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U.S. government economists in the later years of the Administration of Franklin Roosevelt were urged to treat the Soviet Union as an ally, in the interests of winning the Second World War and establishing the basis for peaceful cooperation after the war. The onset of the Cold War and the subsequent rise of McCarthyism sullied the reputations of many of them, especially the two most prominent: Lauchlin Currie (chief economist in the White House) and Harry Dexter White (chief economist in the Treasury). Close examination of the parallels between these two seemingly disparate cases reveals that recent attempts to revive the charges are no more firmly based than those of the early 1950s.

During World War II, the two most senior professional economists in the U.S. government were Lauchlin Currie and Harry Dexter White. Classmates, friends, and then fellow instructors at Harvard from 1925 to 1932, they both were recruited to government service by Jacob Viner in 1934. Currie eventually became President Franklin D. Roosevelt's chief economist in the White House, and White became the chief economist at the Treasury under Secretary Henry Morgenthau, Jr. Currie specialized in domestic policy and White in international policy, but both were strong believers in the New Deal and open international cooperation as the cornerstones for a successful economic strategy. Their professional careers were devoted largely to service in the U.S. government for the purpose of strengthening the U.S. economy, solving and then preventing a recurrence of the economic failings of the interwar period, and directing U.S. and Allied economic power toward victory over the Axis. That last dimension, however, was later construed as sympathy toward one particularly problematic member of the Grand Alliance, the Soviet Union. Both men eventually were accused of being Soviet spies, a charge that has been revived in recent years in the light of newly declassified documents. The fundamental contradiction between the life work of these two men and the accusations against them calls for a closer examination of the nature and credibility of that evidence.

In earlier, independent, assessments of the arguments made against Currie and White the present writers concluded that in each case the evidence is ambiguous and that their guilt is unlikely.[1] That conclusion is strengthened when the two cases are examined jointly. While it is true that if one starts from a presumption of guilt, the recently declassified documents appear to add to the weight of the case, this is not true

if one starts from a presumption of innocence and a skeptical view of assertions made by espionage agents. This paper begins by assessing the nature of the case and then presents some examples of how evidence that appears incriminating at first glance may be reinterpreted when viewed in context. We conclude with some general remarks about the need for caution in this debate.

LIBERALISM VS. ESPIONAGE

Why, apart from a general sense of fairness, should one start from a presumption of innocence in evaluating the evidence against Currie and White? First, by all accounts, neither one was a communist. They were never members of the Communist Party, and they were not Marxists. They were liberal New Deal Democrats whose careers were made in the service of the Roosevelt Administration in the 1930s and early 1940s.[2] Although neither was at all rich, they were upper-level government economists who had no need for outside financial support. To argue that they spied against their country raises the difficult question of motive. Second, virtually the entire case against them during their lifetimes came from two unreliable witnesses, the former communist couriers Elizabeth Bentley and Whittaker Chambers.[3] Much of what they alleged was based on second-hand information. Both Currie and White testified freely and openly and denied all of the charges. No legal action was ever brought against either of them. If new evidence is to be judged fairly, it must to a large extent stand on its own.

The hypothesis of this paper is that neither Currie nor White ever spied for or acted as an agent of the Soviet Union. Both acted consistently out of loyalty to the U.S. government and to the country's economic and political principles. The case against them arose-and persists to this day-for four reasons. First, when fear of communist infiltration into the U.S. government became widespread in the late 1940s, attention focused on those whose policy positions seemed to dovetail with the interests of the Soviet Union or the Chinese communists. Currie and White were far from being alone in this light, but they were two of the most prominent. Second, suspicion was aggravated by their friendships and professional associations with certain individuals who turned out to be Soviet agents. Third, both Currie and White further aggravated the situation by being open in discussing policy matters with colleagues and friends. Their contacts with Soviet officials and other Russians during World War II made such openness seem particularly troublesome once the Cold War began. Fourth, both men had strong personalities that many of their contemporaries found abrasive, which helped them succeed in Washington but also heightened the controversies surrounding them. The atmosphere was summed up well by Morgenthau's biographer, John Morton Blum, who wrote that White

was rude, abrupt, and impatient with opposition, which he often tried to circumvent by going outside of normal bureaucratic channels-a habit that could be identified with furtiveness or even confused with subversion. He appointed some assistants who were almost certainly members of the Communist Party, ... and those assistants, in White's view, were as free to pass along information about Treasury policy to the Russians as was Averell Harriman, for example, free to talk to the British.[4]

The relative importance of these various factors has shifted over time. The first allegations against both Currie and White came from former members of the American Communist Party (CPUSA) who had received government documents through intermediaries to pass on to Soviet KGB agents.[5] The fact that mid-level government economists had access to documents originating from high officials such as Currie and White greatly impressed their comrades and the KGB, and it was easy for investigators to conclude that the authors had conveyed those documents deliberately for espionage. Some years later, in the 1950s, Congressional and other investigators of Soviet influence in the U.S. government seized on what they saw as questionable policy decisions during the war and argued audaciously that economic policy had been aimed at furthering Soviet over American interests. When those charges proved to be baseless, the matter was largely forgotten until the late 1990s, when the declassification of Soviet cable traffic confirmed many of the original claims about Soviet wartime espionage in America.

The hunt for communists in the U.S. government in the 1940s and 1950s was fueled in part by mutual suspicion and distrust between the hunters and the liberal New Deal establishment. Policies pursued by the Roosevelt Administration, especially during World War II, were sometimes seen by those on the right as prima facie evidence of communist sympathy and support. Prominent among these were White's participation in the drafting of the 'Morgenthau Plan' for the postwar pastoralization of Germany, his delaying tactics in the disbursement of loans to China, his acquiescence in the conveying of occupation-currency printing plates to the Soviet Union, and his desire to entice the Soviet Union to join the International Monetary Fund and the World Bank. Those positions were motivated by a general distrust of Germany, a specific distrust of the government of Chiang Kai-shek, and a conviction—shared by and to some extent derived from President Roosevelt—that co-operation between the United States and the Soviet Union was possible and was essential for postwar peace and prosperity.[6]

Unlike White, Currie did not favor the Morgenthau Plan. Instead he worked on a State Department plan that aimed to avoid revanche and the mistakes of the Versailles Treaty. On China, however, he shared White's disillusionment with Chiang Kai-shek's commitment to reform and the war against Japan, as the Nationalists prepared instead for civil war against the communists. His views were cogently argued in a lengthy May 1943 memorandum to President Roosevelt.[7] In this memorandum he urged the president to disregard the threats and reproaches of the Nationalists and to insist that American military and financial aid has a price. Currie emphasized that U.S. national interests would be best served by progress toward a more honest and democratic state and the avoidance of civil war. Such a war would prejudice world peace after the defeat of Japan and Germany: "There is grave danger that another Spain is in the making, where great powers line up in support of different factions." The solution called for statesmanship of a high order, to ensure postwar co-operation rather than conflict between the Great Powers.

When White and Currie later came under suspicion as Soviet agents, it became easy and fashionable to interpret their views and actions as communist-inspired and even treasonable. That suspicion was aggravated by the disdain that many in the Roosevelt

Administration had for those who feared the Soviet Union and the threat of communism. Morgenthau expressed this disdain clearly in his defense of his plan for ridding Germany of its heavy industry:

No, it is hardly likely that Russia will have the time or the inclination for aggression. "But," argue the fearful and the hypocritical, "we must build a bulwark against communism." Well, most Americans would rather rely upon democracy as a bulwark than upon a heavily armed Germany. And they would be right. Communism never has made much headway in this country because the people have something much better. As long as we keep it, we are in no danger of any "ism." [8]

White and Currie, both of whom shared-to some degree-this complacent and unprecise view of Stalin's Soviet Union, were responsible for hiring or recommending large numbers of economists and others for government positions, especially in the late 1930s and early 1940s. They based their hiring decisions on the candidates' abilities and cared little for their political views beyond seeking a broad sympathy with the political economy of the New Deal. Being sympathetic to communism or even being a member of the CPUSA was not, in their view, a barrier to employment. White later professed to draw a distinction between ordinary government employment and appointment to positions with access to confidential information, but he probably paid little attention to it in practice. The passage of the Smith Act in June 1940, which criminalized advocating the forceful overthrow of the U.S. government, did not alter their views or practices in this regard. (CPUSA leaders always maintained that the party did not advocate overthrow, and the government did not use the Smith Act to prosecute them until 1948.)

What is disturbing about the latest revival is the assignment of guilt by association, by inferences made out of context, and even by the repetition of unsupported assertions. For example, George Silverman and Gregory Silvermaster were government economists in the 1930s and early 1940s who-we now know with some certainty-were also Soviet spies. They were friends of both Currie and White, who treated them as trusted colleagues and saw no reason not to share information about their work. In addition, reasonably persuasive cases have been made against a few of White's large staff, including Harold Glasser, Sonya Gold, and Ludwig Ullman. The appalling betrayal of trust by numerous people is an important revelation that emerges with clarity from Soviet wartime cables, but it does not show either Currie or White to have been a spy. Nonetheless, a recent book by Allen Weinstein and Alexander Vassiliev states that White was one of the sources under Silvermaster's 'control', and that Currie was a 'colleague in Silvermaster's network' and a 'fellow-agent'. [9] Another recent book, by Nigel West, calls White a 'sub-agent' of Silvermaster, and cites as evidence of his nefariousness that he had helped Sonya Gold and William Taylor get jobs at the Treasury. [10] (White had little to do with Sonya Gold, who worked under Ullman as an economist-not a typist, as asserted by West. Taylor was an economist who worked for White at the Treasury and later worked at the IMF. He was falsely accused of disloyalty on the basis of a second-hand report from Bentley and was formally cleared in 1956.) John Earl Haynes and Harvey Klehr conclude from White's and Currie's friendship with and support of Silvermaster that they were 'unscrupulous'. [11] Christopher Andrew and Vasili Mitrokhin also call White an 'agent' of Soviet intelligence, and on the basis of one conversation between White and

an unidentified Soviet official (discussed below), they refer to the man as White's 'controller'.^[12] Herbert Romerstein and Eric Breindel say that 'Venona disclosures now make apparent that White was a very important Soviet spy - perhaps even more important than Alger Hiss'.^[13]

Currie and White were not and are not the only liberal New Deal economists to come under this attack, and the implications of a proper assessment of the evidence affect more than the reputations of two men. Of the thousands of economists working in the Roosevelt administration, several-perhaps dozens-did spy for the Soviet Union. But even if one concludes that people such as Sonya Gold, Victor Perlo, Harold Glasser, George Silverman, Gregory Silvermaster, Ludwig Ullman, Julian Wadleigh, and Donald Wheeler were spies, that does not mean that their friends, colleagues, or bosses were also guilty. Particularly scandalous are the assertions of guilt that continue to be made against William Taylor, whose only 'crime' was having worked for White on the development of occupation currencies during the war. In the red-hunting era, several other government economists who had once been associated with Currie or White, including George Eddy, Mordecai Ezekiel, Irving Friedman, and Charles Kindleberger, came under varying degrees of suspicion.^[14]

Paul Sweezy, a well-known Marxist economist who studied under Currie at Harvard and worked for a time in the Roosevelt administration, was convicted of contempt in 1953 for refusing to co-operate with legislative investigations into his personal beliefs (a conviction that was later overturned by the U.S Supreme Court). Other government economists, such as Solomon Adler, Frank Coe, and Michael Greenberg, were Marxists who may at one time have been members of the Communist Party but whose alleged involvement in espionage was based on scant evidence. Those allegations continue to be repeated today, often without qualification.^[15]

Apart from those linked to Currie or White, U.S. government economists who fell under suspicion because of Elizabeth Bentley's accusations included at least two men who may at one time have been communists (not spies), Irving Kaplan and William Remington, both of whom worked at the War Production Board in the early 1940s. Kaplan, who was named by Whittaker Chambers as a communist whom he had known in the 1930s, was fired from his job with the UN Secretariat in 1952 because he refused to testify about his or others' alleged former links to the CPUSA. Remington was an anti-fascist who flirted with communism and who may have knowingly conveyed confidential information to Bentley.^[16] He was jailed for denying under oath that he had been associated with a communist organization as a university student and that he had given documents to Bentley. Remington was murdered by fellow prisoners, one of whom was a fanatical anticommunist.

Economists, of course, were not the only targets, and many State Department officials (most notably Alger Hiss) also came under attack. An assessment of those charges would be beyond the scope of this paper, but it should be noted that similar ambiguities arise as with the economists.^[17] Even Harry Hopkins, Roosevelt's confidant and Special Assistant, has come under suspicion. Eduard Mark assesses the view that Hopkins was 'Source 19' in a 29 May 1943 Venona decrypt that revealed that the date for the invasion of Western Europe had been delayed to 1944 (information that was formally given to Stalin just a few days later). Mark concludes that Hopkins probably was this person, and that he had informed two Soviet officials

with whom he had frequent legitimate dealings at the Soviet Purchasing Agency in Washington. Mark, however, casts considerable doubt on the allegation that Hopkins was a spy as opposed to a loyal back channel for Roosevelt. Mark's defense of Hopkins is strongly supported by David Stafford.[18]

THE EVIDENCE IN CONTEXT

[19]

Similarly, White, and to a lesser extent Currie, had regular formal and social contacts with Russians during the war. For Currie an important example was during his time in 1941-42 as administrator of the Lend-Lease program for China (under Harry Hopkins's overall direction). In July-August 1942 he was in Chungking as Roosevelt's personal representative for extensive discussions with Chiang Kai-shek. Inter alia he reported to FDR on Sino-Russian relations that 'are characterized at the moment by suspicion and distrust, at least on the side of the Chinese.' [20] Currie met with the Soviet ambassador and his military attaché 'who also quietly acts as Military Adviser to the Generalissimo. This latter fact was told me by the Generalissimo but is not acknowledged by the Russians.' Currie reported Chiang's 'fears of Russian support of Chinese communists.' Significantly, from the point of view of interpreting the true nature of the dealings of officials such as Currie and White with the Soviets in war-time Washington, Currie continued: 'I mentioned the President's hope that a modus vivendi could be worked out with the Russians in post-war Europe, and his fears that a danger spot in the post-war world lay in Sino-Russian relations.' Later in the war, as deputy head of the Foreign Economic Administration, Currie also worked with Dean Acheson on committees dealing with Lend-Lease for the Soviet Union, an assignment that involved regular socializing with Russian delegates.

White was the Treasury's chief liaison with the Soviet embassy, where he often met with the Ambassador and other senior officials. Although he spoke no Russian himself, he occasionally encountered Russian businessmen through social contacts. Throughout 1944, he met with a Soviet delegation both in the Treasury and socially, to negotiate terms for their membership in the Bretton Woods institutions (the IMF and the World Bank). In the spring of 1945, he participated in the San Francisco conference to establish the United Nations, where he met not only with Soviet officials but with Russian journalists who were covering the meetings. Many of these contacts, presumably unbeknownst to White but now known to us through the declassified decrypts of the VENONA project, were regularly reporting back to Moscow through the KGB.

Currie's and White's friendships and willingness to associate with American and Russian communists made them attractive targets for Soviet intelligence. Code names alluding to both men appear several times in the VENONA traffic, and several of those cables reveal the lengths to which the Soviets went to obtain information from them. Currie is referred to in eight cables as 'Page', from June 1943 to March 1945. White is referred to in 15 cables under the code names 'Jurist', 'Lawyer', and 'Richard', from April 1944 through May 1945. Those on Currie refer almost exclusively to his contacts with Silverman and Silvermaster, both of whom were evidently reporting whatever they learned to the KGB. By 1945, KGB officers in New York were

requesting permission from Moscow to try to meet Currie directly, but their superiors in Moscow replied that they should leave the responsibility to Silvermaster. The key question raised and left open by this cable traffic is whether Currie knew what his friends were up to.

As for White, the VENONA cables fall into three broad categories: those that contain reports on White's views conveyed by American spies (similar to those on Currie), those reporting conversations between White and various Russians, and those that provide only general context or contain no usable information. White's interactions with Russians clearly were more direct and extensive than Currie's, but they raise the same question. Were these conversations a form of espionage, or merely indiscretions, or a legitimate exercise of professional judgment to pursue U.S. policy goals through a back channel in the same way as was evidently true of Harry Hopkins?

To begin to answer this question, it is first necessary to understand how weak the other evidence is. If these cables were confirming a likely but not-quite-proven story—the last nail in the coffin—, then it would be reasonable to interpret them with an unfavorable prejudice. That, however, is not the case. As noted above, most of what was suspected against both men had come from two unreliable witnesses: Whittaker Chambers and Elizabeth Bentley. Chambers was a journalist who claimed to have been a courier for the CPUSA in the 1930s. He broke from the Party in the late 1930s and later became a leading anticommunist crusader. In September 1939, he met with Assistant Secretary of State Adolf Berle, to whom he recited a list of people whom he claimed to be associated in various ways with communism. Despite his later claims to have known White well and to have regularly obtained classified documents from him before this time, he did not mention him to Berle.[21] He did, however, describe Currie as a 'fellow traveler' who 'helped various Communists' but 'never went the whole way'. Chambers' primary contact in the communist underground was George Silverman, and this allegation appears to refer to nothing more than that Currie was a friend of Silverman and occasionally gave him advice on stock-market investments.[22]

Chambers never provided any further testimony regarding Currie, but he did go after White beginning in 1945. In statements to the FBI that year, testimony before a New York grand jury and the House Un-American Activities Committee (HUAC) in 1948, and his 1952 autobiography, Chambers made several specific allegations about White's activities in 1936-38. He claimed that White had produced a memorandum on how to reform the Soviet monetary system, for Chambers to give to the Soviets; that he regularly turned over government documents to him for the same purpose; and that the Soviets had rewarded White with an oriental rug, which Chambers purchased and gave to Silverman to give to White. Although he wrote and spoke publicly as if White had given material directly to him, he testified to the grand jury that it had probably all come indirectly, through Silverman. 'I don't think White ever personally gave me material,' he stated then.[23] Silverman certainly gave White the rug that he got from Chambers, but he testified to the grand jury that Chambers told him he had bought it at a bargain price from a friend in the rug trade, and he in turn gave it to the Whites as a personal gift in return for their letting him stay in their home for an extended period.[24] Moreover, Chambers never described a single official document obtained from White. In 1948, he turned over to the FBI a set of notes written in hand by White in 1938 and claimed that it was representative of regular reports supplied by White at

that time. Chambers, however, was vague as to how he obtained the document, which in any case was clearly written in the form of notes (probably during a series of unrelated meetings at the Treasury over a period of several weeks) and not as a coherent report on any topic.[25] In view of the many inconsistencies and disputed accounts in Chambers' various testimonies and writings, the ambiguities in each of these accounts should lead an objective reader to discount them.

Elizabeth Bentley's testimony is of even more dubious value, as she did not even claim to have met either Currie or White. She gave extensive hearsay evidence, which was given great credence in the late 1940s and early 1950s and which continues to be cited as a primary source today. Bentley's primary contacts were Gregory Silvermaster, his wife, and Ludwig Ullman (who shared a house with the Silvermasters). They got information both directly and through George Silverman, some of which they conveyed to the KGB through Bentley. Silverman and Silvermaster had social access to both Currie and White, and Ullman worked for White at the Treasury from 1939 to 1942. After Bentley broke from the Party in 1945, she informed the FBI of the espionage activities in which she and her colleagues had engaged, and she gave them the names of everyone with whom they had come into contact. Currie, she reported, had 'informed' Silverman orally 'on various matters' including the possibility that the government was about to break the Soviet code, while White had given government documents to Silverman. Both men had helped Silvermaster and other spies obtain or keep government jobs and had used their positions to influence U.S. policies in ways helpful to the Soviet Union.

Much of the factual basis for Bentley's core story, without the more sensational embellishments that she added in some of her later testimony and in her 1951 autobiography, has been confirmed by the Venona cables or other sources. Certainly Silverman and Silvermaster were able to learn much about U.S. policies and about Currie's and White's own views through their friendship with them. Both at least occasionally obtained copies of government documents, probably from both Currie and White, but whether any of those documents contained classified information is not known.[26] Currie seems to have been involved in carrying out orders from Roosevelt to get U.S. intelligence services to return Soviet cryptographic documents to the Soviet Union and to cease decoding operations, and he seems to have spoken of it to colleagues, including William Yandell Elliott.[27] Both Currie and White helped Silvermaster keep his job on more than one occasion in 1942 and 1943 when he was attacked for being a communist, though it is reasonable to suppose that they did so because they believed him innocent of any wrongdoing—even if he was sympathetic to leftist and communist causes. (The main reason Silvermaster had come under suspicion was his active involvement in the labor movement in California in the 1930s, in which he associated with leading members of the CPUSA.) And the Soviet Union no doubt found much to like in some of the policy positions taken by Currie and White, even if those positions were taken in order to further U.S. interests. Nothing in this story provides credible evidence of espionage or of an effort to undermine U.S. interests.

When the FBI heard Bentley's and Chambers' stories in 1945, it informed President Truman's staff and initiated an intensive campaign of electronic and other covert surveillance of Currie and White.[28] Truman noted the flimsy basis for the suspicion and took no action. In January 1946, he appointed White to be the first U.S. Executive

Director at the International Monetary Fund. Two years of FBI surveillance turned up no further evidence against either one. Nonetheless, the charges were revived in 1948 when Chambers and Bentley testified, first before a grand jury and later in public to the HUAC, in the famous case against Alger Hiss. Both Currie and White responded by testifying fully and openly. Neither one ever invoked the Fifth Amendment. Both vehemently denied all wrongdoing or ulterior motives. White, who had been in ill health for two years, died suddenly and tragically of a heart attack just three days after his HUAC testimony. Currie went on to work in Colombia, first on assignment for the World Bank and later for the Colombian government, and married a Colombian citizen. In December 1952, he returned voluntarily to testify before a Senate committee. When his U.S. passport came up for renewal in 1954, the authorities refused to renew it on the grounds that he was living mainly abroad. (Currie was born in Canada and was naturalized as a U.S. citizen in 1934.) He eventually was granted Colombian citizenship but continued to visit the United States frequently, often to teach or give public lectures, until his death in 1993.

What does the recent evidence add to our knowledge of these matters? Primarily, it provides new information about the nature of what the KGB was able to learn by using American communists and KGB officers posing as officials, businessmen, or journalists to talk to Currie and White. Much of it, of course, was the sort of personal opinion and general knowledge that fills up daily conversation between friends and colleagues. Some of it, however, reveals how open both men could be in discussing policy issues. For example, a cable from New York to Moscow dated 24 June 1944, reads as follows (with the purported real names, in italics, replacing the code names in the original):

According to Currie's information, Roosevelt's reluctance to recognise De Gaulle's government is explained by the fact that he is striving to compel the French to take a more liberal position with respect to the colonies. Currie expresses his certainty that Roosevelt considers the USSR's conditions for the Polish-Soviet border to be acceptable and that he will try to win Mikolajczyk over to a more tractable position.

The conveyor of 'Currie's information' in this case was most likely the Polish economist Oskar Lange. With Roosevelt's blessing, Lange had recently been in Moscow for talks with Stalin and Molotov concerning the government in exile in London, headed by Stanislaw Mikolajczyk, and plans to form a postwar government in Poland. At Roosevelt's request, Lange met with Currie in June, and a VENONA decrypt of July 6 refers explicitly to a KGB agent who had been cultivating Lange and who had read the report that Lange had presented to 'Roosevelt's Secretariat'. Whether it was wise or appropriate for Currie to have informed Lange of Roosevelt's position on the border issue is debatable, but that debate should start from an acknowledgement that the meeting was requested by the President. To construe such a meeting as espionage is to totally ignore its context.[29] (The other bit of gossip, regarding Roosevelt's attitudes toward European colonialism and de Gaulle, was public knowledge.)

Similarly, a VENONA decrypt of 29 April 1944, describes information allegedly gleaned from White:

1. According to White's data, [Secretary of State] Cordell Hull in a conversation with [Vice President] Henry Wallace touched upon the question of giving us a [\$]5 billion loan. The idea appealed to Wallace and he discussed it with [33 groups unrecoverable] ... recommended to go to China, where in view of the critical war situation L.'s presence [would be] extremely useful.

2. Ullman advises, that according to the British data the Germans have 7 divisions in the coastal defensive zone[30]

Since the second paragraph allegedly conveys a report from Ullman on military matters, it is possible that the first paragraph is also from him, perhaps based on conversations when White was visiting the Silvermasters. White at this time was directing a Treasury effort to get both Roosevelt and the Soviets to agree to terms for large postwar credits to the Soviet Union, which both White and Morgenthau thought would help promote closer economic relations between the two great powers. Soviet officials initially proposed borrowing \$1 billion, but the Treasury was convinced that a much larger commitment would be appropriate and would further U.S. strategic interests. At Morgenthau's request, White developed a proposal for a \$5 billion loan in March 1944. Nine months later, in the context of preparations for the Yalta Conference and after the Soviets had made a counter-proposal for a \$6 billion loan, White would up the ante to \$10 billion and propose that repayment be in scarce strategic commodities rather than cash.[31] As these negotiations proceeded, White obviously would have been pleased to learn from Morgenthau that Wallace supported the idea, and it should not be surprising if he repeated the story to his friends or colleagues.[32] He may also have thought it would be helpful to inform his Russian contacts directly that the idea was widely supported in the U.S. government. Thus, regardless of whether this information was passed directly or indirectly from White to the Russians, nothing sinister should be read into it.

The proposed loan to the Soviet Union came up again in an August 1944 conversation with a man identified only by the code name 'Koltsov'. The cable reporting on that conversation is reproduced and discussed in detail in the Appendix. In brief, it is likely that Koltsov was a member of the delegation with whom White had been negotiating in preparation for the Bretton Woods conference (and with whom he openly socialized). Koltsov was also acting on instructions from the KGB, and he reported on his conversation in detail to his superiors in New York. Although much of the cable was undecipherable to the American cryptologists, it is clear that White discussed policy matters with him, including prospects for loans under the Lend-Lease program and the likely course of U.S. policies after the war toward Germany, Poland, Finland, and the Baltic countries. Koltsov may have asked for but did not get a document of some sort. White expressed to him his frustration at the slow pace of discussions about a proposed loan to the Soviet Union. Koltsov also was interested in White's opinions about the upcoming Presidential elections.

Koltsov's report finishes by holding out the prospect of continuing meetings, either while 'driving in White's automobile' or at the homes of White's friends. Assuming that Koltsov was a member of the Bretton Woods delegation or had some other official cover, for White to have offered to meet him in this way does not suggest any sinister intent on White's part. Nor should it surprise us that a Russian official who

had succeeded in befriending a man of White's importance would describe the nature of their association to the KGB in the most favorable light: i.e., as a relationship between a source and his handler (referring to 'his future work with us') rather than as a friendship with a man who was perhaps only too eager to develop useful contacts.[33] When asked about such contacts during his March 1948 testimony before the grand jury in the Alger Hiss case, White responded, 'There were four or five of them [in the Soviet delegation]. They entertained me and I had them all down to the house one afternoon.' He went on to note that some of the Russians had stayed in touch, and he had met them socially as late as 1947.[34]

When White, assisted by Ullman, was assigned by Morgenthau to participate in the 1945 San Francisco conference to draft the UN charter, the KGB was eager to use its intelligence network to get information from them about U.S. negotiating and policy positions. Two weeks before the conference was to start, the Moscow office cabled instructions to New York: 'Tell *Akhmerov* to make arrangements with Silvermaster about maintaining contact with White and Ullman in San Francisco [9 code groups unrecovered]' (6 April 1945). At the conference, the Tass correspondent, Vladimir Pravdin, interviewed White on at least one occasion and cabled a series of reports back to Moscow.[35] An issue of central importance to the Soviet Union was the proposal for each permanent member of the Security Council to have veto power, an idea that had been accepted by all of the great powers at Yalta, albeit with different interpretations, but was being resisted by smaller countries. White, responding to Pravdin's questions, reportedly expressed the view that the United States would continue to insist on acceptance of the veto but noted (incorrectly) that Truman (who had become President a few weeks earlier) wanted the conference 'to succeed at any price'.[36] White also responded to questions about the status of Poland, Anglo-American relations, and other international topics, but the nature of his replies cannot be ascertained from the fragmentary decoded passages. Although one could debate the propriety and wisdom of White's granting such an interview, it clearly was not a case of espionage.

CONCLUSIONS

As is well known, the hunt for communists and spies in the federal government in the 1940s and early 1950s spun out of control because of its failure to distinguish between espionage and controversial policy decisions. As Ellen Schrecker has noted in her analysis of the wartime Dies Committee (the forerunner of HUAC), 'the charges ... were almost always aimed at those New Deal and wartime agencies [such as the Office of Price Administration and the BEW] whose liberal policies most offended Dies and his conservative allies'.[37] The revival of such charges in recent years is much more firmly rooted in facts, thanks to the declassification of secret files by the U.S. National Security Agency, the KGB, and other agencies. The success of Soviet Intelligence in penetrating the U.S. government was far greater than many people had believed. It therefore is tempting to move all previously unresolved cases into the guilty column, especially when new evidence appears to be consistent with longstanding suspicions and allegations. To do so, however, runs the risk of compounding past errors. If a fresh examination is to sift guilt from innocence, it must begin from a presumption of innocence.

In the case of Harry Dexter White and Lauchlin Currie, the two most prominent economists under this attack, a benign interpretation of the evidence emerges once one examines the context of their frequent contacts with Soviet officials during World War II. President Roosevelt was eager to develop good working relations with Stalin based on mutual trust, and he believed firmly in the importance of economic co-operation with and support for the Soviet Union. Those beliefs percolated throughout his administration and were shared, with varying nuances, by both Hull and Morgenthau. For White and Currie to have carried out that policy vigorously, even if done through back channels and with a blind eye to the dangers of strengthening Stalin's hand, must be counted to their credit. That naïveté about Stalin was widespread in that environment has been stressed by John Gaddis: 'Americans both inside and outside the government demonstrated a substantial lack of sophistication in assessing the relationship between ideology and Soviet foreign policy during World War II.' [38] The unsophisticated goal was simply to defeat Germany and then to wage peace through economic co-operation.

When Currie was being pilloried in the press during the McCarthy era, he noted with distress the difficulty of responding to the charges that were being made. In a letter to a friend, he acknowledged 'that there is some truth in most of the statements of fact. It is the inferences drawn from these allegations that are all wrong.' [39] Yes, Currie and White were friends with men and women who were communists, and some of them turned out to be spies. Yes, they met frequently with Russians both in the course of their work and socially, and some of them were Soviet intelligence agents. Yes, they tried to further government policies through personal contacts outside official channels. Those facts are not in dispute, but they do not add up to espionage.

APPENDIX

Of all the pieces of evidence that have been brought to bear on Harry Dexter White's relationships with Soviet intelligence agents, the one that is the most damning if accepted at face value is a cable sent to Moscow on 4-5 August 1944 (Figure 1). It appears to reveal White knowingly meeting a Soviet agent, discussing sensitive and confidential matters of government policy with him, and then making plans for future clandestine meetings on a regular basis. In the world of intelligence, however, matters often are not what they seem. A close examination is warranted.

The cable was sent from the Soviet consulate in New York to an office in Moscow. After decoding and translation, an FBI analyst has identified the sender (code-named 'May' or 'Maj') as an official named Pavel Ivanovich Fedosimov. Other cables in this period, however, identify this code name with Stepan Zakhararovich Apresyan, who apparently was head of the New York office of the KGB. The cable is addressed to 'Victor'. Though not identified in the notes to this cable, Victor (or 'Viktor') is identified in notes to other cables as Lt. Gen. P. M. Fitin, director of foreign intelligence for the Soviet Union throughout the war. [40] Maj relays a report from someone with the code-name 'KOL'TsOV', or Koltsov. Koltsov's identity has not been established, but it is known that he was not a KGB or other intelligence agent, even though he was acting under KGB instructions in seeking to meet with White. This

information comes from a subsequent cable dated 1 October 1944 (cable no. 1388-89). The relevant portion of that decrypt reads,

On the question of the possibility of splitting ROBERT's group into smaller units ALBERT gave the following answer:

KOLTSOV's meeting with [C% RICHARD] and KOLTSOV's attempt to obtain answers to a number of questions of an international character produced an unfavourable impression on ROBERT. ROBERT was surprised by our decision to have recourse to the aid of a special man for raising with [C% RICHARD] questions on which ROBERT [C% himself] as leader of the group, in his own words, is working ceaselessly. Why did we decide to ask [D% RICHARD] [25 groups unrecovered]

'Robert' is identified as Silvermaster, 'Albert' as 'probably' Akhmerov, and 'Richard' as White. 'C%' and 'D%' indicate doubts about the decoding. The insertion '25 groups unrecovered' indicates that the remainder of the report on Koltsov's meeting has not been deciphered.

This passage clearly reveals two key points for interpreting the August cable. First, Koltsov was a 'special man', not a regular agent. Bruce Craig was able to eliminate most possibilities for his identity and concluded that he was most likely an accredited member of the Soviet delegation at the Bretton Woods conference, with whom White had been meeting throughout 1944 to negotiate terms for Soviet membership in the IMF and the World Bank.[41] In any case, it certainly is reasonable to suppose that he was an official known to White and others in the U.S. government and whom White would have had no prior reason to suspect of being a spy. As noted in the text, White socialized regularly with the Soviets before, during, and long after Bretton Woods, though normally in group activities. The meeting on July 31, just one week after their return to Washington from New Hampshire, presumably was the first successful attempt by Koltsov to see White alone.

The second revelation from the October cable is that the meeting with Koltsov had not been repeated. Either White had changed his mind about meeting regularly with Koltsov, or Koltsov had been overly optimistic in the first place. In either case, Koltsov's prediction of a second meeting in mid-August (p. 4 of figure 1) had not been realized. One wonders why, especially since his report to the KGB had been so precise about both the time and the place of the follow-up. A careful reading of the first cable reveals the most likely explanation. Most of the conversation is either political gossip or general discussion of U.S. policy options for post-war planning. At one point, however, between discussions of Lend-Lease and demands for reparations from Germany, we find the phrase, 'obtaining the document extremely risky' (bottom of first page of Figure 1). No context is available for this fragment. Did Koltsov ask for a confidential document, only to be told by White that he could not have it? Or did Koltsov report to Maj that he was trying through some other means to obtain a document pertaining to a topic he discussed with White, though he fears that getting it will be risky? Either is possible, but the former seems more likely.

If White began this conversation thinking he was merely discussing policy matters with a colleague from an allied country, but if his interlocutor then began attempting

to probe for more information to the point of asking for a document, then it is easy to understand why he decided not to meet alone with him again. Nonetheless, either as a polite way of ending the conversation or as a genuine effort to be accommodating before the realization set in that such meetings were a bad idea, White appears to have offered to meet Koltsov again for 'infrequent conversations lasting up to half an hour while driving in his automobile' (final page of Figure 1). Since it is difficult to imagine White having either the leisure or the idiocy to drive aimlessly around Washington in 1944 to have clandestine meetings with a man he allegedly knew to be a Soviet spy, Koltsov's account cannot be taken seriously. A reasonable interpretation is that White told him that meeting this way in his "apartment" (sic) was not very convenient and offered the alternative of driving him to work occasionally (which would have taken up to half an hour from his house in Bethesda). Koltsov, who was not an intelligence agent and who may have felt uncomfortable with this vague outcome, quite likely puffed up his account of it to the KGB with supporting details that made the meeting look more like a success.

Other, more sinister, deconstructions of this fragmentary evidence are of course possible. The point is simply that one must be cautious in interpreting these documents and recognize that any interpretation is speculative and will necessarily reflect the analyst's understanding of the context. As one of us suggested in the title of an earlier paper, the most soundly based judgment on the evidence against Harry Dexter White is still that favorite of the Scottish judicial system, 'not proven'.

NOTES

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1. Roger J. Sandilands, 'Guilt by Association? Lauchlin Currie's Alleged Involvement with Washington Economists in Soviet Espionage', *History of Political Economy* 32/3 (Autumn 2000) pp.473-515; and James M. Boughton, 'The Case Against Harry Dexter White: Still Not Proven', *History of Political Economy* 33/2 (Summer 2001) pp.221-41.

2. For a general introduction to their economic philosophies, see David Rees, *Harry Dexter White: A Study in Paradox* (New York: Coward, McCann, & Geoghagan 1973), on White; and Roger J. Sandilands, *The Life and Political Economy of Lauchlin Currie* (Durham, North Carolina: Duke University Press 1990), on Currie. Arman Van Dormael, *Bretton Woods: Birth of a Monetary System* (New York: Holmes & Meier Publishers, Inc. 1978) analyses White's philosophy and contributions on the post-war international monetary system. David W. Laidler and Roger J. Sandilands, 'An Early Harvard Memorandum on Anti-Depression Policies: Introductory Note', *History of Political Economy* 34/2 (forthcoming, Summer 2002), discuss a 1932 paper by Currie, White, and P. T. Ellsworth that prefigures New Deal and Keynesian thinking on the appropriate use of monetary and fiscal policy to counteract economic depression.

3. Whether Chambers really was a courier, or made up that part of his biography as he

made up much else about his background, is a matter of some speculation; see, for example, John Lowenthal, 'Venona and Alger Hiss', *Intelligence and National Security* 15/3 (Autumn 2000) pp.98-130, note 78.

4. John Morton Blum, *From the Morgenthau Diaries: Years of War 1941-1945* (Boston: Houghton Mifflin Company 1967) p.90.

5. One accuser, Elizabeth Bentley, consistently acknowledged both in her sworn testimony and in her autobiography, *Out of Bondage* (New York: Devin-Adair 1951), that she had never met either Currie or White. The other, Whittaker Chambers, concocted a detailed story of personal contacts with White, particularly in his autobiography, *Witness* (New York: Random House 1952). In testimony before a New York grand jury, however, Chambers admitted that he had never directly received any material from White. White testified that he could not recall ever meeting Chambers.

6. For an analysis of Roosevelt's views on co-operation with the Soviet Union, see John Lewis Gaddis, *The United States and the Origins of the Cold War, 1941-1947* (New York: Columbia University Press 1972) Chapters 2 and 3.

7. Sandilands (1990, note 2) pp.125-28 reproduces the main part of Currie's 18 May 1943 memorandum to President Roosevelt, *Some Reflections on American Chinese Policy*.

8. Henry Morgenthau, Jr., *Germany Is Our Problem: A Plan for Germany* (New York and London: Harper and Brothers 1945) p.98.

9. Allen Weinstein and Alexander Vassiliev, *The Haunted Wood: Soviet Espionage in America - The Stalin Era* (New York: Random House 1999) pp.157, 159, and 161.

10. Nigel West, *VENONA: The Greatest Secret of the Cold War* (London: HarperCollins 1999) pp.225 and 305. 'Venona' was the code name for a long-term effort in the National Security Agency to decipher intercepted cables sent between Moscow and U.S. consular offices in the 1940s. For background information and images of the deciphered cables, see the NSA website (www.nsa.gov).

11. John Earl Haynes and Harvey Klehr, *VENONA: Decoding Soviet Espionage in America* (New Haven and London: Yale University Press 1999) p.133.

12. Christopher Andrew and Vasili Mitrokhin, 1999, *The Sword and the Shield: The Mitrokhin Archive and the Secret History of the KGB* (New York: Basic Books), pp.104 and 130.

13. Herbert Romerstein and Eric Breindel, *The Venona Secrets: Exposing Soviet Espionage and America's Traitors* (Washington DC: Regnery Publishing Inc. 2001) p.30. See also Arthur Herman, *Joseph McCarthy: Reexamining the Life and Legacy of America's Most Hated Senator* (New York: The Free Press 2000) who states that 'the Venona decrypts definitively identified Currie as a Soviet agent' (p.127) and that he was 'a Communist spy' (p.121), while White is likewise definitively 'a Soviet spy' (p.86) or 'agent' (pp.75, 163, 243).

14. The FBI hounded Eddy largely on the basis of his friendships with other economists who were under suspicion. The FBI compiled an extensive file on Ezekiel's personal views and his associations with communists and anti-Fascist organizations, which may have played a part in his leaving his job with the U.S. Department of Agriculture in 1946. In 1954 Ezekiel was subjected to a loyalty investigation and was questioned about his relations with White and others. Friedman was interviewed by the FBI in 1945 because of his past associations with Amerasia magazine. See Charles P. Kindleberger, *The Life of an Economist: An Autobiography* (Oxford: Blackwell 1991) pp.44-45, on his treatment.

15. A cable dated 4 January 1945, released through the VENONA project, refers to an unidentified KGB source code-named 'Sachs'. Weinstein and Vassiliev (note 9) p. 158 identify Sachs (or, in their book, 'Sax') as Adler, on the basis of a KGB file shown to them for a fee by the Russian intelligence service. That file is not available to other researchers, and the nature of its contents is unknown. Haynes and Klehr (note 11) p.340 in turn cite Weinstein and Vassiliev as their source for concluding that Sachs was Adler. Three other VENONA decrypts refer to a source with code name 'Peak', identified by an FBI analyst as 'possibly Virginius Frank Coe'. Haynes and Klehr (note 11) p.345, Weinstein and Vassiliev (note 3) p.158, and West (note 10) p.290 ignore the 'possibly' and identify Peak definitively as Coe.

16. Gary May, *Un-American Activities: The Trials of William Remington* (Oxford: Oxford University Press 1994).

17. For a thorough (and skeptical) analysis of the VENONA evidence pertaining to Alger Hiss, see Lowenthal (note 3).

18. Eduard Mark, 'Venona's Source 19 and the "Trident" Conference of May 1943: Diplomacy or Espionage?' *Intelligence and National Security* 13/2 (Summer 1998) pp.1-31; and David Stafford, *Roosevelt and Churchill: Men of Secrets* (London: Little, Brown and Company 1999) pp.230-33.

19. For more detailed examinations of this evidence and for further references, see Sandilands (note 1) and Boughton (note 1).

20. Lauchlin Currie to President Roosevelt, 43-page Report on Visit to China; see pp.27-28 on 'Sino-Russian Relations' (Currie Papers, Special Collections Library, Duke University; also in the Hoover Institution, Stanford). Currie recommended (p.42) that 'it might be worthwhile to attempt to get a frank expression of the Russian view, and to ascertain if there is any way in which more harmonious relations and a greater degree of trust might be established. I should be happy to explore this whole problem further.'

21. See Boughton (note 1) for details. Hayden B. Peake, 'OSS and Venona Decrypts', *Intelligence and National Security* 12/3 (July 1997) p.18 states that at Chambers's meeting with Berle in 1939 he mentioned White and that Berle included White's name in his memorandum of the meeting. In fact Berle did not write down White's name. The confusion arises because a journalist, Isaac Don Levine, present at the meeting, wrote up his own notes, apparently long afterwards, and did later pencil in White's

name. Both Berle and Chambers later denied that Chambers had named White, though Chambers claimed that he was protecting White because by that time White had stopped cooperating with the Soviets. See Chambers (note 5) pp.466-70, which includes a transcription of Berle's notes.

22. Chambers (note 5) p.383.

23. U.S. Attorney for the Southern District of New York, 'Grand Jury Testimony from the Alger Hiss Case' (Washington DC: U.S. National Archives and Records Administration, Record Group 118, Records of United States Attorneys and Marshalls) p.5637.

24. *Ibid.*, pp.4513-16.

25. The notes begin with what appears to be a staff meeting on Hungary on 10 January 1938, and continue with a 19 January meeting to discuss economic sanctions against Japan. The next few pages record a series of unrelated and undated observations about silver purchases from China, the French economic situation, British policy toward Japan, and then Hungary again. The final page has notes on informal remarks about Japan and Germany made by an official from the Swiss National Bank on 15 February. For the full text of these notes, see Rees (note 2) pp.433-35, or Nathan I. White, *Harry Dexter White - Loyal American* (Waban, Massachusetts: [privately published by] Bessie (White) Bloom 1956) pp.81-97. Nathan White also reproduces the original photostat of the notes; Rees includes a sample page. For interpretations, see Rees (note 2) pp.89-94; White (this note) pp.98-114; and Bruce Craig, *Treasonable Doubt: The Harry Dexter White Case, 1948-1953*. Ph.D. Dissertation, History Department, American University 1999 (Ann Arbor, Michigan: University Microfilms) pp.520-33.

26. From the available evidence, classified information conveyed by Silverman typically related to his work at the Pentagon. Currie almost certainly gave documents to both Silverman and Silvermaster, probably in the normal course of his work. Neither of the two relevant Venona cables gives any indication of the contents or confidentiality of such documents. See Sandilands (note 1), discussion of Venona cables dated 10 August 1943, and 20 March 1945. Secret documents conveyed by Silvermaster typically were either relayed from Silverman or originated in the State Department, although he also had ready access to Treasury documents through Ullman. See Craig (note 22) pp. 179 (on Silverman) and 210n (on Silvermaster).

27. Elliott mentioned this to the FBI in 1953. See FBI files on Currie at the Freedom of Information Act Reading Room, FBI headquarters, Washington, DC. Elliott's name has been redacted in the public files but the National Security Agency recently revealed his identity: letter, Sally H. Watson to R. Sandilands, 27 June 2000. Elliott was working at the War Production Board at the time of this conversation with Currie, probably in 1944. He was later professor of government at Harvard and mentor to Henry Kissinger. The fragmentary evidence on Currie's alleged role in halting code-breaking operations against the Soviets is discussed in Michael Warner and Robert Louis Benson, 'Venona and Beyond: Thoughts on Work Undone', *Intelligence and National Security* 12/3 (July 1997) pp.1-13. They consider that Venona shows both Currie and White to have been Soviet agents, but they do caution that 'In intelligence

history the slim amount of reliable evidence bears a great weight of exegetical constructs' (p.11).

28. See FBI files on Bentley and Chambers, Freedom of Information Act Reading Room, FBI headquarters, Washington, DC.

29. Cf. Eduard Mark (note 18) p.20, who writes that Harry Hopkins 'disliked the London-based Polish government-in-exile,' and in October 1944 'told the Soviet Ambassador [Gromyko] that the "London crowd" had left him with "a rather disagreeable impression".'

30. The FBI analyst for this cable speculated that 'L.' at the end of the first paragraph was shorthand for 'Lotsman', the code name for Wallace. Wallace did go to China in summer 1944, but the gap of 33 code groups implies that this phrase might be unconnected from what precedes it.

31. For background to the negotiations, see Rees (note 2) pp.300-303. White's successive proposals for a \$5 billion and a \$10 billion loan were made in memoranda dated 7 March 1944 and 10 January 1945, respectively; in U.S. National Archives (College Park, Maryland), RG56, Entry 360P, boxes 11 and 12.

32. Two days before the date of this cable, Morgenthau had a telephone conversation with Wallace, during which they discussed how they and Hull were all enthusiastic about White's work on setting up what would become the World Bank. See U.S. Congress, Senate Committee on the Judiciary, 1965, Morgenthau Diary (China). Prepared by the Subcommittee to Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary, United States Senate (Washington, DC: U.S. Government Printing Office 1965) Vol. 2, p.1105.

33. Amy Knight, who has written extensively about the KGB, cautions in 'The Selling of the KGB', *Wilson Quarterly* (Winter 2000) pp.16-23, that it 'is an organization with a long history of falsification and forgery directed against the West' (p.18); one should 'read between the lines, and always consider the source' (p.23).

34. U.S Attorney (note 20) pp.2739-42.

35. See VENONA decrypts dated 4 May, 5 May, 13 May, 24 May, and 8 June 1945. The 24 May cable was sent by Pravdin from New York. The 8 June cable, sent from San Francisco, mentions the code name 'Richard', but the deciphered part contains no information from or about White.

36. In San Francisco, the Soviet Union was insisting on having a veto over discussions of issues, while the other potential permanent members wanted to allow free discussion within the Security Council but to require unanimity on decisions. By saying that Truman wanted success at any price, White could have encouraged the Soviet government to hold to its position on this issue. Had it done so, the conference might have failed, because Truman in fact had agreed that the U.S. delegation should not give in. The impasse was resolved only on 6 June, at a meeting in Moscow of Averell Harriman, Harry Hopkins, Josef Stalin, and V.M. Molotov. See Ruth B.

Russell, assisted by Jeannette E. Muther, *A History of the United Nations Charter: The Role of the United States 1940-1945* (Washington, DC: The Brookings Institution 1958) ch.28.

37. Ellen Schrecker, *Many Are the Crimes: McCarthyism in America* (Boston: Little, Brown 1998) p.110.

38. Gaddis (note 6) p.61.

39. Letter to Richard H. Wels dated February 14, 1951, reproduced in Sandilands (1990 note 2) p.153.

40. See, for example, Venona cable no. 1251, New York to Moscow (2 September 1944). For background on Fitin, see Haynes and Klehr (note 11) p.3.

41. Craig (note 22) p.548n.