

## The Spy Who Never Came In from the Cold

*By Murray Seeger*

Red Conspirator: J. Peters and the American Communist Underground

By Thomas Sakmyster

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He entered the country in 1924, a Hungarian Jew and veteran of the Austro-Hungarian Army in the Great War. His name was Sándor Goldberger and he was a Communist. When he had applied for a visa at the U.S. embassy in Prague, he concealed his Jewish origins and claimed he was a medical doctor. An immigration officer caught both lies but no matter. Goldberger gained admittance, and overcame one of the major obstacles to his becoming the leader of Communist conspiratorial activities in the United States in the 1930s.

Within days of his arrival, Goldberger filed the first papers toward naturalization and found his way to the headquarters of the Hungarian Federation of the Workers Party in Yorkville, the Hungarian-German neighborhood on the upper East Side of New York City. A short man with a broad physique, he could easily have been mistaken for a neighborhood pharmacist. He worked for eight months painting faces on dolls and then was taken on as a full-time agent of the Hungarian branch of the Communist Party-USA.

As József Péter, as he was now known, the new agent worked from Chicago, selling subscriptions to the Hungarian-language party newspaper, *Új Előre*, and enlisting members into the Hungarian Federation. The campaign was hardly a success; in 1925, there were 550 members in the Midwest industrial belt and four years later there were only 205, mostly in Cleveland, the largest Hungarian community in the United States.

Péter was undaunted; he was a true believer who amazed his new friends with his ability to argue a hard ideological line. But he was also charming and ingratiating, and eventually party sachems promoted him to be national secretary of the Hungarian Federation and editor of *Új Előre*. He gained more attention by consolidating the printing of all party papers, including the *Daily Worker*, in the building on Union Square that

became party headquarters. This efficiency so impressed then-Party Secretary Jay Lovestone that Péter was made an alternate member of the Central Committee.

By 1928, Péter's standing was such that he was sent as a delegate to the Sixth World Congress of the Comintern in Moscow under the pseudonym "Alexander Goldberger." This meeting declared capitalism had entered the final phase of its pre-ordained collapse and directed constituent parties to take a hard-left position against rival parties. Péter came back to tour the Middle West defending the Stalinist line. If there were incidents of violence in the Soviet Union, it was "justified-state sanctioned violence," he asserted.

The true believer, however, found himself attacked by other Hungarians for making right-wing "mistakes." That was a precursor to a bigger shift within the CPUSA that ended with Lovestone and his allies being expelled from the party. At the same time in 1929, the government rejected Péter's final naturalization application on the grounds that it was tardy. Despite some calls for his expulsion, Péter clung to the reorganized party and wrote a letter proclaiming his loyalty that was printed on the front page of the *Worker*.

With the hierarchy weakened by the departure of so many comrades, Péter was moved from the Hungarian bureau and made organizing secretary for CPUSA District 2, the New York region that included about a third of the party's national membership. Now largely under the Americanized name "Joe Peter," he advocated violence against suspected infiltrators and tried to organize a gang of unemployed workers to break into a food warehouse. The party rejected that action and criticized the district's leadership. After all the huffing and puffing, membership was static—members went out the backdoor as fast as new recruits entered the front.

Peter nonetheless survived this middling success and was assigned as a teacher in the party's training academy. He also prepared a confidential report on the merits of William Z. Foster, one of the contenders for party leadership. In 1931, Peter said Foster was a hard worker, but not a good Marxist. Foster also proved to be a survivor who later took over the leadership of the party.

The Central Committee now chose Peter to return to Moscow for training that would prepare him for his future career as a party undercover agent working with the Soviet intelligence agencies. With a phony citizenship document, Peter took a new name, Isadore Boorstein, and plunged into work with the international party. He ingratiated himself with the Russians by complaining the American party had too many paid employees.

After a stop in Berlin for more training, Peter returned to New York in August 1932. He replaced "Joe Peter" (or "Peters," as he had also been called), with "J. Peters" when he took over as chief of the CPUSA underground operations. (He is not to be confused with Y. Peters, the tough Latvian Bolshevik and Lenin favorite, who was a leader in the original *Cheka*). Over the next several years, Peters painstakingly

constructed the operational network of informants and spies that enabled the Soviet Union to obtain classified documents from the State Department, most notably, and other U.S. government agencies.

Thomas Sakmyster, an emeritus professor of Hungarian history at the University of Cincinnati, tells the story of Peters in copious detail. His narrative relies on sources in Hungarian, a language almost impenetrable to non-native speakers. Sakmyster's knowledge of Hungarian history (both there and among the émigré community in the United States) also allows him to put Peters's movements in a broader context not often found in books about spies.

The big question, of course, is what impact his espionage network had in the years leading up to World War II. Noting that Peters has been left on the sideline of many histories of communist activities in the United States, the author admits: "There remains the broader question of whether J. Peter's conspiratorial operations had a significant impact. Did they actually benefit the Soviet Union and do significant harm to the security interests of the United States?"

He has no definitive answer and suggests one will come only when more files in the Soviet archives are opened. In this book, Sakmyster puts great emphasis on Peters's authorship of the official CPUSA handbook for organizing, but that volume had a checkered history. It was written when the party operated in the hard-left mode and lost credibility when the Soviet party moved to the right under a "Popular Front" position and during wartime when the USSR and USA were allies.

Even in the mid-1930s, Peters was not successful as an organizer and the CPUSA suffered a steady erosion of membership despite the Depression. The Soviet-Nazi Pact of 1939 was devastating to the party. Peters's single most damaging accomplishment was setting up a network that pumped out fake American passports that could be and were used by Soviet agents. Looking at the operation, it is startling to see how casual the State Department was in issuing passports and how lax U.S. border agents were in detecting the fraudulent ones.

In the KGB files, Peters was "Storm" and very active with the Washington spy ring that included Whittaker Chambers, Alger Hiss, Elizabeth Bentley and Victor Perlo. Peters acted as a talent scout for the Soviet agencies, drawing on party members and "friends." This put him into the turf battles between the KGB and GRU, the military intelligence agency, for the material Soviet spies turned up.

The KGB stopped using Peters, also called "Steve," in 1936 and two years later he was dropped by the GRU after Chambers quit the ring and threatened the GRU with exposure if they took any action against him or his family. Boris Bykov, Chambers's GRU controller, asked Peters to hunt down Chambers, but Peters could only answer: "He has deserted."

CPUSA Secretary Earl Browder removed Peters from underground operations in 1938 and gave him administrative assignments in the open party. For the next decade, Peters was a mouse that the cats of the FBI could not catch, the so-called “Hungarian man of mystery.” He changed names again and again and tried to establish an American identity, although he was afraid to re-apply for citizenship.

By 1947, “Alexander Stevens” was sought by the FBI, Immigration and Naturalization Service (INS) and the House Committee on Un-American Activities. The INS arrested him and the party provided his \$5,000 bail. HUAC took him from an INS hearing room, but Peters never broke party discipline and acknowledged his activities. He took the same stance with the INS and was ordered deported to Hungary in 1949. He chose not to appeal and left the country voluntarily.

Peters was received by the Hungarian regime and settled into a quiet life that ended in 1990 as the communist world was collapsing around him. He refused to provide any secrets to American writers who interviewed him and wrote a stilted memoir that didn’t even mention the three women with whom he lived in Europe and the United States. He admitted he had been trained and carried out “special work” for the CPUSA: “Enemies of the party accused me of espionage and other crimes. Of course, I had to deny those charges [though they were true] in order to protect the Party and the comrades with whom I worked.”

Peters undoubtedly undermined American security by providing false documents that permitted Soviet agents to enter and leave the country with impunity. He tried his hardest to do more serious damage but was handicapped by the frequent battles within the CPUSA and the rivalry between the Soviet KGB and GRU.

One bold lesson from his career is the ineptness of the FBI in pre-war America. Peters was classic example of a CPUSA member working covertly for the Soviet Union, yet he avoided arrest for many years despite his often conspicuous position in the party and deep involvement in conspiratorial activities.

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