

III - 67 - 12. New York Herald Tribune, Friday, February 11, 1949, pl
p.1 et al.

Army Says Soviet Spies GOT TOKYO War Secrets; Accuses
Woman Writer. Agnes Smedley Denies Charge of Acting as
a Spy for Soviets.

THE WEATHER

Today: Mostly sunny; moderate to fresh north to northwest winds; fair and cold at night.

Tomorrow: Partly cloudy, with little change in temperature; moderate west to southwest winds.

Temperatures Yesterday: Max., 38; Min., 28 Today's Probable Range: Max., 40; Min., 20 Detailed Report and Map—Page 26

NEW YORK

Herald



T

VOL. CVIII No. 37,343

Copyright, 1949 New York Herald Tribune Inc.

FRIDAY, FEBRUARY 11, 1949

Loyalty Board Clears Remington Of Miss Bentley's Red Charges

Asks Commerce Official's Return to \$10,300 Job; Ousts U.P. W. Ex-Official

By Carl Levin

WASHINGTON, Feb. 10.—The Federal Loyalty Review Board today cleared William W. Remington, suspended Commerce Department official, of charges of disloyalty brought against him last summer after Miss Elizabeth T Bentley, self-styled war-time Communist spy courier, testified at Congressional spy hearings that he was one of her principal sources of information.

In clearing Mr. Remington, the review board reversed the finding of a regional loyalty board, and requested Secretary of Commerce Charles Sawyer to reinstate him in his \$10,300-a-year position. When he was suspended in July, Mr Remington was director of the Commerce Department's export program staff. The reinstatement order will carry with it about \$5,000 in back pay.

Mr. Remington said he will report back to work tomorrow.

Coincidentally, the Federal Security Agency was directed by the Loyalty Review Board to discharge "immediately" Miss Dorothy Bailey, former executive board member of the Left Wing United Public Workers Union, a Congress of Industrial Organizations affli-



Associated Press William W. Remington

ate, and former president of its Washington local. Miss Bailey had been employed, at about \$8,000 a year, by the United States Employment Service as an instructor to state employment service officials, and was suspended about three months ago at the recommendation of the Fourth Regional Loyalty Board.

The three-man panel which heard the Remington appeal consisted of Seth W. Richardson, (Continued on page 13, column 1)

Tribune

Late City Edition

230 West 41st Street, New York 18, N. Y. Telephone PENnsylvania 6-4000

FIVE CENTS

Army Says Soviet Spies Got Tokyo War Secrets; Accuses Woman Writer

Agnes Smedley Denies Charge Of Acting as a Spy for Soviets

Moscow Tipped Off Before Nazi Attack

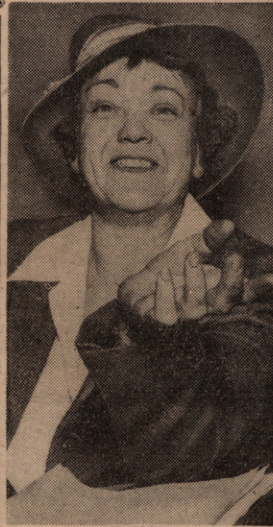
Writer Says She Will Sue MacArthur for Libel if He Waives Immunity

By Ralph Chapman

Branding as a "despicable lie" the charges in the intelligence report from General of the Army Douglas MacArthur's headquarters in Tokyo that she is "a Soviet spy and agent," Miss Agnes Smedley, author and former newspaper correspondent, last night challenged the general: "Waive your immunity and I will sue you for libel."

In a statement broadcast over the Mutual Broadcasting System, she said that the report, made public in Washington yesterday, proposes no action against her because General MacArthur knows that she is not guilty and that he is hiding behind a law which says that he "cannot be sued for falsehood." She charged further that she was chosen as "the victim" instead of others on his "secret personal blacklist" because she does not have the backing of any powerful newspaper or radio organization.

O. John Rogge, former Assistant



Herald Tribune—Acme Miss Agnes Smedley during an interview yesterday

United States Attorney General and Miss Smedley's lawyer, concurred in her opinion that the report is an "outrageous libel." He said he has written Secretary of (Continued on page 12, column 1)

Ring's Leaders Hanged, but Report Says Others May Be Still Operating

By James M. Minifie

WASHINGTON, Feb. 10.—Remnants of a spectacularly successful Soviet espionage ring which penetrated Japan's inmost councils may still be operating in the world's capitals, the Army Department warned today.

Before the ring was broken up in October, 1941, it had tipped off to Moscow the strength, timing and direction of the German attack on Russia in 1941 and the Japanese decision to turn south against Britain and the United States rather than north against Russia, the Army said.

The activities of the ring were described in a report drawn up by the intelligence section of General of the Army Douglas MacArthur's Far East Command Headquarters. The report did not reveal whether the Japanese decision to attack Pearl Harbor was also discovered and passed on to Moscow, but the Singapore objective was revealed. Sections of the 33,000-word report were taken out by the Army Department for "security reasons."

Committee Calls Officers

2 The implications of the report stirred the House Committee on Un-American Activities to call the Army and Navy Intelligence heads to testify tomorrow on whether the gang operating in Japan was in contact with the Soviet espionage ring active in the United States before the war. Major General S. Leroy Irwin, head of Army Intelligence, and Rear Admiral T. B. Inglis, head of the Office of Naval Intelligence, have been called as witnesses.

The report named an American newspaper woman, Miss Agnes Smedley, at present living in New York, as a member of the ring, together with a British journalist, Guenther Stein, also now in New York. A Japanese, long resident in California, Miyagi Yotoku, who died in prison, was also named as one of the ring.

Miss Smedley denied the charges. She declared that General MacArthur had "caused to be circulated a despicable lie against me. I am not and never have been a Soviet spy or an agent for any country." Mr. Stein called the charge "ridiculous and untrue."

O. John Rogge, Miss Smedley's lawyer, said that he had written to Secretary of the Army Kenneth C. Royall, demanding "an immediate retraction of the irresponsible and false charges" and an apology. An Army spokesman said the letter had not yet been received.

Stein Denies Charges

Mr. Stein called the charges "ridiculous," but declined to make other comment.

In a tale of twelve years of espionage in China and Japan which it said makes the Canadian atomic spy case look amateur by comparison, the report discloses

(Continued on page 12, column 3)

Agnes Smedley

1 (Continued from page one)

the Army Kenneth C. Royall, now visiting the Far East, demanding "an immediate retraction of the irresponsible and false charges" against his client. He told reporters at his office, 401 Broadway, last night that he will bring a libel action the moment General MacArthur "gets out from behind" the law which makes such reports privileged matter.

"I have read the voluminous report the general has issued," Miss Smedley said last night. "It is truly an astounding document. It describes as 'traitors' all who opposed the Japanese militarists. It describes as 'treason' activity against the Japanese war lords who are back in the seats of power in Japan. It uses the exact language of Tojo in numerous places."

"I charge tonight that there are sinister political motivations behind this flimsy smear," she said also. "I charge . . . a smoke

screen to pave the way for a new policy of all-out intervention in the Chinese civil war and to get more American troops and funds to make Japan a mighty military base."

Miss Smedley told this reporter that she has never been in Japan except to go ashore for a few minutes when a ship taking her to China docked there. She said that she was in favor of General MacArthur's policy during the early days of the occupation, but that this policy has changed drastically since then, and she is now unalterably opposed to it.

Author of several books, including "China Fights Back" and "Battle Hymn of China," both of which deal with that country from the Communist viewpoint, she has been called a "Leftist writer" by many critics. She said last night that her new book, now nearing completion after five years' work, will deal with China from the viewpoint of General Chu Teh, commander of the Chinese Communist armies. She insists, however, that "I am not and never

have been a Soviet spy or an agent for any country."

The fifty-four-year-old writer was indicated by a Federal Grand Jury here in 1918 on charges of espionage. It was alleged that she had engaged in activities designed to foment unrest in the Far East during World War I. The charges were dropped, however, for lack of evidence.

Miss Smedley moved from Saratoga Springs to Palisades, N. Y., in March of last year. On June 19 she was the principal speaker at a rally of a Wallace-for-President committee in Shanks Village, a near-by student-veteran housing project. A group of residents protested her appearance there, but she spoke nevertheless.

On Jan. 21 this year she spoke at a "Cheer for China" rally at the headquarters of the American Labor party in Nyack, N. Y. This meeting was sponsored jointly by the A. L. P. and the Committee for a Democratic Far Eastern Policy.

She said last night that she had no plans beyond the completion of her latest book.

Named in Spy Report



Associated Press
Guenther Stein

Soviet Spies

(Continued from page one)

was a member of the Russian Communist party.

Once the case was broken and he knew that he was doomed, Dr. Sorge talked freely. According to the report, his "testimony as to the identity of the Russian Communist party with all other national Communist parties is a useful refutation of the claims of the innocents who persist in viewing such organs as the American Communist party or the Japanese Communist party as separate entities."

He joined the Nazi party in 1933, and his membership card seems to have preserved him from checks by the German secret police.

He developed a ring of spies in China, where, the report states, he met Miss Smedley. The report calls her "one of the most energetic workers for the Soviet cause in China for the past 20-odd years."

Sent to Tokyo in 1932

Dr. Sorge was transferred to Tokyo, with a special assignment to penetrate the secrets of the top Japanese councils, in 1932. His cover as usual was that of a newspaperman—correspondent for the highly respectable "Frankfurter Zeitung." He went to Japan by way of the United States and Canada. "In America he met with some American agents of the Soviets before catching his ship at Vancouver, B. C.," the report states without further comment.

The Comintern sent him a Yugoslav from Paris, Brank de Voukeltich, Miyagi Yotoku from Los Angeles, and Gottfried Friedrich Klausen, an associate from Shanghai days and an accomplished radio operator. Klausen is still at large. His chief assistant, however, was Ozako Huzumi, a Formosan who had graduated from the Tokyo Imperial University.

Osako had worked for Dr. Sorge in China. He came to Japan and worked for the Asahi Shimbun newspaper when the ring was being set up. There his university connections stood him in good stead. In July, 1938, he became unofficial adviser to the Cabinet under Prince Konoye, and later unofficial adviser to the South Manchurian Railway in its Tokyo office. He was thus in an incomparable position to obtain topmost information.

As to his motives, the report notes that he "originally developed his interest in the Chinese and his hostility to Japanese militarism while he was a boy in Formosa." He never became a member of the Communist party.

Recruited by Reds

Concerning Miyagi Yotoku, who was brought in from Los Angeles,

the report charges, "clearly he was recruited by the American Communist party, of which he was a member, and the Comintern. It is most significant that Miyagi, Osako and many others had only the vaguest idea as to what agency they worked for. All they seemed to need to commit treason was the general knowledge that the Communists wanted their services and that in some manner their information was being relayed to the spiritual homeland of the Communists."

Miyagi attended schools in San Francisco and San Diego before returning to Japan. The report says "his testimony portrays him as a rather confused young man of strong social conscience but of uncertain belief." He testified that he was affected by "the inconsistency of American capitalism, the tyranny of the governing classes and above all the inhuman discrimination against the Asiatic races. I came to the conclusion that communism was the cure for all these ills."

The chief fountains of news, however, were Sorge's intimacy with the German ambassador, General Eugen Ott, whom he had first known as assistant military attache, and Osako's position in Japanese official life.

On 20 May Sorge flashed the urgent warning that the Reichswehr would concentrate from 170 to 190 divisions on the Soviet border and on 20 June would attack along the whole frontier. The main direction of the drive would be toward Moscow. The attack began June 22.

Sorge then concentrated on finding out if the Japanese would help their ally by attacking Russia from the East. "By 15 October Sorge had transmitted his final sober conclusions that the Japanese had decided to move south and that there now was no serious danger of an attack by the Kwantung Army across the Siberian frontier. He felt that his mission was completed, and drafted a dispatch suggesting his recall to the Soviet Union. The message was never sent. Three days later he was arrested."

The volume of information is indicated by Klausen's diary showing that he radioed 23,138 word groups in 1939, 29,179 word groups in 1940, but only 13,103 word groups in 1941. However, Dr. Sorge himself sent 40,000 word groups in 1941.

The report notes the lightness of most of the sentences, since, "of the nearly twenty guilty men and women, only two were sentenced to death, although under Japanese law every one of them had subjected himself to the death penalty."

The ring was given away by a Japanese Communist who had a grudge against a Mrs. Kitabayashi for apparently forswearing her Communist faith. She had done this on becoming a minor member of the spy ring. So when Ito Ritsu was picked up by the Japanese police he got back at Mrs. Kitabayashi by denouncing her as a spy, although he apparently had no knowledge either of the ring or of her connection with it.

Thirty-five arrests were made. Eighteen persons were found not guilty. Two were hanged. Five died in prison. The rest received sentences ranging from life to two years. Those still in jail at the end of the war were released by the American occupation authorities.

The report commented on an odd angle of the case in that Ito, who gave the gang away, is "now a member of the central committee of the Japanese Communist party, a leader of the Youth Action Corps, admired, respected and followed by thousands of the faithful."

Got Japanese Secrets

The Soviet ring, the report points out, achieved penetrations of Nazi and Japanese arcana which far surpassed anything that Allied organizations were able to do. It notes that one of the rules laid down and rigidly adhered to by the leader of the ring was that under no circumstances were Red Russians to be employed. Germans and Japanese predominated. Not all of them were Communists. One was even a White Russian, who hated the Bolsheviks so much that, in her common-law husband's words, "neither love nor money could persuade the woman to become pregnant by a Soviet spy."

Dr. Sorge was born in Baku, Caucasus, in 1895. He studied at the Universities of Berlin, Kiel and Hamburg. He was sponsored into the Russian Communist party and the Comintern by Dmitri Z. Manuilsky, now Ukrainian Foreign Minister and representative on the United Nations. His intimates in the German embassy in Tokyo never suspected that he spoke or knew Russian: still less that he

Isaac Don Levine Gives 22 Names to Spy Jury

Isaac Don Levine, anti-Communist editor, testified yesterday for three hours before the Federal Grand Jury investigating espionage. He passed on to the panel the names of twenty-two persons who allegedly were involved in a Communist spy ring. These twenty-two, Mr. Levine told reporters, were mentioned by Whittaker Chambers on Sept. 2, 1939, to Adolf A. Berle jr., then Under Secretary of State.

Harold Glasser, former Treasury Department official who testified on Tuesday and Wednesday, was on hand yesterday but was not called. He will be back on Feb. 23. Mr. Glasser was assistant director of the office of international finance of the Treasury Department, a \$10,000 post he resigned on Dec. 31, 1947. He was an assistant to Harry Dexter White, Assistant Secretary of the Treasury in 1945-'46, who died of a heart attack last August. Three days before he died, Mr. White denied that he was ever involved in espionage, as charged by Elizabeth T. Bentley and Whittaker Chambers.