

Mr. Peyton Ford
The Assistant to the Attorney General
Director, FBI

March 12, 1949

JAY DAVID WHITTAKER CHAMBERS, was, et al
PERJURY
ESPIONAGE - R
INTERNAL SECURITY - R

ALLEGATIONS OF CHAMBERS REGARDING WILLIAM EDWARD CRANE, was,
FORMERLY KNOWN AS UNKNOWN SUBJECT "KEITH"

Whittaker Chambers has advised that one of the photographers in his underground apparatus was known to him as "Keith", which name was a Party pseudonym. He stated that "Keith" was connected with Colonel Bykov in New York City and came to Washington in 1937 for a short time to do some photographic work for Chambers in an apartment located in the Northwest Section of the city. He recalled that "Keith" came East from California. Chambers stated that he was introduced to "Keith" by Colonel Bykov. Chambers also advised that in 1935 his then superior, "Bill", sent him to San Francisco with a money belt for the use of unknown individuals on the West Coast. He said he registered at the Golden Gate YMCA under the name Lloyd Cantwell, and by prearrangement was contacted by "Keith", whom he then met under the name "Pete". Subsequently, "Keith" introduced him to an elderly man named Volkoff, who has since been identified as Isaac Folkoff, well-known Communist on the West Coast. He stated that Volkoff was connected with the Pan-Pacific Trade Union Secretariat. Chambers said he was not certain whether he delivered the money belt to "Keith" or Volkoff. He said it was his understanding that the Pan-Pacific Trade Union Secretariat was then operating a courier system to Japan and he assumed that the money was for underground purposes. Chambers was not certain as to how much money he carried to the West Coast.

Chambers subsequently advised that he had a vague recollection that "Keith's" real name may have been Crane, that "Keith" was connected with John Loomis Sherman, and that Sherman may have brought "Keith" into the apparatus when Sherman was on the West Coast. The San Francisco Office advised that in May, 1945, it was learned through a highly confidential and reliable source that an inquiry was made of Isaac Folkoff as to "whether he knew this fellow Ed Crane or Bill Morgan." Folkoff stated that he had not seen him for two or three years but that he was "okay". It was further determined that the Ed Crane mentioned by Folkoff was identical with William Edward Crane, a Communist on the West Coast. A photograph of this individual was displayed to Whittaker Chambers on February 1, 1949, and he identified Crane as the individual known to him as "Keith".

- Mr. Tolson
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn
- Mr. Nease
- Miss Gandy

FLJ:VMD

RECORDED - 65
INDEXED - 66

COMMUNICATIONS SECTION
MAILED 3
★ MAR 1 1949 P.M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

EX-111 4-133-2788

Kisseloff-5742

[Handwritten initials]

Crane recalled having met a red-haired Russian man named "Pete" (Colonel Bykov), and has recently read that Chambers has identified this Russian as a colonel. He said that Chambers introduced him to this man at a pre-arranged meeting in New York City.

Crane advised that in the fall of 1937 Chambers told him that their work had fallen into the hands of the Nazis and that everyone seemed to be traitors. It was decided that Crane should return to the West Coast and get out of the work. Chambers told Crane that Sherman was living in Southern California, and warned him to stay away from Sherman and that everything would be all right. Crane advised that since his return to the West Coast he has had no connection whatever with Soviet espionage.

Crane advised that in about 1932 he met one Margaret Gutelius at a Communist Party meeting in California. In September, 1934, he and this woman lived together in Berkeley, California, as man and wife, and they continued living in this manner during 1934 and 1935. He said that he could have had the money belt in his possession while residing with this woman in Berkeley. When Crane returned to New York to work for Chambers, and up to the time that he left the work, he lived with Margaret Gutelius, who was then attending Columbia University Medical School. He stated that Gutelius knew that he was connected with some underground work and added that on one occasion she and Crane went with Colonel Bykov and Bykov's wife to a night club. (The Gutelius woman is presently residing in New Orleans, Louisiana, and her married name is Mrs. James Watt.)

Crane advised he received a Leica camera from John Loomis Sherman in San Francisco and later gave it to Chambers in New York City. He believes that Chambers later gave the camera to the wife of the Italian to whom Crane gave lessons in photography. He believes this woman may still have this camera.

Crane stated that Chambers furnished him with money with which to purchase another Leica camera in New York City. Crane had this camera until recently when it was obtained from him for examination by the FBI Laboratory. Crane recalls that he did some photographing of documents during one week in the summer of 1937 in an apartment in Washington, D. C., occupied by a girl known to Chambers, and that this girl would be away from the apartment while the photographing was being done.

Crane recalled that Chambers had mentioned some persons in the younger set at the State Department, including the names of Alger Hiss, Laurence Duggan, Dean Acheson, Adolph Berle, and also the late Harry Dexter White. He stated that these conversations may have been with Colonel Bykov, and it was his impression that material was to be expected from some of these people or that

INTERVIEWS WITH WILLIAM EDWARD CRANE

William Edward Crane has been interviewed by the Los Angeles Office of this Bureau intermittently since February 7, 1949, and these interviews have continued to date. He has furnished the following information in substantiation of Chambers' allegations:

Crane stated he joined the Communist Party in San Francisco about 1932, and shortly thereafter he was singled out by "Pop" Folkoff (Isaac Folkoff), who took an interest in him and then arranged for him to meet John Loomis Sherman. Upon meeting Sherman, he wanted Crane to drop out of the Party and to do special work for an organization called International Press Correspondence. Crane and Sherman went to Los Angeles where Sherman introduced Crane to an Italian couple who were later connected with Crane and Chambers in New York City. After publishing a newspaper in Los Angeles for three or four months, Sherman said that someone was after him and that he would have to leave. Sherman and Crane went to New York where Sherman introduced Crane to one "Bob", whom Crane has identified from a photograph as Whittaker Chambers. Crane remained in New York a month or so and then returned to San Francisco alone. Sherman followed him a few months later and sailed for the Orient.

After Sherman sailed for the Orient, Crane returned to New York City where he worked for Chambers doing photographic work. Crane recalled making several trips back and forth across the country, but could not recall the dates or reasons for this travel. He recalled meeting Chambers in San Francisco at the YMCA by prearrangement, at which time Chambers was registered under the name of Cantwell. Crane said that Chambers delivered to him a rubber money belt for safekeeping, and Crane kept it at home and later delivered it to Chambers in New York City. He recalled that Folkoff was with him and Chambers on one occasion while Chambers was in San Francisco at the time he delivered the money belt, but he was not certain that Folkoff was present when the money belt changed hands. He recalled the amount of money in the belt was at least two thousand dollars.

Crane stated that while in New York City after Sherman had left for the Orient, he again met the Italian couple whom he had met in Los Angeles. The Italians had no work to do and to keep them occupied Chambers instructed Crane to teach the Italian's wife photography, which he did. The Italian man was known as "Pete", and had fought in the Spanish Revolution. This Italian has subsequently been identified as Peter Michaelangelo Magrini. Crane said that the Italian was not working for the apparatus although he and Chambers had a fixed meeting with the Italian once a month. Crane recalled that he worked with Chambers in New York, Washington, and Baltimore, but only recalls doing photographic work in New York and Baltimore. He recalled on one occasion in Baltimore that he photographed Treasury Department and State Department documents every night for a week straight. He did not know the original source of these documents and stated he has no recollection of ever having met Alger Hiss.

some of them were considered as possible sources of material. Crane said that he was subsequently surprised to read some of the anti-Soviet statements made by Adolph Berle.

With further reference to Colonel Bykov, Crane advised that he was probably introduced to Colonel Bykov by Chambers and that he, Crane, kept prearranged meetings with Colonel Bykov on the average of once or twice a month. Crane said he never really knew the reason for his contacts with Bykov but on occasions he delivered money from Bykov to Chambers and sometimes, when Chambers could not keep meetings with Bykov, Chambers would send Crane.

During the course of the interviews with Crane, a search of his home was made with his consent. However, this search revealed no film or documents pertinent to this case. Crane had a Leica camera in his possession which he uses in connection with his livelihood as a photographer. This camera has been examined by the FBI Laboratory, and no identification has been made with the "pumpkin" film in this case.

There are minor discrepancies in Crane's story which are being checked with Whittaker Chambers during the course of the current interviews with Crane in an effort to obtain complete and accurate facts.

Upon completion of Crane's interviews you will be furnished with the results thereof immediately upon their receipt by this Bureau.

For your information, the report of Special Agent Joseph M. Kelly, New York, New York, dated February 8, 1949, in the case entitled, "Jay David Whittaker Chambers, with aliases, et al; Perjury; Espionage - R; Internal Security - R", was furnished to Assistant Attorney General Alexander M. Campbell, Criminal Division, by memorandum dated February 18, 1949. Information is set out on page 42 of this report to the effect that Chambers identified a photograph of William Edward Crane as "Keith".

The report of Special Agent Robert F. X. O'Keefe, New York, New York, dated February 21, 1949, in the same case, was furnished to Mr. Campbell by memorandum dated March 7, 1949. Information concerning the identification of Crane as "Keith" is contained on page 22 of this report, including information that Special Assistant to the Attorney General T. J. Donegan has been advised for his consideration toward issuing a subpoena for Crane's appearance before the Federal Grand Jury in New York City.

I earnestly urge that the information in this memorandum not be disclosed to any outside source, at least until such time as the FBI has completed its interviews and investigation of Crane.