Arthur J. Goldberg and the Reds in the OSS:

A Soviet Espionage Cable Redacted, Revealed, and Confirmed

By John Earl Haynes and Harvey Klehr

In 1995 the National Security Agency (NSA) began releasing World War II telegraphic cables between Soviet intelligence agencies in Moscow and their American stations. These cables, totaling more than 5,000 pages, were deciphered by the NSA’s “VENONA” project and are indisputably one of the richest documentary sources on Soviet espionage in the United States.[1]

One minor annoyance in the exploitation of the VENONA cables has been the NSA’s decision to redact some names and passages, particularly in footnotes written by Agency analysts. The pattern of redactions suggested that the NSA blacked out the names of individuals involved in Soviet espionage whenever they cooperated under questioning by the FBI, or when the identification of the real name behind a cover name was somewhat less than certain.

There was, however, one puzzling and prominent exception to the pattern of redactions being confined to the footnotes: VENONA cable 1354. Dated 22 September 1944 and sent from the chief of the KGB station in New York to headquarters in Moscow, this message discussed the Office of Strategic Services (OSS), American WWII’s foreign intelligence agency. Here is the two-page cable as released by the NSA:
From: New York
To: Moscow
No: 1354

22 September 1944

To VIKTOR[1],

Further to number 741[2]. On the Security Division of IZBA’s[3] list of Fellow Countrymen [4] the following:

Donald WHEELER[5],

Both the [6] and [7] are included in a list of persons concerning whom it is known that they give information

[8 groups unrecoverable]

such persons and a [9] proposal

[6 groups unrecovered]

dismissal.

No. 768
3 September

[10]

Notes: [a] External Serial No. 1325 of 15 Sept. 1944.

Comments:

[2] [illegible]: the Office of Strategic Services [OSI].
[3] [illegible]: members of the Communist Party.

[22] Donald Niven \(*\)

[23] \(\ast\)
Such an extensive redaction of the actual text of the Soviet message can be found nowhere else in the more than 3,000 cables released by NSA.

The subject of cable 1354 is clear enough. An earlier message, VENONA 1325, reported that Duncan Lee, a senior OSS and Soviet spy, had learned that OSS security officers were reviewing a list of possible Communists on the staff of the agency, and that Lee was attempting to get a copy of the list so that if any KGB sources were on it they could be warned. Lee obtained the list, and in VENONA 1354 the New York KGB station reported the names on the list. From the formatting of the message it is evident that the list contained 26 names, with only Donald Wheeler’s left unredacted.

The reason NSA redacted a list of possible Communist security risks in the OSS is not at all obvious. But the reason that Wheeler’s name was not redacted seems clear. Wheeler appears in a number of other VENONA cables under his real name or his cover name, “Izra”, and is clearly identified in these messages as both a secret Communist and an energetic agent for the Soviet Union. There was no point in redacting his name from cable 1354. But what of the other 25 names? NSA never provided an explanation.

VENONA 1354’s list remained a mystery until Alexander Vassiliev’s notebooks became public in 2009. Vassiliev, a former KGB officer, had had access to archival records on Soviet intelligence operations in the United States in the 1930s and 1940s as part of an authorized book project approved by the SVR, the Russian successor to the KGB’s foreign intelligence arm. In the process he compiled nine notebooks with 1,115 pages of extracts, quotes, and summaries of KGB records. Many of those extracts overlapped with topics discussed in various VENONA messages. A number, in fact, were either quotations or summaries of the very same cables intercepted and deciphered by the VENONA project. Vassiliev’s extracts often filled in passages that NSA had been unable to decode, or served to correct a garbled phrase.[2]

And, remarkably, in one of Vassiliev’s notebooks was a summary of the Soviet cable known to NSA as VENONA 1354—except rather than supplying a passage NSA cryptanalysts had been unable to decode, Vassiliev filled in the names that NSA had deciphered but then withheld from public disclosure. In a section of a notebook quoting and summarizing documents from Duncan Lee’s KGB file, Vassiliev wrote:

List of OSS employees who allegedly “pass info. to the Russians and are known members of the CP.” Major Arthur Goldberg, T. D. Schocken, E. A. Mosk, Fleisher, A. O. Hirshman, Julius Rosenfeld, Carlo A. Prato, Manuel T. Jiminez, Irving Goff, Michael A. Jiminez, David Zablodowsky, Carl Marzani, Virginia Gerson, Bert D. Schwartz, Victor Dimitrievich, Leo Drozdov, Alexander Lesser, Louis E. Madison, Donald Wheeler, Gerald Davidson, Seymour Shulberg, Fena Harrison, Robert M. McGregor, Netty Solovitz, Tilly Solovitz, Frederick Pollock. Both Jiminezes and Zablodowsky are on a list of individuals “known to pass info. to the Russians.”[3]
We discussed this passage in a paper delivered to the NSA-sponsored Symposium on Cryptologic History in 2009. At the time, we speculated that the motive for redacting all the names (except Wheeler’s) was that one of the names on the list of possible Reds in the OSS was an embarrassment, so the NSA, to avoid controversy, blacked them all out (save for Wheeler’s). NSA still declined to release the unredacted cable, but informally some VENONA project veterans told us that Vassiliev’s summary and our speculation were accurate.

And what is the embarrassing name? Arthur J. Goldberg, future high-profile Democratic Party political figure, secretary of Labor, justice of the Supreme Court, and US ambassador to the United Nations.

That OSS security officers would review Goldberg for Communist ties is hardly surprising. Profiling is a typical (and sensible) security practice. Goldberg entered the OSS with a background as an aggressive labor lawyer for unions of the Congress of Industrial Organization (CIO), then a militant and leftist rival to the more traditional American Federation of Labor. A number of the CIO unions were led by Communists, and a left-wing labor lawyer connected to the federation was a natural subject for security officers. That he was Jewish in an era when many security officers linked Jewishness with communism only reinforced the suspicion. (The irony is that Duncan C. Lee, who was a Soviet spy, escaped security review because, as a descendant of the famous Lee family of Virginia, son of an Episcopalian priest, Yale graduate, Rhodes scholar at Oxford, and member of an upper-crust, Establishment law firm, he did not fit the profile).

Given Goldberg’s work with CIO unions, and the presence of a significant Popular Front element in the Chicago New Deal circles from which he hailed, that Goldberg had rubbed shoulders with some concealed Communists would not be surprising. Nonetheless, while his profile might spark a security review, a competent investigation would have established that Goldberg had no Communist ties of substance. Indeed, his politics came out of the Jewish social democratic tradition and were firmly anti-Communist. So solid was Goldberg’s anti-Communism that when Lee Pressman, general counsel of the CIO and a concealed Communist, resigned in 1948 due to CIO president Philip Murray’s increasingly strident anti-Communist stance, Murray picked Goldberg as his replacement. Goldberg then assisted Murray in purging the CIO of its Communist unions and firmly aligning it with President Truman’s Cold War policies. Indeed, his post-war career marked him as a quintessential anti-Communist liberal.

The OSS security review that occurred certainly did not affect Goldberg’s intelligence career. He rose to head the agency’s Labor Division, which used exiled European social democratic political and trade union figures in American and Britain as conduits for clandestine contact with their colleagues in Nazi-occupied Europe. Later, Goldberg served as an officer in the Secret Intelligence Branch supervising covert operations in Europe.

In all likelihood, the NSA, even as late as the mid 1990s, was concerned that revealing Goldberg’s name alongside that of 24 other people suspected of Soviet ties would stoke
cries of protest from civil libertarians and left-wing partisans. Conceivably, the inclusion of Goldberg on the list would even be used by critics to taint the VENONA project as merely part of a scurrilous federal witch-hunt. Yet anyone familiar with security investigations (or criminal ones for that matter) knows that investigators review a large number of people, almost all innocent, until they can narrow their focus to the guilty party or parties. If police only investigated people who are provably guilty, most criminals would go free.

The entry in Vassiliev’s notebook thus solved the mystery of NSA’s redactions. As we moreover demonstrated in our 2009 book, Spies: The Rise and Fall of the KGB in America, the documentation in Vassiliev’s notebooks not only fits hand-in-glove with the deciphered VENONA messages. It also dovetails with the testimony of defectors from Soviet intelligence; with testimony in various espionage trials and congressional hearings; and with FBI investigatory files available through the Freedom of Information Act. These independent sources corroborate one another, fill in gaps in each other, and, in sum, greatly increase the level of confidence in what is reliable and accurate about Soviet espionage activities in America. There remains, nonetheless, a dwindling band of hard-left academics who cavil whenever Vassiliev’s notebooks are entered into evidence.

A recent archival find concerning VENONA 1354 should further reduce the number of those who are intent on finding fault with new documentation because they don’t like what it reveals. While researching OSS records at the National Archives, the historian Charles McCormick came across a stray copy of VENONA 1354 in OSS records on Carl A. Marzani, one of the names the NSA redacted.[5] Marzani had joined the OSS in 1942 and by 1945 had become deputy chief of the Presentation Branch, which prepared charts, graphs, and other pictorial displays of OSS information. When the OSS dissolved, he stayed with a section transferred to the State Department. In 1947 he was convicted of fraud for concealing Communist membership on various State Department employment documents. Although he denied his guilt at the time, he later acknowledged his Communist party membership in his autobiography. There is no hard evidence indicating that Marzani assisted Soviet intelligence while at the OSS, but in 2000 he was identified as a Soviet agent active in the 1960s by former KGB archivist Vasili Mitrokhin. Retired KGB officer Oleg Kalugin, in his 1994 memoir, had also identified Marzani as a contact and recipient of KGB funds for his left-wing publishing house in the same period.[6]

The copy of VENONA 1354 McCormick located had only been recently (July 2011) declassified by the National Archives. Unlike the NSA version, nothing was redacted, as can be seen below:
From: NEW YORK
To: MOSCOW
No: 1354

22 September 1944

TO VIENT[1].

Further to number 76/1[a], on the Security Division of IBRA's [illegible] list of fellow countrymen [illegible] are [16% of the following]:

E. A. EISEN[v],
Carlo A. PASINI[v],
David ZABLUDOWSKY,
Alexander LESSENS,
Robert M. RACEWICZ,
Major Arthur SOLOMON[v],
E. S. FLIESS[v],
Irving GAY,
Carl KARL[v],
Leo DICKOFF[v],
T. D. Scherchen[v],
A. C. RIESCHER[v],
Frederick FOLLOOK,
Georgiu SCHELHEK[xi],
Donald WELLSER[xiii],
Julius A. ROSENDORF,
Manuel T. JIMENEZ[xiv],
Virginia GIBSON xv,
Ewald DAVIES[xv],
Frank RABEN [xvii],
Betty SOLWIT[xviii],
Louis E. WALKER[xv]
Victor DINITZ [xv],
Michael A. PILLARO[xv],
Bert D. SCHWARTZ[xv1],
Tillie SOLWIT[xv],

Both the JIMENEZ's and ZABLUDOWSKY are included in a list of persons "concerning whom it is known that they gave information"

[16 groups unrecoverable]

such persons and a [16% proposal]

[6 groups unrecoverable]

Dismissal.

NO. 763
22 September
Maj[xxiii]

SECRET WHA UNATED VENONA
Notes: [a] External Serial No. 1305 of 15 Sept. 1944.

Comments:


[1a] VIKTOR: the Office of Strategic Services [OSIS].

[1b] VIKTOR: members of the Communist Party.

32. [iv] Sidik A. MOOR.

167. [v] Snoke HEIFETZ.

47. [vii] Arthur J. GOLDEN.

67. [vii] Harry Charles FLIEGER.

65. [viii] Carl Atta MARYN.

66. [ix] Leo Matthew DEMOFF.

65. [x] Thomas D. SCHROER.

65. [xi] Albert Otto HIRSCH.

160. [xii] Seymour uylon SCHULZ.

65. [xiii] Donald Z. WHEELOCK.

65. [xiv] Samuel J. ZELEN.

65. [xv] Virginia Doyle SIMMONS, aka Virginia KIES, Martha BARRIS.

65. [xvi] Gerald D. DAVIDSON.

65. [xvii] Fran E. TOLE.

65. [xviii] Nettie SALOWITZ.

65. [xix] Louis Edward MASON, aka Louis Edward NAGOFF.


65. [xxi] Bert David SCHNAP.


[xxiii] N.M.: i.e. NAY, Stenjp APRESTA.
Putting aside the corroborative value of the Marzani copy of VENONA 1354 for a moment, there are several points of interest in the Duncan Lee-supplied list. Another document quoted in Vassiliev’s notebooks shows that after receiving the names, the KGB headquarters ordered its officers in America to reduce contact with and be more cautious when approaching Donald Wheeler, one of the KGB’s active sources in the OSS. Another Soviet spy on the list was Irving Goff, but by this time Goff was overseas on an OSS assignment in Italy assisting anti-Nazi resistance forces and out of immediate contact with the KGB. Still another secret Communist on the OSS list, David Zablodowsky, had assisted Soviet military intelligence, the GRU, in the 1930s, but he does not appear to have been assisting the KGB during his time with the OSS.[7]

An additional point of interest again concerns Arthur Goldberg. When Elizabeth Bentley publicly testified in 1948 that Duncan Lee had been a Soviet source, he denied it, and many OSS veterans refused to believe Bentley and supported their former colleague. Goldberg, however, was not among them. Bentley stated that Lee had discussed “OSS agents being parachuted into Hungary and Yugoslavia and peace maneuvering going on between the satellite Axis nations through the medium of OSS representatives.” The FBI attached no special significance to this remark and neither did Bentley. But Goldberg did.

What neither Bentley nor the FBI knew was that she had referred to a highly secret OSS project, the SPARROW mission, designed to persuade the Hungarian government to surrender to Anglo-American forces in the fall of 1944 and contribute to the collapse of the entire Nazi position in central Europe. Adolf Hitler got wind that his Hungarian allies were considering surrender, and in October 1944 German forces occupied Hungary and imprisoned the OSS agents negotiating the deal. Goldberg was one of the OSS authors of the SPARROW mission, and apparently believed that Lee had been a Soviet agent and probably revealed it to the KGB. He also came to suspect that the Soviets, once alerted to the SPARROW mission, deliberately leaked it to the Nazis to insure that Hungary and the Balkans would come under Soviet domination rather than be liberated by Anglo-American troops. While Goldberg’s suspicion was plausible, no evidence has surfaced indicating a Soviet leak of OSS negotiations with the Hungarian government. It is more likely the Nazis learned of the matter from their own sources in Budapest.

While all these aspects are interesting and deserving of study, the greatest significance of the Marzani copy may be that it underscores, yet again, the accuracy of Vassiliev’s note-taking. The surfacing of an unredacted version of VENONA 1354 is a kind of “natural experiment” that impresses objective historians. It also is evidence of the intellectual shallowness of those in the scholarly world desperately trying to sow doubts about the Rosenberg case, the Hiss case, the I. F. Stone case, and other instances of Americans’ cooperation with Soviet intelligence services.

Vassiliev’s notebooks, all 1,115 pages, have been public for more than two years.[8] It is difficult enough to forge one historical document without making a revealing mistake.
But to forge more than a thousand pages without making errors in chronology, committing anachronisms, or other historical mistakes is, as a practical matter, impossible. In 1983 a major German publisher, Stern, with the endorsement of the high profile historians Hugh Trevor-Roper and Gerhard Weinberg, revealed it had discovered Hitler’s secret diaries. Within weeks other historians and researchers, after reading through the diaries, found so many mistakes and discrepancies that the document was quickly shown to be a forgery, to the disgrace of the principals involved and eventual prison for the actual forger and his accomplice at Stern.

By contrast, in more than two years that the notebooks have been available on the web, not a single researcher—and there are plenty of hostile ones out there—has been able to demonstrate any instances of forgery, anachronism, or substantive or procedural errors in the Vassiliev notebooks. Indeed, whenever new evidence has surfaced, such as the unredacted copy of VENONA 1354 discussed here, it has simply added to the documentation corroborating the accuracy of the notebooks.

And yet, the campaign to “keep doubt alive” continues. At a June 2011 conference on “The Rosenberg Case, Soviet Espionage, and the Cold War,” historian John Prados devoted part of his presentation to insisting that it was legitimate to doubt Vassiliev’s notebooks. Prados did not provide a single instance of material in the Vassiliev notebooks that was problematic. He ignored the impressive, and mounting, record that corroborates the accuracy of the notebooks. Prados simply used unsupported innuendo so that the pro-Communist left’s narrative denying the Rosenbergs’ guilt . . . or Hiss’s guilt . . . or fill-in-the-blank’s guilt would still appear to be reasonable.

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VENONA 1354, 22 September 1944, in Carl A. Marzani Personnel File, Entry 224, Box 489, RG 226, National Archives, College Park, MD. We thank Charles McCormick for bringing his archival discovery of an unredacted copy of VENONA 1354 to our attention and for his generosity in providing us a copy.


Others on this list of possible security risks in the employ of the OSS may have been recruited by Soviet intelligence, as the VENONA cables and Vassiliev notebooks contain cover names of OSS sources who have never been identified. Little is known, however, about the majority of names listed, although several appear to have been Communists, e.g., the Jiminez brothers, who were International Brigade veterans. Then too, it is quite possible that the Soviets recruited OSS personnel whose names did not appear on the list of possible Communists. On Soviet penetration of the OSS, see Haynes and Klehr, VENONA, 191-196, and Haynes, Klehr and Vassiliev, Spies, 293-329.

The Cold War International History Project hosts the Vassiliev notebooks in their original, handwritten Russian—as well as translated and typed English—on the web.