APR 26 1962

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Holmes _____
- Gandy _____

MAIL ROOM TELETYPE UNIT

4-19-62
Relieved
ATV

APR 19 9 33 AM '62
SECRET READING ROOM

SECRET

[Handwritten signatures and initials]

ST
esa

SAC, New York (100-74560)

April 19, 1962

Director, FBI (~~100-3-63~~)

1 - Mr. Gurley

COMMUNIST PARTY, USA - FUNDS
INTERNAL SECURITY - C

ReCGlet 4/4/62 in captioned matter concerning information furnished by CG 5824-S*.

This information was obtained by informant 2/28/62 from Isadore Wofsy who furnished an oral report to informant concerning Communist Party, USA (CPUSA), finances. In making this report Wofsy utilized only small scraps and bits of paper on which he had made certain notations.

It is noted on page 7 of referenced letter that the individual known by the code name "Singer" possibly may be identical with singer Grace McDonald according to informant. For the information of both offices, an individual by the name of Grace Lois McDonald is on the Security Index of the San Francisco Office, she resides in Santa Clara, California, in the past has contributed heavily to the CPUSA, is in her 80's and has never been a singer. Informant possibly is confused in this instance and may have in mind the singer Jeannette McDonald.

Informant felt that the code "Enterprise" which was indicated to be the source of some Communist Party (CP) income possibly refers to businesses from which the CPUSA has financial interest or might apply to money received from CPUSA reserve funds handled by NY 694-S*.

It would appear that the source of income "Enterprise" relates to the fund controlled by NY 694-S*. The following are examples of this theory:

Information supplied by Wofsy indicates that "Enterprise" furnished \$10,000 in July-August, 1961. It is to be noted that on 7/31/61 NY 694-S* furnished \$10,000 to Wofsy for the CP National Office. Solo funds letter from New York for the month of August, 1961, revealed that informant furnished certain funds to Gus Hall for the CP National Office but these funds were not reported as income by Wofsy.

2 - Chicago (100-33742)

① 100-428091 (Solo)

LTG:cad (7)

5 1 APR 25 1962

FY6

YELLOW
DUPLICATE
APR 19 1962
MAILED

100-428091-
NOT RECORDED
1/6 APR 23 1962

ORIGINAL FILED IN 100-3-63-

Letter to New York
Re: Communist Party, USA - FUNDS
100-3-63

Wofsy's report indicated that "Enterprise" supplied \$5,000 income on 9/11/61 and \$5,000 income on 9/21/61. It is to be noted that on each of these dates NY 694-S* supplied \$5,000 to Wofsy for the operations of the CP National Office.

Wofsy's report indicated income source not shown as two entries of \$5,000 each on 10/19/61 and one entry of \$10,000 for 10/27/61. It is to be noted that NY 694-S* supplied Wofsy the following amounts for the National Office in October, 1961, 10/17/61 \$5,000, 10/19/61 \$5,000, 10/26/61 \$10,000.

Wofsy's notes indicated income from "Enterprise" of \$10,000 on 11/14/61. It is noted that NY 694-S* furnished \$10,000 on 11/15/61 to Isidore Gibby Needleman as depository for the CPUSA reserve fund.

Wofsy's notes indicate that in December, 1961, "Enterprise" supplied \$14,750 as income. In this connection it is noted that on 12/6/61 NY 694-S* furnished to Wofsy \$10,000 for use of "The Worker" and \$5,000 for use of the CP National Office.

It is noted that in Wofsy's notes on 12/6/61 the CP had an expense as "Loan W" of \$10,000. In January, 1962, income of \$10,000 was shown as "Return loan." This is possibly the return of the above-mentioned loan and possibly refers to "The Worker." In February, 1962, Wofsy's notes reveal income of \$5,000 from "Enterprise." It is noted that on 2/20/62 NY 694-S* supplied \$5,000 to Needleman to hold as depository for the CP National Office.

From this information obtained from Wofsy and from information supplied by NY 694-S* and CG 5824-S* concerning Solo funds it would appear that funds obtained from these informants by Wofsy and Needleman for the operation of the CP National Office are recorded as income and that the funds obtained by Gus Hall for this alleged purpose are not recorded as income.

The New York Office is requested to further analyze the information submitted by Chicago in referenced letter for any information of value.

1 - J. Donohue
1 - Mr. Gurley

SAC, Chicago (134-46 Sub B)

April 23, 1962

REC-34

Director, FBI (100-428091) - 1990

SOLO
INTERNAL SECURITY - C

Re Chicago let 4/17/62 enclosing Photo-
stats of a wedding announcement and invitation
received by the Chicago Office through a mail
drop maintained for CG 5824-S*. The announcement
reveals that the daughter of [redacted] would be
married in Prague, Czechoslovakia, 4/28/62.

b6
b7C

Chicago is requested to advise promptly
whether or not the above-mentioned invitation was
addressed to informant by his true name or by one
of the code names which he uses.

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Rm. _____
- Holmes _____
- Gandy _____

LTG:km
(5)

MAILED 23
APR 24 1962
COMM-FBI

MAY 1 1962

MAIL ROOM

TELETYPE UNIT

File

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

FROM : SAC, CHICAGO (134-46 Sub B)

SUBJECT: SOLO
IS - C

DATE: April 17, 1962

JH/ey

Copied

b6
b7c

Enclosed herewith for the Bureau and for the New York Office are two photostats each of a wedding announcement and invitation received by the Chicago Office on April 13, 1962, through a mail drop maintained for CG 5824-S*. The announcement reflects that [redacted] the daughter of [redacted] would be married on April 28, 1962, at the New Town Hall, Prague, Czechoslovakia, to one PAVEL KRATOCHVIL.

In regard to the above, CG 5824-S* advised that to his best recollection, the mail drop address through which the above noted announcement and invitation had been received had not been furnished previously to the [redacted] but only to the CP of Czechoslovakia. Accordingly, CG 5824-S* felt that this invitation had been submitted to him with the approval of the CP of Czechoslovakia.

The original of the wedding announcement and invitation for [redacted] bore the return address of [redacted], Slezska 125, Praha 3 - Vinohrady, CSSR.

The original of the above announcement has been returned to CG 5824-S*; however, one photostat is being retained by the Chicago Office in Chicago file 134-46 Sub B 1A.

39
C
O
P
Y

- 2 - Bureau (Encls. 2) (RM)
- 1 - New York (100-134637) (Encls. 2) (RM)
- 1 - Chicago

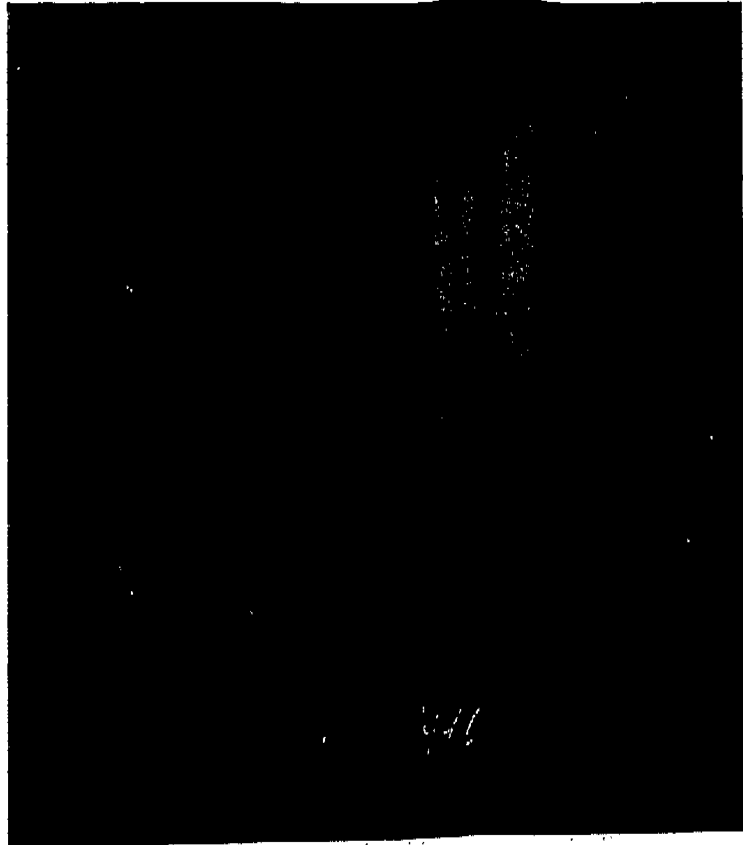
RWH:Plb
(4)

Let [redacted]
4/23/62
Don't know [redacted]
Bl [redacted]
Pr [redacted]

REC-34

11 APR 19 1962

INT. SEC.



b6
b7c

[redacted] are happy to announce
the marriage of their daughter

[redacted]

to

PAVEL KRATOCHVÍL

You are cordially invited to the wedding
on: April 28, 1962 at: The New Town Hall
9:30 a. m. Prague 2, Karlovo náměstí
and the reception at the home of the bride immediately
following the ceremony
at: Praha 3-Vinohrady, Slezská 125, apt. 17

[redacted]

PAVEL KRATOCHVÍL

stí Vás dovolují pozvat dne 28. dubna 1962
v 9.30 hod. na Novoměstskou radnici v Praze,
kde budou oddáni, a na oslavu, která bude
uspořádána po obřadu v bytě nevěsty - Praha 3-
Vinohrady, Slezská 125, 3. p.

DIRECTOR, FBI (65-65405)

4/9/62

SAC, NEW YORK (65-17696)

TRACING OF AMERICAN MONEY
USED BY SOVIETS IN ESPIONAGE
OPERATIONS
ESP - R
(OO: NEW YORK)

ReBulet, 3/9/62, captioned "SOLO; IS - C" (Bufile 100-428091).

In reBulet, the following was set forth:

"Referenced NY letter (3/2/62) and Chicago airtel (3/5/62), as well as previous communications from these offices, reveal that the results of the tracing of SOLO funds will be reported under the caption of the CP member to whom such money has been transferred. In the future, it is desired that the actual tracing of SOLO funds not be set forth in the body of a report on these individuals. Report the tracing of these funds under 'SOLO (TRACING OF SOLO FUNDS); IS - C'."

Although it is realized that in NYlet (3/2/62) and Chicago airtel (3/5/62) referred to in above Bulet it was set forth that the results of tracing SOLO money would be set forth in the case file of the CP member to whom such money had been transferred, this office feels that a misinterpretation may have been placed on such statement.

Because of this, the Bureau's attention is directed to the following:

- 3 - Bureau (65-65405) (RM)
- ① - 100-428091 (SOLO)
- 1 - Chicago (134-46-B) (Info) (RM)
- 1 - New York (100-134637) (SOLO)
- 1 - New York (65-17696)

LM:mab
(6)

100-428091

NOT RECORDED
17 APR 11 1962

FMP
65 MAY 1 1962

ORIGINAL FILED IN 65-4405-33

NY 65-17696

Inasmuch as all money expended by the Soviets for clandestine purposes, whether for CPUSA usage or espionage usage, has been determined to bear a distinct relationship, the index of all Soviet money recovered either by the CPUSA or double agents, etc. has been maintained, as the Bureau is aware, in the above captioned case.

Further, in Builet to all field offices under the above caption, dated 4/12/66, this method of handling all Soviet funds was explained to all field offices and they were directed to furnish the identification of all money recovered in all security-type operations to the NYfile bearing the above caption.

Since the inception of instant investigation, the procedure followed by this office concerning all recovered money, regardless of whether it was recovered in a CP or Soviet-bloc espionage operation, is as follows:

When a memorandum or letter was received from any field office wherein was set forth the identification of recovered money, said money was compared against the index maintained in captioned case and also against the list of money known to have been issued to the Soviets in NY and WFO.

The results of said comparison and an analysis thereof were set forth in letter form bearing the above caption with copies designated for the field office and Bufile of the subject wherein the money was recovered. Copies were also directed to other field and Bufile when deemed necessary and pertinent.

In those instances where it was determined that the money was identical with SOLO funds, which had been originally furnished to the CPUSA by the Soviets, copies of the analysis letter were furnished to the field and Bufile of the case captioned "SOLO" along with copies to other case files deemed pertinent.

NY 65-17696

This procedure was followed inasmuch as it was deemed essential that the field case agent and Bureau Supervisor of the subject wherein the money was recovered be made aware of the identification of the money recovered.

In every instance when a letter of analysis was written, the following statement was set forth in the communication:

"Information concerning comparison against the index is not to be set forth in report form or dissemination memorandum without Bureau authority."

By following the above procedure of furnishing copies of the analysis letter to both field and Bufile of the subject wherein the money was recovered plus inserting the above statement in the analysis letter, it was felt that no cause would exist necessitating the field case agent to set forth in report form the results of the comparison of money. This procedure is considered by this office to have worked successfully.

The above background/^{is} set forth because of the possible misinterpretation this office has given to reBulet of 3/29/62, captioned "SOLO".

This office does not clearly understand the meaning of the directive:

"In the future, it is desired that the actual tracing of SOLO funds not be set forth in the body of a report on these individuals. Report the tracing of these funds under 'SOLO (TRACING OF SOLO FUNDS); IS - C' Inasmuch as all analysis letters specifically direct that the information concerning comparison and tracing of funds not be set forth in report form or dissemination memorandum, the above is interpreted to mean that henceforth all analysis letters concerning SOLO funds are not to be disseminated to the field and Bureau case files of the subject wherein the money was located. This interpretation is made despite the fact that awareness is held that the statement set forth in each analysis letter directs that such information not be set forth in report form.

NY 65-17696

If this interpretation is correct, it is felt that confusion will result.

As the Bureau is aware, numerous analysis letters bearing the above caption and following the same format are set forth weekly in numerous espionage and CP cases wherein the money is not of SOLO interest. The procedure remains the same in all cases.

If, however, we change this procedure and report the results under the SOLO caption only when it involves SOLO funds and furnish no copies to the field and Bufile wherein the money was recovered, it is felt that such valuable information will be lost to the field case agent and Bureau supervisor of the subject wherein the money was recovered.

If the Bureau directive means that the analysis letter should be submitted under the SOLO caption along with copies to the field office and Bureau case files wherein the money was recovered, it is still felt that confusion would result.

An example would be as follows:

Kansas City, following the Bureau directive, set forth to all field offices in captioned case dated 4/12/60, furnishes NY with money observed in the possession of a CP member in that area. Said money, after being compared against the index, was proven to be identical with money recovered in the SOLO operation.

NY, following the directive set forth in reBulet, 3/9/62, would either ^{NY}furnish copies to the Kansas City and Bureau files wherein the money was recovered or would furnish copies, but not under the caption of "TRACING OF AMERICAN MONEY etc." under which caption the information was furnished to NY but under the SOLO caption.

NY 65-17696

Kansas City, upon receipt of such communication, would undoubtedly be confused. In all probability they would not know the nature of the SOLO operation and would either make inquiry of NY concerning its nature or would direct a communication to the Bureau concerning the results set forth in the analysis letter. The latter letter to the Bureau would undoubtedly be set forth under the caption of the subject wherein the money was recovered, thereby adding additional correspondence to the matter.

Due to the above possibilities of confusion, the Bureau is requested to clarify the directive set forth in relet.

The Bureau is further requested to give consideration to continuing the procedure now in effect, whereby the only communication setting forth the results of the tracing of all funds, including SOLO funds, will be the letter sent out by the NYO under the caption, "TRACING OF AMERICAN MONEY USED BY THE SOVIETS IN ESPIONAGE OPERATIONS".

Mr. Gurley

4/24/62

CODE

TELETYPE

URGENT

TO SAC CHICAGO (134-46 Sub B)
FROM DIRECTOR FBI (100-428091)

PERSONAL ATTENTION

b6
b7c

SOLO
IS - C

RE NEW YORK AIRTEL APRIL TWENTY-THREE LAST, COPIES TO CHICAGO, CONCERNING USE OF [REDACTED] AS CONFIDENTIAL COURIER FOR CPUSA, WHICH INFORMATION BUREAU CANNOT DISSEMINATE AT THIS TIME DUE TO ITS PAUCITY. PREVIOUS COMMUNICATIONS HAVE INDICATED CLOSE RELATIONSHIP OF [REDACTED] WITH CG FIVE EIGHT TWO FOUR - S ASTERISK AS WELL AS WITH GUS HALL. CHICAGO SUTEL FOLLOWING INFORMATION PROMPTLY. ONE. FULL CIRCUMSTANCES SURROUNDING USE OF [REDACTED] AS COURIER. TWO. WHETHER OR NOT CHICAGO HAD PRIOR KNOWLEDGE OF SAME. THREE. IF SO, REASON WHY BUREAU WAS NOT FULLY ADVISED. FOUR. IF NOT, OBTAIN REASONS WHY INFORMANT DID NOT ADVISE YOU AND STEPS YOU INTEND TO TAKE TO PRECLUDE RECURRENCE OF SAME. FIVE. IDENTITY OF PERSON WHOSE IDEA IT WAS TO USE [REDACTED]

1 - New York (100-134637)

- Tolson LTG:KMO
- Belmont (5)
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Holmes _____
- Gandy _____

REC-9 100-428091-1992

100-338488 [REDACTED] 62

SEE NOTE ON YELLOW PAGE TWO

VIA TELETYPE

APR 24 1962

9:03 PM

TELETYPE UNIT

55 APR 30 1962

NR.	
ENC.	
CK.	
APPROVED BY	
TYPED BY	

Vertical stamp and handwritten notes on the right margin.

TELETYPE TO CHICAGO
SOLO
100-428091

IN THIS INSTANCE. SIX. DOES THIS MEAN THAT [REDACTED] HAS BEEN ACCEPTED BY CPUSA AND SOVIETS AS A COURIER AND SURROUNDING CIRCUMSTANCES. SEVEN. IF SO, SUBMIT RECOMMENDATIONS PROMPTLY FOR INCLUSION OF [REDACTED] IN SECURITY INDEX. IT IS IMPERATIVE THAT BUREAU BE FULLY ADVISED OF CIRCUMSTANCES IN ALL FUTURE MESSAGES TRANSMITTED BY OUR INFORMANTS TO SOVIETS. COPY TO NEW YORK BY MAIL.

b6
b7c

NOTE ON YELLOW:

Reairtel stated NY 694-S* furnished information that CG 5324-S* desired Soviets be advised "Urgent to have for our confidential courier [REDACTED] visa for Czechoslovakia in Paris embassy for Prague, and there get floating visa for Moscow in USSR embassy, Prague. He will bring important CPUSA material from Morris Childs and Gus Hall."

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: April 18, 1962

FROM : SAC, CHICAGO (134-46 Sub B)

SUBJECT: SOLO
IS - C

Remyairtel to Bureau dated 3/6/62, and Bureau letter to Los Angeles dated 3/13/62, both captioned as above.

Referenced Chicago airtel forwarded to the Bureau a copy of an informant statement related to the request of the CPSU to the CP, USA, concerning the securing of an American film maker to prepare a documentary film on Cuba and noted that GUS HALL had discussed this matter with DOROTHY HEALEY during the latter part of February, 1962.

Chicago has been following the above matter closely through CG 5824-S*, however, the source has been unable to supply any additional pertinent information. While the source had some hopes of developing additional information during the recent visit of GUS HALL to Chicago and Detroit during the period of April 7-13, 1962, the topic regarding the securing of the services of an American film maker was not brought up by HALL nor was the opportunity present for CG 5824-S* to raise the issue. In this same regard, CG 5824-S* advised that he had, during the latter part of March, 1962, been in contact with [redacted] of Los Angeles when this individual had stopped over briefly in Chicago. During conversation with [redacted] this individual noted that he had heard that DOROTHY HEALEY had raised the matter of securing the services of an American film maker with some unidentified people in the Los Angeles area but that he knew nothing as to the possible success she may have had in this regard.

While CG 5824-S* has no additional information presently available, he advised on April 17, 1962, that it

- ② - Bureau (RM)
- 1 - New York (100-134637) (RM)
- 1 - Los Angeles (RM)
- 1 - Chicago

REC-15 / 100-428091-1993

25
8 APR 23 1962

RWH:P1b
(5)

58 MAY 1 1962

INT. SEC.

EXP. PROC.

b6
b7c

CG 134-46 Sub B

might be necessary for him in the near future to make a brief trip to the West Coast and that if such trip should materialize, he would seek to raise the question with DOROTHY HEALEY regarding her successes in securing a film maker for the preparation of a Cuban documentary film.

The above is for the information of the Bureau and Chicago will continue to follow this matter closely with CG 5824-S*.

1 - Mr. Gurley

SAC, Chicago (134-46 Sub B)

April 23, 1962

Director, FBI (100-423001) - 1994

REC-58

SOLO
INTERNAL SECURITY - C

Re Chicago let 4/17/62 pointing out that during the recent inspection of the Chicago Office the Inspector suggested that Agents contacting CG 5824-S* should be thoroughly conversant with national and international affairs on a current basis and specifically recommended "The New York Times" be obtained. Relet requested authority for Chicago to subscribe to "The New York Times" at an annual cost of \$65.

Bureau authority is granted for Chicago to obtain the above-mentioned newspaper at the stated annual cost.

1 - Mr. J. S. Johnson (6221 IB)

- Tolson _____
- Belmont _____
- Mohr _____
- Callahan _____
- Conrad _____
- DeLoach _____
- Evans _____
- Malone _____
- Rosen _____
- Sullivan _____
- Tavel _____
- Trotter _____
- Tele. Room _____
- Holmes _____
- Gandy _____

LTG:kmo
(5)

FBI
REC'D

APR 25 1962

MAIL ROOM TELETYPE UNIT

UNITED STATES GOVERNMENT

Memorandum

TO: DIRECTOR, FBI (100-428091)

FROM: SAC, CHICAGO (134-46-Sub B)

DATE: 4/17/62

SUBJECT: SOLO
IS - C

During recent inspection of the Chicago Office, the Inspector suggested that Agents contacting CG 5824-S* should be thoroughly conversant with national and international affairs on a current basis, and in connection therewith instructed the Chicago Office to obtain such books, periodicals, etc. as may be deemed necessary to this purpose, for the information of and as a readily available reference for the contacting Agents. The Inspector specifically recommended the "New York Times" be obtained, as there is no comparable newspaper in Chicago providing coverage of the national and international scene to the same extent as the "Times".

Therefore, Bureau authority is requested for the Chicago Office to subscribe to the "New York Times" at an annual cost of \$69.

2 - Bureau (RM)
1 - Chicago

WAB:pbh
(3)

100-428091-1994
27

~~DIRECTOR, FBI (65-65405)~~ (U) 4/17/62

~~SAC, NEW YORK (65-17696)~~ (U)

TRACING OF AMERICAN MONEY USED BY SOVIETS IN ESPIONAGE OPERATIONS
ESP-R
(OO: NY)
NO FOREIGN DISSEMINATION
NO DISSEM ABROAD

On 4/2/62, [redacted] Manager, Madison Square Hotel, 35-37 Madison Avenue, NYC, advised that on 4/1/62, ELIZABETH GURLEY FLYNN had returned to the hotel after a two-week vacation.

[redacted] said FLYNN had paid her April rent with five \$20.00 notes, one \$5.00 note and a check for \$10.00.

The above notes, when compared against the list of money known to have been issued to the Soviets in New York and Washington Field Office, failed to effect an identification. (U)

When compared against the index of CP and Soviet-bloc espionage money maintained in captioned case, it was determined that three of the five \$20.00 notes were identical with \$20.00 notes furnished by the Soviets on 6/10/61 for the use of the CPUSA. (U)

Information concerning comparison against the index is not to be set forth in report form or dissemination memorandum without Bureau authority.

Classified by 7000
Declassify on: OADR

Classified by 7000
Exempt from automatic
downgrading and
declassification

- Bureau (65-65405) (RM)
- 1 - 100-428091 (SOLO TRACING OF SOLO FUNDS)
- 1 - 100-1287 (ELIZABETH GURLEY FLYNN)
- 1 - 100-3-63 (CPUSA-FUNDS)
- 1 - NY (100-74560) (CPUSA-FUNDS) (415)
- 1 - NY (100-128861) (CPUSA RESERVE FUNDS) (415)
- 1 - NY (100-134637) (SOLO) (41)
- 1 - NY (100-1696) (ELIZABETH GURLEY FLYNN) (415)
- 1 - NY (65-17696) (33)

RIP:KED
(10)

~~SECRET~~

[100-428091] (U)

51 APR 23 1962

NO FOREIGN DISSEMINATION

NOT RECORDED
158 APR 18 1962

NO DISSEM ABROAD

ORIGINAL FILED IN 100-65-405-34176

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b7c

FBI

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 05-19-2011

Date: 4/16/62

Transmit the following in _____
(Type in plain text or code)

AIRTEL

REGISTERED

Via _____
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)
FROM : SAC, NEW YORK (100-134637) (41)
SUBJECT: SOLO
IS-C

~~Classified by 1-4-84 G-3~~
~~Declassify on: OADR SPATANKI~~
~~CA 877 CIV 979~~

REC-57
Highington
R. D. Johnson
interview
4/16/62

On 4/14/62, NY 694-S* furnished the following information to SA ALEXANDER C. BURLINSON:

Pursuant to telephonic arrangements made previously, NY 694-S* and his Soviet contact, VALENTINE ALEKSANDROVICH ZAITSEV, met in the area of the Town House Restaurant, Queens, at 7:00 p.m. on 4/13/62. With ZAITSEV leading the way, and the informant following at a safe distance, they proceeded by subway and on foot to Constantine's Restaurant at 163rd Street and Hillside Avenue.

(According to NY 694-S*, ZAITSEV is far more security conscious than was his predecessor, BARKOVSKY. The informant estimates that before entering Constantine's Restaurant, ZAITSEV, with NY 694-S* following him, walked several miles in a circuitous approach to the restaurant.)

- 4 - BUREAU (100-428091) (RM)
- (1-105-21599) (VALENTINE ALEKSANDROVICH ZAITSEV)
- 1 - CHICAGO (134-46-Sub B) (SOLO) (RM)
- 1 - NY 134-91 (INV) (41)
- 1 - NY 105-3571 (VALENTINE ALEKSANDROVICH ZAITSEV)
- 1 - NY 100-134637 (41). REC-57 100-428091-195

ACB:msb
(9)

11 APR 17 1962

ST-115

Approved: _____
Special Agent in Charge

Sent _____

50 MAY 1962
F-146

REC-57
SEC.
Wick

NY 100-134637

During a period of about an hour while they had dinner at the restaurant, NY 694-S* gave ZAITSEV microfilm containing messages and information from the CPUSA to the Soviets. (This material, concerning which the Bureau previously has been advised, will be described hereinafter) NY 694-S* briefed ZAITSEV generally concerning the nature of the micro-filmed material, and also about the current situation in the CPUSA.

ZAITSEV then furnished to the informant Soviet replies to several CPUSA requests previously transmitted to Moscow: With regard to [redacted] CPUSA functionary JACOB STACHEL, ZAITSEV said that it would be permissible for [redacted] to spend two weeks in the Soviet Union. He suggested that [redacted] pick up his Soviet visa in Warsaw.

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Concerning [redacted], ZAITSEV stated that the Soviets had granted permission for [redacted] to visit the Soviet Union before going to England. He suggested that [redacted] too pick up his Soviet visa in Warsaw.

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b7C

ZAITSEV told NY 694-S* that the Soviets had furnished no reply to the informant's suggestion that they reconsider their decision not to invite Dr. VALENTINE GREGORY BURTAN to visit the Soviet Union before the latter goes to Africa. He said he would assume that the "issue was dead."

ZAITSEV expressed considerable disappointment that the records of the late CP leaders ROBERT MINOR and JAMES FORD were not as yet ready to be shipped to the Soviet Union. When NY 694-S* told him that they might be ready for shipment in June, ZAITSEV, showing considerable concern, asked that the informant make a special effort to have the records ready for shipment by the middle of May. When NY 694-S* asked ZAITSEV how the aforesaid records should be transferred to the Soviets, ZAITSEV replied, "Just wrap them up, put them in a station wagon, leave it somewhere, and we'll pick it up."

NY 100-134637

ZAITSEV then instructed NY 694-S* to be "available" during the next two weeks because it was ZAITSEV's understanding that the second half of the money promised by the CPSU to the CPUSA for the current year would be ready for delivery in the near future.

NY 694-S*, mentioning the subject of Soviet-Chinese relations, told ZAITSEV that by reason of a report that both Chinese and Soviets attended a recent conference in Vienna, there had been an inference that Chinese-Soviet relations had improved. ZAITSEV said that he wished such were true, but so far as he and his "colleagues" knew, there had been no amelioration of Chinese-Soviet relations.

NY 694-S* told ZAITSEV that the state of relations between the Soviets and the Chinese undoubtedly would affect to considerable degree the attendance of delegates from the USA to the peace conference scheduled to be held in Moscow in July. The informant said that if, as a matter of fact, there has been an amelioration of relations, it would be of inestimable value to the CPUSA to know this with respect to inducing delegates from the USA to attend the July peace conference.

ZAITSEV said he appreciated the importance of the CPUSA's knowing the true relationship between the Soviets and the Chinese. He further stated that he would make every effort to obtain for the informant an authoritative answer to the question; but that he could make no promises in this regard. He repeated that as far as he and his "colleagues" knew, there had been no amelioration of Chinese-Soviet relations.

NY 694-S* then expressed to ZAITSEV his concern that, as a result of an accident in developing his microfilm in Moscow, the Soviets might not receive the messages contained therein. ZAITSEV replied, "Never fear that we don't develop the roll properly. We had a special light to guide us." (NY 694-S*, who is familiar with photographic techniques, commented that he was

NY 100-134637

not aware of the use of the light referred to, and suggested that this matter might be of interest to the FBI Laboratory in the event the Laboratory is not familiar with the use of such a light.)

Having completed their discussion at the restaurant, ZAITSEV and NY 694-S* agreed to meet again within the next few weeks. They separated outside the restaurant, each going his own way.

The microfilmed material given by NY 694-S* to ZAITSEV for transmittal to the Soviets included the following, concerning which the Bureau previously has been advised:

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A request that [redacted] and his wife [redacted] be invited to visit the Soviet Union; a message that as of April 1, 1962, JAMES ALLEN would replace ALEXANDER TRACHTENBERG as head of "International Publishers"; a message that the CPUSA desires that the Soviet Embassy in Washington, D. C., refrain from using CP attorney MARY KAUFMAN to transmit messages to the CPUSA, and that it use ALEXANDER TRACHTENBERG instead if there be need to transmit such messages; a message that in the future TRACHTENBERG's sole task will be to write the history of Marxist-Leninist literature in the USA; a message that VICTOR RABINOWITZ, because of political differences, has left the CPUSA, and that [redacted] and [redacted] had been expelled from the CPUSA for factionalism and anti-Party activities; a message that TOM MBOYA of Kenya had made a secret trip to Washington, D. C., for instructions prior to attending a conference in London regarding granting independence to Kenya; a message that the American ambassador to Italy had received a secret briefing by AFL-CIO functionaries regarding the Italian labor movement and the CP of Italy's relation thereto; a message that VITORILLA, head of the Nenni Socialist Party in Italy, came to Washington, D. C., to be briefed by AFL-CIO officials with respect to combatting the CP in Italy; a letter to Dr. GREGORY VALENTINE BURTAN from [redacted] Secretary of the "American

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NY 100-134637

Committee on Africa," referring to BURTAN's proposed trip to Africa; a request that the CPSU send to the CPUSA films of WILLIAM Z. FOSTER's funeral; a message that CP functionary PAT TOOHEY would be sent to Puerto Rico for six months to work with the CP of Puerto Rico and to submit a report on the said party; a message that in June 200 leading CP functionaries would meet to discuss CP defense tactics with respect to prosecution of CP leaders; a copy of a letter from the Haitian Popular Party of National Liberation to the CPUSA, criticizing the program-manifesto of the Party of Popular Unity of Haiti as containing an anti-party thesis, and requesting CPUSA assistance in condemning the Party of Popular Unity; and a message requesting that the Soviets ask the Canadian CP to handle the above matter in view of language difficulties involved since Haitians speak French.

(U)

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (100-428091)

DATE: 4/23/62

[Handwritten signature]

FROM : SAC, CHICAGO (134-46-SUB B)

SUBJECT: OSOLO
IS - C

ReBulet 4/23/62, requesting Chicago to promptly advise whether the wedding announcement and invitation received by the Chicago office through a mail drop maintained for CG 5824-S* had been addressed to informant by his true name or by one of the code names which he uses.

For the information of the Bureau, the wedding announcement and invitation directed to CG 5824-S* was received by Chicago for the informant under the code name HARRY RANDOLPH, Box 4383, New Post Office, Chicago, Illinois.

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100-428091
② - Bureau (RM)
1 - Chicago

RWH:JVK
(3)

REG-42

100-428091-1996

APR 26 1962

APR 25 1962

[Handwritten signature]
INDEXED BY
LAWRENCE

57 MAY 7 1962

Office Memorandum • UNITED STATES GOVERNMENT

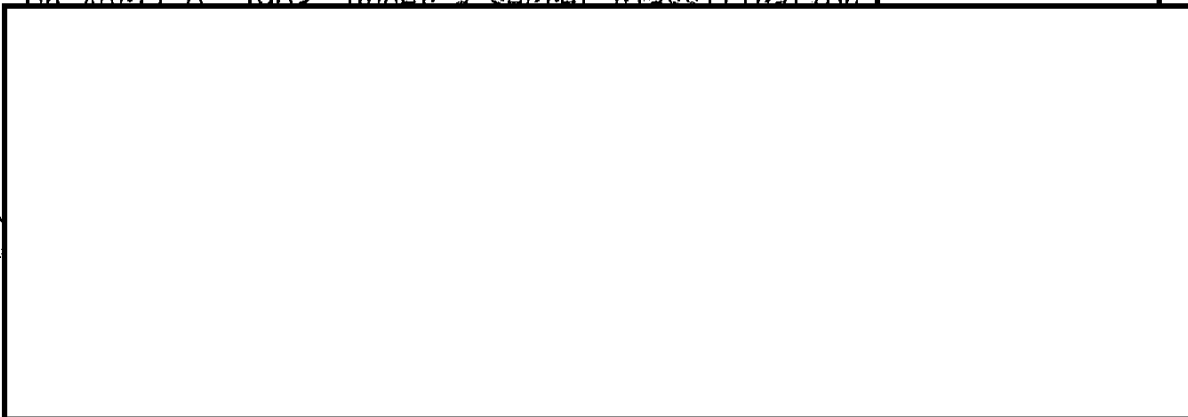
Handwritten initials
TO : DIRECTOR, FBI (100-428091)
FROM : LEGAT, LONDON (100-1112) (RUC)
SUBJECT: COMMUNIST PARTY, USA
 INTERNATIONAL RELATIONS
 IS - C

DATE: April 25, 1962

Handwritten circled number 561

ReBulet to Legat, London, dated December 15, 1961.

Information contained in referenced letter was made available to [redacted] on January 3, 1962. On April 6, 1962, under a secret classification [redacted]



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b7D

The above is submitted to the Bureau for information.

- 3 Bureau
- 1 Foreign Liaison - sent direct
- 1 London

ACM: col
(5)

Handwritten: 100-1112-1997

APR 30 1962

Handwritten: J. H. [unclear]
Handwritten: J. H. [unclear]

78 MAY 10 1962

UNRECORDED COPY FILED IN

DIRECTOR, FBI (100-340711)

4/24/62

SAC, NEW YORK (134-91A) (ADM.)

NY 694-S*

Re: NYlet, 4/6/62, captioned "SOLO; IS-C."

NY 694-S* has advised concerning the funds maintained by him on behalf of the Party other than those which emanated from the Soviet Union.

NY 694-S* advised that these funds total \$47,782.21 and were derived from the following sources:

FOSTER royalties (originally \$13,000.)	\$ 7,000.00
GUS HALL (gift obtained on 8/1/61)	15,000.00
ALFRED K. STERN (from Czechoslovakia in January, 1961)	6,000.00
ALEXANDER TRACHTENBERG	<u>19,782.21</u>
Total	<u>\$47,782.21</u>

NY 694-S* advised that out of the above money he purchased on 3/22/62, through the JACK BROOKS account ten \$1,000 (face value) U.S. Treasury notes, 4's of 5/16/62. He paid a premium price of 101 14/64 per hundred plus accrued interest of \$140.33, a total of \$10,262.21. NY 694-S* purchased these notes on instructions of GUS HALL, for possible use as bail bonds. These notes, plus the remainder of the Party funds (other than SOLO) are maintained in a safe deposit box at the Amalgamated Bank.

3-Bureau (100-340711) (RM)
 (1-100-428091) (SOLO)
 1-Chicago (134-46-Sub F) (SOLO FUNDS) (RM)
 1-NY 100-134637-A (SOLO) (41)
 1-NY 134-91A (41)

100-428091-

NOT RECORDED
198 APR 25 1962

PJS:ume
(6)

53 MAY 8 1962

ORIGINAL FILED IN 100-340711-1110

NY 134-91A

NY 694-S* advised that SOLO funds are being maintained in the following branches of the Chemical Bank New York Trust Company:

Cash:	
Safe deposit box, 20 Street	\$ 63,000.00
Safe deposit box #214, 67 Broad St.	66,408.00
JACK BROOKS account, 67 Broad St.	<u>2,036.69</u>
Total Cash	\$131,444.69
Bonds:	
Safe deposit box #214, 67 Broad St.	<u>\$ 27,963.31</u>
Total	\$159,408.00

Accounting for the SOLO funds expended by the informant during April, 1962, will be made by the NYO at the end of the month.

F B I

Date: 4/23/62

Transmit the following in PLAIN TEXT
(Type in plain text or code)

Via AIRTEL REGISTERED MAIL
(Priority or Method of Mailing)

TO : DIRECTOR, FBI (100-428091)
FROM : SAC, NEW YORK (100-134637)
SUBJECT: SOLO
IS-C

On 4/23/62, NY 694-S* advised SA ALEXANDER C. BURLINSON that pursuant to a request from CG 5824-S he has prepared, in closed code, a message to be delivered to NY 694-S* Soviet contact for transmittal to the Soviets in Moscow.

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The message is as follows: "Urgent to have for our confidential courier [redacted] visa for Czechoslovakia in Paris embassy for Prague, and there get floating visa for Moscow in USSR embassy, Prague. He will bring important CPUSA material from Morris Childs and Gus Hall."

NY

REC-16
100-428091-31998
25 APR 24 1962
[Handwritten signatures and initials]

- 3 - Bureau (100-428091)(RM)
- 1 - Chicago (134-46 Sub B)(SOLO)(RM)
- 1 - NY 134-91 (INV)(41)
- 1 - NY 100-134637 (41)

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Whitey...
1-101
4/24/62

INT. SEC.

Approved: [Signature] Sent _____ M Per _____
Special Agent in Charge
1962

FEDERAL BUREAU OF INVESTIGATION
FOIPA
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