

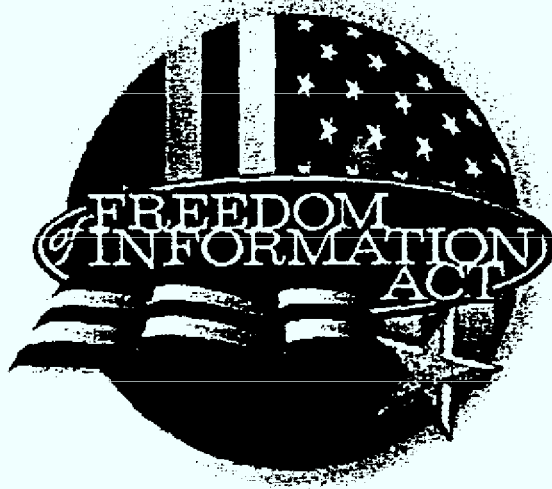


FEDERAL BUREAU OF INVESTIGATION

WALTER WINCHELL

PART # 4 of 13

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FEDERAL BUREAU OF INVESTIGATION

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Times Herald
Washington, D. C.

30411

Especially attention of Georgiana X. Preston (Never heard of the guy!)

Gentlemen: WALTER

Talk about Winchell being unfair and dishing the dirt! Whew! What room have you to talk now! Of all the low, yellow tricks - after all the money you made on Winchell! Don't tell me that all these years you didn't know you were running the most gossip, snoop, dirt-dishing column in the world, and loving it! And coining the dough on it! And reeking in the shekels, with greedier hands than any of Winchell's ancestors - be they Bakst, Baxt, Lipschitz or Mefoofsky! You damned dogs raked it in, and plenty; why what else did your paper have that other papers didn't have, or the radio didn't have, except Winchell! What have Kilgallen, Walker, Lyons and the rest of them got that they didn't copy from Winchell? I dare you say they originated that broad slangy, 100% American style of talking and writing.

Winchell is our 100% American, not afraid of the truth, and yea shouting out loud from any place where he can be heard. Of course his ruff-raff might be classed with Samuel Adams and the other "rabble" and "rebels" that turned against the aristocrats during the period of our Revolutionary War, but Winchell can laugh up his sleeve in pride at that.

Why didn't you write in your story about the time Winchell spent going to Danville, Va., schools? Or don't you know? And since when was being born and raised in New York's East Side any more of a disgrace than coming from Pall Mall, Tenn., you damned fools; both are local American scenes, and both have produced great Americans; some day you'll come to the movies and find the hero from the East Side lauded in the same way as the hero of Pall Mall.

o Winchell dished the dirt about Mrs. Smith and Mrs. Jones' husbands. o what! Let Mrs. Smith be more discreet. Maybe she'll behave herself now. And if she can't be discreet so let people talk. If we make our beds we have to lie in them. I bet you love to peep from your arched window at a lighted one across the way if you know there's a wild party going on over there; who of us don't? You liars! You know you love it. Or are you too busy raising hell at those parties.

Anything seemed okay between you and Winchell until he started exposing America's Cliveden Set. Then you yelled with your pants between your legs. You and Limburger and all the rest didn't give one bit, did you?

For his part in World War I, that can be blamed on the Service, what they want about their enlisted men, and officers too; I'd like to smell out a hero, you know; and I'd like to bet for his uniform again when the time comes for him to put in his "action".

INDEXED

62-31615-261

course, with your obvious dislike of the President you'll not be able to understand my choice of No. 1 and No. 2 Americans. But if you'd be daring enough to have a canvass taken by Gallup Poll I bet you'd find that most Americans (real, true ones I mean, of course) who have the interest of the country at heart, admire and love Winchell. Why, I know people who plan their Sundays so as to listen to his broadcasts. He's not washed up that way, and as a columnist either. At least Winchell hasn't accepted any medals from Hitler, Mussolini, & Co., nor has he said "We will not be attacked by any other country." He has pointed the way to the F.B.I. manytimes, helping round up Fifth Columnists. Why don't you write some crap about Pelley, Limburg, Kune, Wheeler, Fish, and the other "Great Americans" who'd love to see us all hang separately.

As for Winchell living near a Negro section of New York, so what? One would prefer a Doris Miller to Limburger cheese and doubtful Fish.

You say that the Navy stated "Winchell no longer wears his uniform.

As a matter of fact he is no longer entitled to use his title, as he has been turned back to the inactive reserve." What's wrong in that? How does that make his fighting patriotism phoney? Usually a man who has served a period of time in active duty is turned back to inactive reserve. If this is not usual during War time perhaps it is because someone higher up thought him too valuable in his own line of endeavor. The fact that Winchell is the American Hitler would most like to hang should place him on a pedestal; anything that Hitler dislikes ought to be good for us; it always has been.

As for Winchell's name - he was known by that name as a child. And who knows what the names Preston, Patterson, et al originally were. Some of us got our names changed sooner than others; originally we were all Abraham, Isaac, Jacob, Rebecca, Joseph, Mary, John, Adam and Eve. Of course there were others, uncivilized, about whom we don't

As for the society dames about whom he dishes the dirt - they lead hectic crazy lives; so different from our normal ones that we like to read them and laugh; most women put up with their poor, unromantic, struggling, kindly husbands; the society ones give them the air and buy counts, princess and movie stars. We love reading about them, and envy them. Winchell tells us all about it.

Winchell's income-tax deductions are something your own papers joke about in other Americans; around March that's the standing joke of the country; we all do it, which makes Winchell "typical American." Just like you!

Boiling it down your whole article is childish, peevish, reeking with jealousy; you're just sticking your tongue out at a former, more successful playmate, but in a very, very puerile manner.

Shame, shame, what I know about you now!

P.S. Your joke about the goat stinks. What has that to do with the of eggs? What have you given to Navy and Army Relief?????



Mr. Walter Winchell
Daily Mirror
New York City

30413

6-6

DIRECTOR OF CENSORSHIP
WASHINGTON

July 17, 1942.

STRICTLY PERSONAL
AND CONFIDENTIAL.

Mr. J. Edgar Hoover,
Director,
Federal Bureau of Investigation,
Washington, D. C.

Dear Mr. Hoover:

Because of the personal references
to you I thought you might like to see the attached
copy of some correspondence with the Blue Network.

Sincerely yours,

Byron Price,
Director.

Enclosure.

Mr. Tolson	✓
Mr. E. A. Tamm	✓
Mr. Clegg	✓
Mr. Glavin	✓
Mr. Ladd	✓
Mr. Nichols	✓
Mr. Rosen	✓
Mr. Tracy	✓
Mr. Carson	✓
Mr. Coffey	✓
Mr. Hendon	✓
Mr. Kramer	✓
Mr. McGuire	✓
Mr. Quinn Tamm	✓
Miss Gandy	✓

Latina
Raynor
Kimball

Walter Winchell

no answer required 7/24

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ON 8/29/84

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EX-1

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AIR MAIL
SPECIAL DELIVERY

July 17, 1942

b-6
[REDACTED]
The Blue Network
R.C.A. Building
Radio City
New York, New York

Dear [REDACTED]:

[REDACTED] has given me your letter of July 15 with further reference to recent broadcasts by Walter Winchell, for which we thank you. It serves to round out and complement the facts as I reviewed them in a letter to [REDACTED]. Of course, there has been no time for a reply from him, but on the basis of the explanations given in your letter it seems to us that a re-examination of certain fundamentals of our censorship procedure may help clarify matters for you and, to that end, be helpful both to the Blue Network and to this office.

To begin at the beginning, we have to reiterate the fact, of which you are well aware, that the radio station operators themselves, are the censors under our system of voluntary censorship. The Office of Censorship is here to advise and counsel the broadcasters in this effort, and to help them when they need help.

The Code of Wartime Practices issued by this office requests broadcasters in the name of the Government to refrain from doing certain things under certain conditions lest information of value be given to the enemy. If those requests are disregarded, whether the actual offender is a man like Winchell or an obscure actor in a "soap opera," it is the station over whose facilities the offenses are committed which fails in a wartime obligation to its Government. It boils down, therefore, to the axiom that final responsibility for adherence to the requests of the Government rests squarely with the station management controlling these facilities, not with the individuals who merely use them.

Now let's consider the Winchell broadcasts in question. You say that he told you when you conferred with him on the night of July 14 that he had appropriate authority for the items [REDACTED] challenged -- items which on their face were clear violations of the Code in the absence of appropriate authority -- but that he could not cite such "appropriate sources" because he was working

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July 17, 1942

"under official orders." But the record does not yet show what steps, if any, the news executives of the Blue Network took to establish whether Winchell did or did not have appropriate authority for these items before they went on the air on the night of June 28. Conscientious observance of the Code would have impelled them to take such steps and to have refused to permit the broadcast of such material without appropriate authority. Nor does the record show that this office was consulted to help resolve any doubts that may have existed as to the applicability of the Code. As you know, we are here for that purpose.

Moreover, your letter fails to indicate whether the Blue Network management, as its own censor in the matter, considers Mr. Winchell's explanation a satisfactory one. We don't. We find it difficult to believe, for instance, that any official to whose orders Mr. Winchell might be subject would instruct him to broadcast information of any character or in any form not consistent with the censorship Code without first consulting this office. So far to my knowledge, we have not been consulted in such a matter.

We have no alternative to the position we have consistently taken that if a newscaster or commentator cannot or will not show that he has appropriate authority for material which, otherwise, the Code asks broadcasters not to use, that material should be kept off the air. I think it appropriate to say here that most newscasters, commentators and station managements are cooperating wholeheartedly along this line.

As to Mr. Winchell's suggestion that we consult Mr. J. Edgar Hoover and President Roosevelt for their assurances that the items which transgressed the Code actually did no harm when broadcast by Mr. Winchell, we can only say that we do not consider this a function of this office. The Code is either going to be observed or it isn't. If it isn't observed, then the whole system of voluntary censorship is placed in jeopardy.

That is why we view with, perhaps, more than ordinary concern the evidence that the Blue Network has stumbled in the matters dealt with in this correspondence. We think you will agree that we had a right to expect, because of its position as a leader in the broadcasting industry, that it would have been more vigilant in doing its part to make voluntary censorship a success.

We hope that it will be more vigilant in the future.

We appreciate Mr. Winchell's indication to you of his desire to cooperate with this office and with the Blue Network.

8

July 17, 1942

This office reciprocates that desire. It can be counted upon to be as helpful as possible to all of the broadcasters in discharging their censorship responsibilities.

We regret that it is impractical for us to accept Mr. Winchell's invitation, as relayed by you, that a representative of this Division look over his material in New York each Sunday during a one-hour period before he goes on the air. It is impractical because this office maintains no representative in New York, as you know, and to send a man there each week exclusively for that purpose would constitute an unjustifiable burden upon the taxpayers.

If, after considering the matter in the light of what has been written here, you still would like one of us from this Division to run up and discuss censorship with you and Mr. Winchell, or if we can be helpful to you in any other way, please do not hesitate to let us know. Because [redacted] is at present away on vacation, it would be impossible for any of us to get away for the broadcast this Sunday, in any event.

A copy of this letter is going to [redacted] to complete his file.

By the way, has Mr. Winchell read the Code?

Sincerely yours,

BROADCASTING DIVISION

[redacted signature]

b6

[redacted]

C
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Y

THE BLUE NETWORK
RCA BUILDING - RADIO CITY
New York, N. Y.

July 15, 1942

[REDACTED]
Radio Division
Office of Censorship
Washington, D. C.

b-6

My dear [REDACTED]

The following will confirm my telephonic conversation with you of this morning:

I met and talked with Walter Winchell last night and advised him of your letters dated June 30, July 3 and July 9. Mr. Winchell immediately indicated his desire to cooperate with both your office and this office. He pointed out that it would be impossible for him to give "appropriate source", stressing the point that he was working "under official orders" and that each of the items questioned, with the exception of last Sunday night's (July 12, concerning the saboteurs), could be checked by your office if you so desired.

For example, he pointed out that the item in question concerning his broadcast of June 28 (the item disclosing that members of the FBI are operating on the outskirts of Berlin) could be brought to the attention of John Edgar Hoover by your office and Mr. Hoover, Mr. Winchell felt certain, would give you his personal assurance that it in no way upset the FBI.

In the same script - the item disclosing that President Roosevelt and Prime Minister Churchill decided that Allied ships activity in the defense of the Northern Atlantic will take precedence over the defense of the coasts of the United States - Mr. Winchell suggested that if this also were checked by your office with the White House and particularly with Mr. Roosevelt personally, your office would be assured that his broadcasting, it would be OK. And so on with all of the other items with the exception, as I say, of last Sunday night's, which is not to be blamed in any way upon Mr. Winchell but upon an unfortunate slip by BLUE Network. Here is the story on that one:

Our news desk in New York reports to me that at no time during the day or night did they come across any requests on the teletypes from the Office of Censorship suggesting that we make no mention of a story previously carried by the newspapers to the effect that two of the saboteurs now on trial in Washington might get off lightly. I was in Washington, as you know, on Sunday, handling the inaugural program for the Ford show and did notice on the bulletin board in the news room there this request and assumed that inasmuch

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July 15, 1942

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as it was on the Press Association teletypes that it would be picked up by New York. Then too, Drew Pearson had originally included a mention of this item in his Sunday night broadcast but this was taken out before the broadcast at the request of our Washington news desk. Unfortunately, and I say this blushing, the item got into the overset material, and when Mr. Pearson's production man - who knew nothing about your requested omission - found that Pearson was running short on his air show, he passed it to Mr. Pearson while he was on the air and Mr. Pearson used it. As I say, we of the BLUE Network must take the blame and offer the apologies for this.

1
I suggested to Mr. Winchell last night that it might be good for all of us to become better acquainted. In fact, Mr. Winchell suggested at the outset of our conference that he would be glad to have a representative of your office look over his material in New York any and every Sunday night between 8:00 o'clock and when he goes on the air (9:00 o'clock). With this in mind I mentioned to you on the phone this morning that I thought it might be helpful if you or [redacted] or both might come up this Sunday or a week from Sunday and we could sit down and discuss the matter with Mr. Winchell. You indicated that this might be possible although not for this Sunday night, but perhaps the following one, and that you would take my telephonic report and discuss it further with [redacted] and [redacted]. I shall be awaiting further word from you and I am particularly hopeful that you and/or [redacted] will find it convenient to come up a week from Sunday, and I am making arrangements to keep that night clear so I may join you.

Awaiting further word from you, and with best personal wishes, I am

Cordially

/s/ [redacted]
[redacted]
[redacted]
b6
News and Special Features

August 31, 1942

MEMORANDUM FOR MR. HOOVER

I was concerned with the story on page 14 of P. M. for August 31st, giving information as to our transmission of the FBI report on subversives to Congress, and many of the details thereof.

I should appreciate if you would investigate where this leak came from and let me know. I understand that Walter Winchell had it last night too.

WALTER WINCHELL
Attorney General

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FEDERAL BUREAU OF INVESTIGATION
SEP 5 1942
U. S. DEPARTMENT OF JUSTICE

FIVE

ORIGINAL FILE IN 94-8-1003-126

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~~PERSONAL AND CONFIDENTIAL~~

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MEMORANDUM FOR THE ATTORNEY GENERAL

With reference to your memorandum of August 31, 1942, instructing that I investigate to determine the source from which PM obtained its information concerning the Bureau's report on subversive employees of the Federal Government, I do not believe any open investigation by the Bureau will disclose the source of this information. I suggest that you give consideration to summoning before a grand jury Mr. Kenneth Crawford, over whose by-line the story appeared in PM magazine and such other officials of PM who are concerned with the daily printing of the paper. I suggest further that you give consideration to subpoenaing Mr. Walter Winchel before the same grand jury in view of the statement that he carried this information upon his broadcast of Sunday night.

Respectfully

John Edgar Hoover
Director

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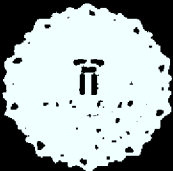
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Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

August 31, 1942

MEMORANDUM FOR J. W. CANNON
W. S. CRAWFORD

Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Coffey _____
Mr. Hendon _____
Mr. Kramer _____
Mr. McGuire _____
Mr. Harbo _____
Mr. Quinn Tamm _____
Tele. Room _____
Mr. Nease _____
Miss Beahm _____
Miss Gandy _____

The following assignments are being made with regard to the covering of the special radio news commentators on Sunday evenings, these assignments being effective as of Sunday, September 6, 1942.

The specific assignments should be carefully noted by the Section Chief in order that the assignment may be properly supervised the same as any other work performed in the particular section involved.

PEARSON AND ALLEN BROADCAST J. W. CANNON
WALTER WINCHELL BROADCAST W. S. CRAWFORD

It is desired that the above supervisors arrange to listen to these broadcasts each Sunday evening and note those items of interest to the Bureau, making sure in each instance that items of interest are prepared in memorandum form and placed on my desk not later than 8:45 A.M., the following day. It will, of course, be permissible for the above supervisors to communicate with the supervisors actually on duty at the Bureau on Sunday night as to the preparation of the necessary memoranda. However, Messrs. Cannon and Crawford will be responsible in each instance to follow up and see that the memoranda are actually prepared. Any reference to matters of interest to the Bureau should be specifically commented on and a brief memorandum prepared of the facts concerning such matters as known to the Bureau or as contained in the Bureau files, together with the action which has been taken; that is, whether the information has been furnished to the Attorney General for consideration, has been furnished to G-2, ONI, etc.

These Agents will also be held strictly responsible to see that items of interest requiring immediate action receive proper attention in order that the necessary action may be taken without delay. In case of doubt or questions as to the action that should be taken, Mr. Kramer or myself should be consulted by telephone.

It is suggested that you confer with Special Agents Frank Welch and W.A. Johnson who for some time past have been covering the Pearson and Allen and Walter Winchell broadcasts respectively.

SEP 4 1942

Very truly yours,

D. M. Ladd

cc-Mr. Alden
Mr. Cunningham

FOR DEFENSE



JOHN EDGAR HOOVER
DIRECTOR



**Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.**

September 6, 1942

MEMORANDUM FOR MR. D. M. LADD

Re: Walter Winchell Broadcast
September 6, 1942

Mr. Tolson	_____
Mr. E. A. Tamm	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Carson	_____
Mr. Coffey	_____
Mr. Hendon	_____
Mr. Kramer	_____
Mr. McGuire	_____
Mr. Quinn Tamm	_____
Mr. Nease	_____
Miss Gandy	_____

The following items which appear to be of interest to the Bureau, were commented on by Mr. Winchell in his broadcast on the above date:

1. Rumanian Matters: Winchell stated that Government authorities are tracking down the report that an ex-king, who is now living in Mexico, has agents in Detroit agitating to restore his monarchy.

This comment apparently referred to King Carol, exiled king of Rumania, who has repeatedly sought to gain admission into this country from Mexico. You will recall that the Bureau is presently conducting an investigation into the activities of "The Free Rumania Movement", which activity is centered in Detroit. This group, which has as one of its principal leaders, Father Mararu, has sought to have our State Department recognize King Carol's Government and have him enter this country. As you will recall from previous memoranda of the writer, Mr. Sumner Welles, Under Secretary of State, has expressed great interest in the Bureau's investigation into this matter.

[REDACTED]

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2. Sabotage in California: This item it was stated that the FBI has solved a long wave of sabotage cases with the arrest of Bill Miller, whose alias is Vincent Palokis, a Latvian alien. According to Winchell, Miller allegedly confessed that he burned four California rail

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road bridges in March and April and set fire to warehouses and freight cars in the Month of August.

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

3. Investigations by Federal Grand Jury in New York: Winchell indicated that George Hill, who was for approximately twenty years on the staff of Congressman Hamilton Fish, will be one of the Government witnesses in the case against William Griffin, the New York newspaper publisher, in Federal court next Tuesday.

[REDACTED]

The Department has handled this matter from its inception and the Bureau has conducted no investigation.

4. Spanish Matters: In commenting on the recent cabinet change in the Spanish Government, Winchell stated that this action was taken by Franco due to an internal crisis, not a change of foreign policy.

It was further observed that some experts suspect that it was done with Hitler's permission. It is thought that the move was made to block the rising power of his own army. Winchell predicted that Franco's brother-in-law, ~~Seranno~~ Suner, would be back at his post in a few months.

The above comment is being included as of possible interest as Franco's action in removing Suner and others might have some bearing on the intelligence situation in this hemisphere. As you will recall, Suner is allegedly the intelligence director in the Spanish Government.

16

5. Sedition Matters: In this particular comment, the Director was said to have personally directed the arrest of a Chicago Attorney, Newell McCartney and William B. Werneke. McCartney, according to Winchell, was charged by G-Men as being an under-cover distributor of seditious and scurrilous pamphlets. His offices in Chicago were said to contain large quantities of material written by Elizabeth Dilling.

In regard to Dilling, Winchell stated that she had sued him for a \$1,000,000 but changed her mind after the Department of Justice placed a charge against her.

Werneke was said to have been exposed by the FBI as a phony minister. His farm near Wadsworth, Illinois was the scene for drilling with guns. The FBI further reported, according to Winchell, that Werneke was an intimate of Bund leader Fritz Kuhn, now in prison, William Dudley Pelley, also in the "hoosegow" for fifteen years and "oops here she comes again Lizzie Dilling".

The above release was given out by the Director personally and it was noted that local newspapers carried an account of the arrest today.

[REDACTED]

[REDACTED]

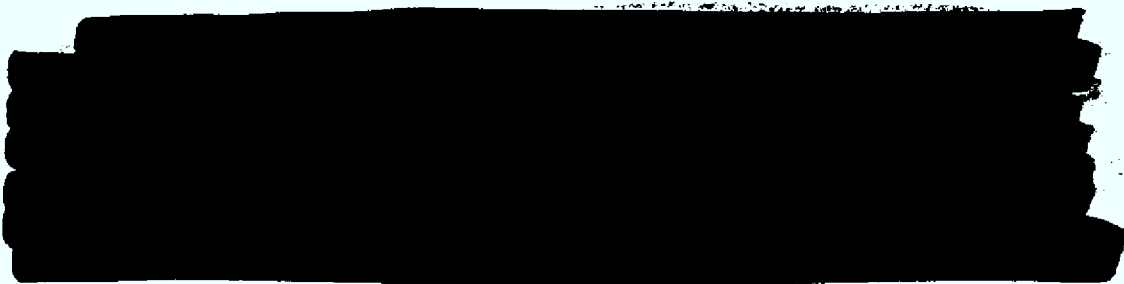
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*In regard to Elizabeth Dilling, her activities are well known to the Bureau through investigation.

6. March of Time Newsreel: Winchell stated that the newest March of Time newsreel entitled "The FBI Front" which is the first authentic portrayal of the G-Men catching Axis agents in the U. S. It was stated that it was to be released this week.

7. Alleged Fugitive: Edward James Smythe, among those agents recently indicted by the New York Federal Grand Jury, was said to be a fugitive from a Government warrant. Winchell warned "certain New Yorkers and others who have been seen with Smythe that they can be held for har-

boring." As an example, he cited the Max ~~Stephen~~ case, who was recently sentenced to death for harboring the escaped German prisoner. Winchell stated "this is ~~is~~ especially directed to Smythe's neighbors on Virginia Avenue in Washington Heights, N. Y."



b-6
b7C
You will recall that over twenty persons were indicted "for having published material which furthered the program for demoralizing the armed forces."

8. German-American Bund: It was indicated that Bund members go to trial September 8, 1942. Federal Attorney Howard Corthoran will try the case for the people. Winchell stated that many surprise Government witnesses will take the stand and among the most surprised will be the witnesses themselves. They will include, he said, contributors of money to the Bund, who think their identities are known only to themselves and Adolph Hitler.

The Bureau has handled the investigation of this matter and it has been learned that the trial is supposed to begin on September 8, 1942 as indicated by Winchell.

As you are aware, twenty-eight individuals were indicted on July 7, 1942 on charges of conspiracy to violate the Selective Service act in connection with their Bund activities. Thirty individuals, which includes ~~two~~ two individuals in addition to the twenty-eight above referred to, have also been charged with conspiracy to violate the Registration Act.

In regard to the surprise witnesses, it is not known to the Bureau the names of all the witnesses that will be used in the trial. No advice has been received as to any particular ones to be used.-

9. Winchell made the statement that he had not offered an apology to Gerald L. K. ~~Smith~~ and if information to this effect had been publicized, it was in error.

You will recall that Winchell recently referred to Smith as a member of that group indicted by the New York Grand Jury. Winchell also mentioned this matter last Sunday in his broadcast and Special Agent F. L. Welsh reported the details concerning this matter to you by memorandum.

10. Espionage Act: Winchell, in answering allegations made in correspondence directed to him addressed one, ~~Frederick~~ ^{fact} (It was not possible to determine the exact name) of Los Angeles, California. He stated that free speech in time of war is not too free. Civilians enjoy the privilege more than men in the service for a uniformed man to "pop off" might mean a court martial and the Government recently warned civilians and others returning from Europe by clipper to be discreet. He said "the Espionage Act of 1917 might send a 'gabby' person to prison."

He apparently referred to the recent policy of the Immigration and Naturalization Service to distribute copies of the Espionage Act of 1917 to persons entering this country from abroad. INS consulted the Bureau in regard to the proposed distribution and was advised that there was no objection.

Due to the fact that it was not possible to determine the correct name of the individual referred to, it was not possible to identify him in the Bureau's files.

Respectfully,

W. S. Crawford
W. S. Crawford

WSC:

**Federal Bureau of Investigation
United States Department of Justice**

New York, New York

ml
SJD:AFW

September 14, 1942

Y
D
Director
Federal Bureau of Investigation
Washington, D.C.

Dear Sir:

On September 10, 1942, while Mr. WALTER WINCHELL was in the New York Office, he dictated the attached memorandum and requested that I forward it to you.

In the absence of a request from the Bureau this office does not contemplate taking any action with regard to this matter.

Very truly yours

P.E. Foxworth
P.E. FOXWORTH
Assistant Director

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SEP 16 1942

[Signature]

New York, N. Y.
September 10, 1942.

MEMORANDUM FOR MR. HOOVER:

RE: THE UNNAMED TUGBOAT EXECUTIVE

The man who was overheard in the Stork Club while under the influence of liquor saying so that nearly everybody could hear him, "The Navy is driving me crazy, changing the channel plans from week to week", submarine net locations, etc., [redacted] did not know the name of the man at the time but she recalled that he recently married and that his and his wife's picture was in the newspapers. She was invited to the Mirror office where she was handed the files of all the newspapers for the last month, and she found this picture. She repeats that this is positively the man she heard make these statements. His name is [redacted]

b-6
b7C
I checked with Commander L. Cooper of the Chief of Staff's office, 90 Church, who questioned me about this because it appeared as a blind item in the column last Monday. This [redacted] according to Commander Cooper, is not known to any of the three towing companies handling Navy business here. They are making a further check.

[redacted] thinks that [redacted] father is [redacted]

It seems to me, Mr. Hoover, that [redacted] might work for one of the towing companies and was talking big. I also think that he should be confronted with the report about his remarks, to warn him about making them.

The [redacted] fellow rumored to be in uniform, with a commission, tried to gain admittance to the Stork the other night from which he is barred (because of pro-Nazi statements a year ago) - was in civilian clothes.

Regards,

Winchell

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ENCLOSURE

62-31615-266

21

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES
DEPARTMENT OF JUSTICE
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE: TO AVOID
PAYMENT OF POSTAGE, \$300

1 Enclosures for Bureau Office

Re: NEW YORK FILE NO. _____

CTF: IVA
9/26/12

Director
Federal B. O. Train
No. 1

NAVY DEPT. BUREAU
WASHINGTON, D. C.
RICHARD HOOVER

From:

Mr. Tolson
Mr. E. A. Tamm
Subject:

Mr. Clerk -

WORLD

Mr. Macmillan of the New York

Mr. Nye: In one of his
speeches he said he was

Tripple's over to meet you

Mr. Captain Ives
Carthage learned to me

Mr. Obi Wali

Mr. Hendon of the [redacted] against

Mr. Kravitz
Shoukri
3:10 P.M.

Mr. McGinnis
Tamm
F. B. I.

Mr. Quinby
SEP-11-1964
MEMORANDUM FOR THE RECORD

Mr. Newell Case.

DECLASSIFIED BY 78
on 8/24/84
Bureau of Investigation

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FBI
U.S. DEPT. OF JUSTICE

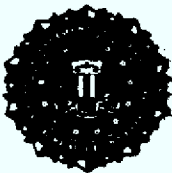
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~~SECRET AND CONFIDENTIAL~~
~~BY SPECIAL INSTRUCTIONS~~

RECEIVED-ROOM 564
U.S. DEPT. OF JUSTICE

23

JOHN EDGAR HOOVER
DIRECTOR



Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

September 20, 1942

WSC:ls
Broadcast: 9:00 PM
Dictated: 12:02 AM
(9-21-42)

MEMORANDUM FOR MR. D. M. LADD

Re: Walter Winchell Broadcast
September 20, 1942

~~SECRET~~

Mr. Tolson ✓
Mr. E. A. Tamm ✓
Mr. Clegg ✓
Mr. Glavin ✓
Mr. Ladd ✓
Mr. Nichols ✓
Mr. Rosen ✓
Mr. Tracy ✓
Mr. Carson ✓
Mr. Coffey ✓
Mr. Hendon ✓
Mr. Holloman ✓
Mr. McGuire ✓
Mr. Quinn Tamm ✓
Tele. Room ✓
Mr. Nease ✓
Miss Gandy ✓

The following items which appear to be of interest to the Bureau were commented on by Mr. Winchell in his broadcast on the above date:

1. Investigation of a "Famous Congressman" by the Department of Justice. Winchell stated that the Department of Justice had been quietly investigating "one of the most famous Congressmen of Washington, D. C." This Senator was not named but Winchell indicated, "He is not from the East."

It was not possible to obtain any information in regard to this matter.

2. Alleged Parachute Landings in Connecticut. Winchell related that he had received a report from the Greenwich, Connecticut, Police Department which disclosed that an informant familiar with aeronautics had advised the Greenwich Police Department that he had observed two parachutists who were dropped from a plane southeast of Greenwich. The parachutes were seen to have dropped near Long Island Sound. Winchell further stated that the Army, Navy, Coast Guard, FBI, and Police in nearby States had been notified.

This matter was reported to the Bureau by teletype today from the New York Office at 3:56 P. M. and at 5:21 P. M. the New Haven Office directed a teletype to the Bureau summarizing the facts which had been developed to date in regard to this matter. The original copies of both teletypes have been sent to the Director's office. Briefly, the facts as disclosed by the New Haven Office are as follows:

H. F. Abbott, of G-2, Hartford, Connecticut, advised the New Haven Office that his Boston, Massachusetts office had received a report disclosing that a parachute was reportedly seen in the vicinity of the Air Warning Post at Stafford, Connecticut. A Mr. Hiram Walbridge, of the Warning Post, has advised that he saw a parachute at 2:05 P. M. today, one mile east of the Post. The parachute was described as approximately three feet in diameter, and was approximately one-half mile high, going south, when last seen, and it did not appear that anything was dangling from the parachute. The Connecticut State Police have reported no information in regard to this incident.



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OTHERWISE

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Declassify on: OADR 8/24/84

Memorandum for Mr. Ladd
September 20, 1942

~~SECRET~~

Page 2

Mr. D. A. Doherty, of the New Haven G-2 Office, advised that information had been received from G-2 in Boston to the effect that two parachutists were reportedly seen in the vicinity of Greenwich, Connecticut. This information was apparently received from Frank Pichenor, publisher of "Aero-Digest," who resides in Greenwich, Connecticut. He reported seeing a bi-motored plane one mile south of his home at 12:24 P. M. today, and the plane motor appeared not to be operating properly. Two men were seen descending from this airplane. Pichenor was unable to get the identifying marks on the plane. Air Spotters at Greenwich reported seeing a bi-motored plane at 12:24 P. M. today, but did not see the parachutists.

New Haven has advised that the U. S. Coast Guard, Mitchel Field officials, and Connecticut State Police are cognizant of this information. The New Haven Office is checking into this matter further.

3. ~~German-American Bund.~~ It was stated that the first witness against German American Bund members in the New York trial will be called Tuesday morning. Winchell further indicated that "feeling between the counsel in this case is already high, and there is talk in the Court House corridors which indicates that the trial may run for at least one month." The Government Attorneys will reportedly introduce twenty-five surprise witnesses. The major part of the testimony, according to Winchell, is "expected to be direct - names and dates, and not circumstantial evidence the way they do in Germany."

As you will recall, this trial of national and local German-American Bund leaders who were charged with conspiring to violate the Selective Service and Alien Registration Acts, began this past week. The Bureau has learned that the jury has been selected, and trial proceedings will begin the first of this week. Winchell, in his broadcast last week, also referred to this trial, and at that time stated that the Government will introduce certain surprise witnesses, as reported to you in my memorandum of last week. The Bureau has not been advised as to the identity of the witnesses to be used in this case.

4. Publication "Sabotage." Winchell referred to this publication last week, and again in his broadcast of tonight, indicating that all copies of the first publication have been sold. He observed, however, that a second printing of this book was being made. In describing this book, Winchell stated, "Some of the people you voted and sent to Washington, D. C. are named in the amazing expose as psychological saboteurs. Shame on you."

You will recall that the Bureau has secured this publication, and it is now being reviewed by interested Bureau officials.

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Memorandum for Mr. Ladd
September 20, 1942

Page 3

5. Sedition Matters. Winchell referred to his article entitled "Americans We Can Do Without," which was published in the August 1, 1942 issue of Liberty magazine, relating to a number of the notable so-called "rabble rousers" in this country. The principal figures mentioned were: Gerald L. K. Smith, William Dudley Pelley, Lawrence Dennis, Major General Mosely, Joe McWilliams, and A. A. Vonsiatsky. He began this particular comment by naming Pensacola, Florida as the locale, and said "some wise man once stated that in the spot light is a great policeman. Here is a concrete example of it. The FBI has the situation under control, so it is O. K. to read some of the facts." He then referred to his article in the Liberty magazine and stated that an unnamed "right hand man" of William Dudley Pelley was referred to in this article, and he indicated that he had received information from a confidential source that this individual is presently in charge of enlisted personnel at a Southern training camp.

It was not possible to determine the identity of the individual referred to, but it is recalled by the writer that recently some individual who resides in the Los Angeles, California area, and who was reportedly connected with William Dudley Pelley, received some publicity in connection with his receiving a commission as a Lieutenant in the United States Navy. In view of the fact that Winchell mentioned Pensacola, Florida, it is possible that he was referring to this individual. It was not possible to ascertain the identity of this individual.

Attorney General Biddle was said to have received a letter from "a local Washington lawyer" which demanded that the Department of Justice initiate immediate prosecutions against William Power Maloney of the Department of Justice and two newspaper men. The newspaper men referred to, according to Winchell, were himself and Dilliard Stokes of the Washington Evening Star. This unnamed lawyer reportedly demanded this prosecution in view of "the alleged conspiracy of these three individuals against the people who are now on trial for conspiring to violate the sedition laws."

It was not possible to determine whether the Bureau has a copy of this communication, and as you will recall, the sedition indictments which were recently returned here in Washington were returned at the instance of United States Attorney William Power Maloney. The Department has handled this matter from its inception, and the Bureau has conducted no extensive investigation. It would appear that the Bureau has received no information with regard to the alleged communication.

Winchell stated that in his last week's broadcast he had mentioned the name of George B. Fischer of Darien, Connecticut, who he described as a naturalized American who "put up" big bail money for William Dudley Pelley. He also indicated that it was in Fischer's home that the FBI arrested Pelley, who is now incarcerated, having been convicted on sedition charges. Winchell stated, "This is to startle all Americans, including J. Edgar Hoover, with the latest news of George B. Fischer's activities. He is now, if you please, an

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Memorandum for Mr. Ladd
September 20, 1942

Page 4

airplane spotter in Darien, Connecticut.

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[REDACTED]

Winchell, in "answering mail," directed a comment to Mrs. Henry Simon (phonetic) of Pittsburgh, Pennsylvania, as follows: "The Reverend Gerald L. K. Smith, ex-Silver Shirt member who tried to become a United States Senator, I am overjoyed to report was defeated."

Information has been received that Smith lost the nomination for Senator by a majority of over two to one. Information has also been received that he is now contemplating an independent movement in Pennsylvania.

[REDACTED]

6. The Steuben Society. Winchell commented, "The Steuben Society of New York has shouted long and loud that it is anti-Nazi, and that it was being smeared every time this or that reporter disclosed its peculiar activities. This is to report now that its leader, Theodore H. Hoffmann, made a speech allegedly written by a Nazi agent who is now in prison - the same Theodore H. Hoffmann who was honored recently by and at West Point. His speech was inserted into the Congressional Record by Senator Nye."

The Bureau has never actively investigated the Steuben Society. It might be stated briefly that the Steuben Society, which is a national organization, was founded in 1919 and has its headquarters in New York City. This society is composed of American citizens of German extraction, and its aims are to increase cultural ideas and bring about a betterment in civics. Theodore H. Hoffmann is in charge of the Executive Board in New York City. The Bureau files contain considerable information in regard to this organization, and complaints have been received to the effect that some of its members are pro-Nazi in sympathy. On the other hand, however, information has been received that the members of some chapters in various localities are entirely loyal to this Government. Thus it does not appear that the Society itself, taken from a national standpoint, has been

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Memorandum for Mr. Ladd
September 20, 1942

Page 5

affiliated with pro-Nazi organizations or is under the domination of such groups. [REDACTED]


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It should also be noted that the Cleveland Office submitted a closing report which set forth information in regard to [REDACTED]

[REDACTED] No evidence of subversive activities was developed in this connection.

The Milwaukee Office has also reported that Hoffmann made an address over the University of Wisconsin radio station, WHA, on April 30, 1941, at Madison, Wisconsin, in which he praised German-Americans' contribution to America. A record of this speech was said to appear in the Congressional Record of May 20, 1941. This is probably the speech referred to by Winchell.

No evidence of subversive activities has been developed in this case to date.

Respectfully,


W. S. Crawford

~~SECRET~~

28



FLW:lem

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.
August 31, 1942

EC-287

Mr. Tolson _____
Mr. E. A. Tamm ☒ _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Coffey _____
Mr. Hendon _____
Mr. Kramer _____
Mr. McGuire _____
Mr. Harbo _____
Mr. Quinn Tamm _____
Tele. Room _____
Mr. Nease _____
Miss Beahm _____
Miss Gandy _____

MEMORANDUM FOR MR. LADD

RE: Walter Winchell's Broadcast
9:00 p.m., August 30, 1942

During the above broadcast the following items of interest to the Bureau were mentioned:

1. Dies Committee. The statement was made that the Dies Committee has furnished the Department of Justice with a list of approximately 1,100 persons employed by the government who were subversive and that the investigation on the part of the FBI determined that only eight of these individuals were actually subversive.

In this connection, it is noted that the August 31, 1942, edition of the "PM" newspaper contained an article entitled "FBI Exposes Dies' Attack on 1119 As Fake." This article is an attack on the Dies list and comments adversely on the fact that of the original 1121 names only two were discharged and six individuals resigned. This story, while generally true, is in part inaccurate, but the data were apparently obtained from someone who had definite information concerning the Bureau's original report. In analyzing the figures of the Dies Committee, the following two cases have been considered as being the discharges: (1) [redacted] discharged from the Department of Labor on July 3, 1941, "in order to promote the efficiency of the service;" (2) [redacted] discharged from the Department of Commerce on May 11, 1942. The Bureau's report, of course, does not comment upon other persons whose names appeared on the Dies list and who resigned either during or prior to the Bureau's investigation. This was done inasmuch as by naming the persons concerned we could set forth facts and not draw conclusions concerning the particular action. A complete memorandum concerning this matter was directed to you today by Mr. E. W. Tamm and a tickler copy of the same is attached hereto.

2. National Federation for Constitutional Liberties demands Department of Justice to investigate Martin Dies. During the broadcast, it was stated that the National Federation for Constitutional Liberties is going to demand that the Department of Justice investigate Congressman Martin Dies for shielding Nazi agents and sympathizers.

The Bureau has received no information from the Department concerning such a request; however, it is to be noted that an article appears in the Washington Times Herald today in which it is stated the Department of Justice last night was requested to investigate Dies on charges of "shielding Axis agents." This article stated the request was made by the National Federation

FOR DEFENSE



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for Constitutional Liberties and the request consisted of a 52-page documented pamphlet outlining Dies' alleged activities in protecting enemies of the United States. A copy of this article is attached.

3. Gerald L. K. Smith and Edward James Smythe. During the broadcast, Winchell made reference to a series of articles which he wrote for Liberty magazine under the title "Americans We Can Do Without." He then stated that Gerald L. K. Smith had made the statement that he (Winchell) was going to apologize for stating that Smith had been indicted. Winchell then reported that it was the Liberty magazine which would have to make an apology and not he; that somebody connected with Liberty magazine had apparently made a mistake and that the person actually indicted was Edward James Smythe. He pointed out that someone connected with Liberty magazine had mistaken this individual for Gerald L. K. Smith. Mr. Winchell stated that while Smith was not indicted his publication had been mentioned in the indictment returned at Washington, D. C. Winchell further stated he would not apologize to Smith or anyone like him.

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It is known that the indictment which was recently returned in Washington, D. C., concerning numerous individuals mentioned the fact that Smith's publication "The Cross and the Flag" was one which furthered the program of interfering with the Armed Forces.

4. William Dudley Pelley. Winchell stated that William Dudley Pelley will be returned to North Carolina to serve out his suspended sentence there before he starts serving the fifteen year sentence which the Federal Court in Indiana recently imposed upon him.

5. Mr. Hoover requests the public to be on alert for persons impersonating FBI agents. During the broadcast, it was stated that Mr. John Edgar Hoover had requested that the public be alert to make certain that people who contact them as Special Agents of the Federal Bureau of Investigation are definitely representatives of the Bureau and that they should therefore examine their credentials closely. He also quoted Mr. Hoover as saying there are imposters who pose as Special Agents in order to fleece the public.

6. Groveswood Social Club, Brooklyn, New York. During the broadcast, Winchell directed to the attention of Assistant Attorney General William Power Maloney the existence of the Groveswood Social Club, Brooklyn, New York, which he stated is carrying on activities similar to those of the German American Bund.

Memo. for Mr. Ladd

- 3 -

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A review of the Bureau files reflects that the November 17, 1938, issue of the Deutscher Weckruf und Beobachter and Free American, the official organ of the German American Bund, carried a collective ad of German American firms in Brooklyn, New York. According to confidential informant [REDACTED]

During the investigation of the German American Bund in 1940, an analysis was made of certain records then in the possession of the District Attorney of New York County which had been secured by subpoena in the case of the People of New York vs. Fritz Kuhn. It is noted that the Grovewood Social Club on January 12, 1939, gave payment to the Deutscher Weckruf und Beobachter in the amount of \$105 for advertising and under date of February 14, 1939, gave payment of \$131.25 for the same purpose. In a recent communication received from the Military Intelligence Division, the statement was made that the German American Bund had 103 separate groups and that it controlled certain other German organizations. In the latter list the Grovewood Social Club was set forth. This information is apparently not accurate in view of the fact that the German American Bund even as late as September, 1940, only possessed 47 units and branches. The organizations listed which the Bund was alleged to control are known to be inaccurate. Since many are listed that did not cooperate with the German American Bund, no separate investigation has been conducted with reference to the Grovewood Social Club, inasmuch as in the past insufficient information was available on which to predicate an inquiry.

Respectfully,

F. L. Welch

F. L. Welch

Attachments

Handwritten signature

FBI Is Asked To Probe Dies

The Department of Justice last night was asked to investigate Representative Martin Dies (D.), of Texas, chairman of the House Committee on Un-American Activities, on charges of "shielding" Axis agents.

The request was made by the National Federation for Constitutional Liberties which includes on its 37-man executive board Daniel Hammett, the author; Representative Vito Marcantonio (D.), of New York; Joseph Curran, head of the National Maritime Union; Rev. William B. Spofford, and Paul Robeson, the Negro baritone. It was contained in a 52-page documented pamphlet outlining Dies' alleged activities in protecting enemies of the United States.

In a foreword to the book, Federation Chairman George Marshall charged that "for four years Dies and his committee have through a vigorous campaign of diversion and suppression, obscured the activities of the Nazi network, the Fifth Column in the United States."

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ENCLOSURE

WASHINGTON TIMES-HERALD
MORNING EDITION AUG 31 1942

32

INITIAL

August 31, 1942

MR. LADD

RE: "PM" STORY ON INTERNAL SECURITY-HATCH ACT
INVESTIGATIONS

The August 31, 1942, edition of the "PM" newspaper contains an article, which is attached hereto, entitled "FBI Exposes Dies' Attack on 1119 As Fake". The story itself is an attack on the Dies List and comments adversely on the fact that of the original 1121 names only two were fired and six persons resigned. The story while generally true is in part inaccurate but the data was apparently obtained from someone who had definite information concerning our original report.

In analyzing the figures of the Dies Committee the following two cases have been considered as being discharges:

(1) [redacted] you will recall [redacted] was discharged from the Department of Labor by the Secretary of Labor effective as of close of business July 3, 1941, "in order to promote the efficiency of the Service". This action was, of course, taken following a Bureau investigation which was completed several months prior to the receipt of the Dies List. Inasmuch as the name had appeared on the list it was counted as a discharge in order to show the disposition of the case.

(2) [redacted] the Department of Commerce by letter dated May 11, 1942, advised "after consideration of your report of alleged subversive activities and [redacted] reply to the charges made against her, the Department has concluded that the continuance of her employment in this Department is detrimental to the interest of the Government Service. The Department has directed that she be dismissed effective at the close of May 11, 1942".

Our report, of course, does not comment upon other persons whose names appeared on the Dies List and who had resigned either during or prior to our investigation. We did this in the original report inasmuch as by naming the persons concerned we could set forth facts and not draw conclusions concerning the particular action.

Our original report commented concerning the following cases which appeared on the Dies List: SE 13 SB BW 73

(1) [redacted] (original report). We investigated [redacted] during the course of which investigation it was determined that he had resigned his position with the U. S. Housing Authority. This Agency on

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62-31615-268

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being requested to furnish any information with regard to the circumstances surrounding [redacted] resignation replied that he had submitted a letter of resignation basing the same on charges made by Congressman D'Alessandro stating that he was resigning in order to relieve the United States Housing Authority of any further embarrassment.

The above case is not included in the statistics in our final report inasmuch as the resignation took place prior to the enactment of Public Law No. 135, and no definite commitment concerning any administrative action was received from the Employing Agency.

(2) [redacted] original report). The name of [redacted] appeared on the Dies List as being a member of the Washington Committee for Democratic Action. We had previously, on August 28, 1941, advised the Department of this fact. Upon the completion of the investigation on April 11, 1942, the report was forwarded to the Department of Labor and that Agency advised that no action was being taken concerning her for the reason that she had voluntarily resigned on May 15, 1942, and was then employed by the National Maritime Union of America.

(3) [redacted] original report). [redacted] was named on the Dies List as a member of the Washington Committee for Democratic Action. We had, on September 25, 1941, advised the Department of this fact. On January 16, 1942, on interview, she stated that she had been on leave from the Railroad Retirement Board without pay since the 1st of November although she did not know whether formal action had been taken on her resignation. The interview was terminated at that point and it was subsequently determined that she had sent her written resignation to the Railroad Retirement Board on January 14, 1942, only two days prior to the interview.

The following persons which do not come within the category of resignations and yet were not discharged as a result of investigative activity by the Bureau and were not commented upon in our report are as follows:

(1) [redacted] original report). [redacted] was described on the Dies List as being a member of the American League for Peace and Democracy which you will recall was not declared subversive until May 5, 1942. We had advised the Department that his name appeared on the indices of the American Peace Mobilization and the American League for Peace and Democracy on August 23, 1941. On January 20, 1942, he was interviewed and on February 19, 1942, the report was forwarded to the Federal Communications Commission. By letter dated April 7, 1942, the FCC advised, "since the receipt of the Director's report, this Commission has been advised by the Civil Service Commission

that [redacted] who was serving under a probational indefinite appointment has been found ineligible for the position of Editorial Assistant by the Civil Service Commission for reasons unrelated to any charges under Public Law No. 135. Accordingly, this case, although reported in the original report was not included in our final report as a discharge.

The following two cases reflect discharges by the Civil Service Commission and while they were written up in our original report their nature precluded inclusion in the final report as an actual discharge predicated upon FBI investigation.

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(1) [redacted] (original report). On February 5, 1941, and August 4, 1941, information to the effect that [redacted] name appeared on the active indices of the American Peace Mobilization and the Washington Committee for Democratic Action which was furnished to the Department by memorandum dated September 9, 1941. Mr. McGuire advised that the Civil Service Commission had stated that they were conducting an investigation concerning [redacted]. In accordance with the then existing policy no investigation was made by the Bureau. On September 22, 1941, the Civil Service Commission advised that [redacted] had been removed with prejudice at the expiration of his accrued annual leave.

While this case was written up in our original report it was not included in our subsequent statistics inasmuch as no investigation had been conducted by the Bureau.

(2) [redacted] (original report). On January 10, 1941, and on September 11, 1941, information to the effect that the name of [redacted] appeared on the indices of the American Peace Mobilization and concerning his activities in connection with that organization was furnished to the Department. During the course of the investigation it was determined that [redacted] had resigned, without prejudice, from the Civil Service Commission on September 29, 1941, and as a result of his past activities his name had been "flagged" by that Agency.

The above reflects two discharges attributed to Bureau investigation of the Dies List and six additional cases of resignation and separation from the Federal Service either prior to or subsequent to the furnishing of information by the Bureau to the interested Government Agency. They were all written up in our original report as they were cases in which significant information was developed.

The "FM" report comments that there were only two discharges and six others have resigned voluntarily, assuming that the remainder of 1119 cases were unsubstantiated.

As reflected from the resume of the above this is not a true statement and is entirely presumptuous, the presumptions probably having been made by some one in the Department of Justice.

Our factual report in its analysis specifically stated that Army and Navy employees and members of non-subversive organizations were not investigated, leaving 767 persons to be disposed of by investigation. Of this number 97 were found to be no longer employed by the Government. All of these cases were presumably voluntary resignations although when we found that a person was no longer employed by the Government we did not check further unless there were aggravated circumstances. Further, our analysis does not cover the cases investigated by the War and Navy Departments inasmuch as we have not received replies in all cases from those Agencies. Our report further specifically states that some of the cases have not been completed by investigation and in over 100 cases we have had no replies.

I wanted you to be advised concerning the above inasmuch as Dies will not accept these charges without retaliation and although the Bureau has made no misstatements in its report some one in the Department has apparently gone off base and it will inevitably result in the Bureau being caught between two fires.

Respectfully,

E. W. Tamm

Attachment

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DAF:IS

62-31615-268

September 2, 1942

RECORDED

Special Agent in Charge
New York, New York

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DATE 8/24/84 BY SP8 BTJ/GCL

RE: THE GROVEWOOD SOCIAL CLUB
INTERNAL SECURITY - S

Dear Sir:

Walter Winchell, in his broadcast of Sunday, August 30, 1942, mentioned the Greenwood Social Club of Brooklyn, New York, which he stated was engaged in activities similar to those of the German-American Bund.

A review of the files of this Bureau does not reflect that inquiries have previously been initiated by your office concerning this organization. However, the following material is available:

Confidential Informant [REDACTED]

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Your attention is also directed to the report of Special Agent [REDACTED] dated May 1, 1940, at New York City, entitled GERMAN-AMERICAN BUND, REGISTRATION ACT, which sets forth an accounting analysis of the records then being held by the District Attorney of New York County under subpoena in the case of the People of New York versus Fritz Kuhn. It is noted in this report that the Greenwood Social Club paid for advertisements in the Deutscher Weckruf und Beobachter and Free American under date of January 12, 1939 and February 14, 1939, in the amounts of \$105.00 and \$131.25, respectively.

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Coffey _____
Mr. Hendon _____
Mr. Kramer _____
Mr. McGuire _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

In a recent communication received from the Military Intelligence Division, Washington, D. C., the Greenwood Social Club was listed as one of nineteen German organizations in New York City and vicinity which were under the control of the German-American Bund. The source of this report to the Military Intelligence Division is not known. However, it is noted that several of the [REDACTED] organizations alleged to be under the control of the German-American Bund are known to have avoided any affiliation whatsoever with the latter group.

SEP 2 1942

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

58 OCT 1 1942

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SAC - New York

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It is requested that an immediate preliminary inquiry be initiated to determine the background, activities and affiliations of the captioned organization and whether its present status in any way can be construed as a threat to the internal security of this country. Your early attention to this investigation is requested.

Very truly yours,

John Edgar Hoover
Director

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**Federal Bureau of Investigation
United States Department of Justice**

Birmingham, Alabama
September 23, 1942.

HMD:T

Director
Federal Bureau of Investigation
Washington, D. C.

Re: ⁰WALTER WINCHELL, Columnist.

Dear Sir:

During the course of an interview with [REDACTED]

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[REDACTED] Birmingham, Alabama, Special Agent HARRY M. DAVIS was advised that an attempt was being made to bring WALTER WINCHELL to Birmingham, Alabama, some time during the month of October, 1942. The purpose of this visit is to swear a group of enlisted men into the Navy.

At the present time the plans are apparently indefinite, but if definite information is received the Bureau will be advised.

Yours truly,

E. P. Guinane

E. P. GUINANE
Special Agent in Charge.

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DATE 8/24/84 BY SP8 BTJ/GCL

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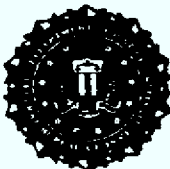
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JOHN EDGAR HOOVER
DIRECTOR



Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

WSC:le
Broadcast: 9:00 PM
Dictated: 11:50 PM

September 27, 1942

MEMORANDUM FOR MR. D. M. LADD

Re: Walter Winchell Broadcast
September 27, 1942

Mr. Tolson ✓
Mr. E. A. Tamm ✓
Mr. Clegg ✓
Mr. Glavin ✓
Mr. Ladd ✓
Mr. Nichols ✓
Mr. Rosen ✓
Mr. Tracy ✓
Mr. Carson ✓
Mr. Coffey ✓
Mr. Hendon ✓
Mr. Holloman ✓
Mr. McGuire ✓
Mr. Quinn Tamm ✓
Tele. Room ✓
Mr. Nease ✓
Miss Gandy ✓

The following items which appear to be of interest to the Bureau were commented on by Mr. Winchell in his broadcast on the above date:

ARTICLE
ATTACHED

1. Newspaper "PM." Winchell stated that tomorrow's edition of the PM newspaper will break a sensational story about members of the Administration. They will be accused by PM of disobeying orders of the President and for blocking aid to Russia. He observed that, "This story will name names reaching right into the State Department."

It was not determined that the Bureau had received any information concerning this alleged story.

2. Alien Apprehension. Alfred Max Bauer, who was described as a German butler employed at the Westbury, Long Island, residence of the Chairman of the Board of Governors of the New York Stock Exchange, was said to have been apprehended and interned as a dangerous enemy alien at Ellis Island.

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FOR DEFENSE



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Memorandum for Mr. Ladd
September 27, 1942

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3. United States and French Diplomatic Matters. As of possible general interest, Winchell indicated that he had received information from a source in Lisbon that a great duel between Secretary of State Hull and Pierre Laval is reaching a conclusion, with Mr. Hull calling for a showdown. Winchell stated, "Lisbon is of the opinion that Secretary Hull will accept war."

4. Publication "The Illustrious Dunderheads." This book was said to have been recently published by Kopp (phonetic) and to have been edited by Rex Stahl (phonetic) and Frank Sullivan. Winchell described this publication as "the book of the week," stating it was "a book that will keep many people in Washington, D. C. from sleeping well many a night. This new book exposes certain Senators and Congressmen by using their very own words right out of the Congressional Record. It also punches the noses of those Congressmen and Senators who voted against national defense and who failed you and your sons now at war."

A check failed to disclose that the Bureau has received this publication. It is presumed that the book was published by a New York concern, and it is suggested that the New York Office be instructed to obtain a copy of this publication for the Bureau's library.

5. Registration Act and Sedition Matters. Winchell stated that a "sensational document" will be introduced into evidence in Judge Raymond Cothoran's (phonetic) court at Sacramento, California, by California Attorney General Earl Warren. This document was described by Winchell as a blueprint allegedly sent by Nazi officials in Germany to its key agents in the United States, instructing these agents that they "must make a German homeland in America," and the Nazi agents were further instructed to have persons "ready to obey orders." This document was allegedly found in the home of F. K. Ferenz, who, together with others, was on trial for failure to register as a member of a subversive organization. Winchell further stated, "Attorney General Warren will allege that Ferenz was and is a Nazi agent, and that Robert Noble's Friends of Progress organization members were his paid dupes."

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[REDACTED]

[REDACTED]

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Memorandum for Mr. Ladd
September 27, 1942

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b7C

[REDACTED]

Winchell also stated, "The only person of the twenty-eight who were indicted by the Government recently, and who still eludes arrest, is Edward James Smythe, of Virginia Avenue, New York City. I was on the verge of losing great confidence in Federal Agents for not finding Smythe until the other day when I found out why G-men can't find Smythe. It seems he is dead. How do I know this? I received an anonymous letter from him in which he says so himself."

[REDACTED]

William Power Maloney, the Department's Special Prosecutor, was said to be on his way to California, and Winchell praised Mr. Maloney highly for his successful prosecution of "so many cases" which resulted in imprisonment of the subjects. He mentioned specifically the trials of George Sylvester Vierick, Laura Ingalls, and George B. Hill, former employee of Congressman Hamilton Fish. Winchell stated that Maloney will pause in Chicago tomorrow and will personally supervise the removal of "Lizzie Dilling" to Washington for her trial on Government charges. Mr. Maloney, "after making sure that the handcuffs on Lizzie's wrists are secure," will then proceed to the West Coast to do the same thing to Robert D. Edmundson, who, according to Winchell, "has been getting away with plenty since 1933."

Winchell also related, "William Culdren will be the next to be pushed into the Federal Police wagon; then Robert Noble and Ellis O. Jones of Los Angeles will be dragged to a plane bound for Washington, D. C. David Saxter is another who bet on the wrong horse when he bet on Adolf. Several others will be picked up and handcuffed by the Department of Justice within forty-eight hours, but their names are a Military secret at this time."

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Memorandum for Mr. Ladd
September 27, 1942

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[REDACTED]
[REDACTED] have all been the subjects of investigation by the Bureau for violation of the Sedition statutes. As you will recall, all of these individuals were included in the group of twenty-eight recently indicted in Washington, D. C. Inasmuch as the Department had these indictments returned without reference to the Bureau, and has more or less taken over this inquiry, the Bureau has had nothing further to do with the matter since that time. The Bureau is fully aware of all of the facts concerning [REDACTED]
[REDACTED]

Respectfully,

W. S. Crawford
W. S. Crawford

Mr. Tolson _____
 Mr. E. A. Tamm _____
 Mr. Clegg _____
 Mr. Glavin _____
 Mr. Ladd _____
 Mr. Nichols _____
 Mr. Rosen _____
 Mr. Tracy _____
 Mr. Carson _____
 Mr. Coffey _____
 Mr. Hendon _____
 Mr. Kramer _____
 Mr. McGuire _____
 Mr. Quinn Tamm _____
 Mr. Nease _____
 Miss Gandy _____

U. S. Officials Defied

FDR's Orders

Disclosure Function

The writer of this story is I. F. Stone, recognized newspaper authority on U. S. war production. He formerly was a daily contributor to PM as a member of the staff. He temporarily dropped daily newspaper work to write a book on the record of the WPB, a work on which he is still engaged. He also is a contributor to The Nation and is author of the book, Business as Usual, published last year.

PART I

14 Months' Delay

By I. F. STONE

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PM I accuse the State Dept., the Petroleum Co-ordinators' Office and the Chemical Branch of the War Production Board of blocking aid to the Soviet Union.

I accuse them of disobeying precise and detailed instructions issued by the President himself.

I accuse them of delaying shipment to the Soviet Union of facilities it needs for the production of two vital materials of war—aviation gas and TNT.

Fourteen months have passed since Mr. Roosevelt ordered that these facilities be furnished our Russian allies.

These facilities were among the first and most urgent requests made by the USSR after the Nazi attack upon it, June 22, 1941.

An itemized list of the aviation gas and other facilities asked by the Soviet Union was prepared immediately by Major General John H. Burns, then in charge of Lend-Lease. I am in a position authoritatively to reveal that Gen. Burns presented this list to the President on July 23, 1941. The Russians were asking for delivery October 31, 1941.

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PM DAILY
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Ordered by FDR

The President, after full consideration of the domestic and international factors involved, gave that list his approval two days later. He embodied the list in a written order and he regarded the matter as so important that he told aides that he wanted the list "gotten through by tonight."

"Tonight," was July 25, 1941.

Fourteen months have passed and the Russians still are negotiating.

Months ago, minor officials and 3-a-year men, who thought they knew better than the President what we could afford to give the Russians, vetoed that list.

The President had ordered that new refining facilities to make aviation gas and synthetic toluene for TNT be given the Soviet Union.

Minor Officials Decide

These minor officials decided that we could not spare new facilities.

After many months of negotiation, they substituted the idea of allowing the Russians to buy the second-hand facilities available in shutdown oil refineries in Louisiana and Texas.

When Soviet representatives picked refineries they wanted, there were many more months of stalling.

I am assured that the deal for these second-hand facilities will be closed and contracts signed "any day now."

"Any day now," for all Soviet heroism, the Nazis may succeed in cutting the Soviet Union off from the United States and Britain, and it may be too late to give it facilities so essential to its continued resistance.

Given 'Run-Around'

The tortuous study of these oil-refining facilities is doubly important to the American people.

It is typical of the run-around given our Soviet allies in many of their dealings with the State Department and 3-a-year men.

It is also typical of the way in which the President's purposes and War Production program have been thwarted over and over again at home.

Incidents of this kind, unknown to the

American people, have been embittering relations with the Soviet Union at a time when it has been giving its all and its best in the fight against the Axis.

Patents Withheld

Similar incidents have hamstrung our own military preparations as well as the efforts of our Allies.

The same companies which long were unwilling to make their patents and know-how for synthetic rubber and other products available for our own use control most of the aviation gas and TNT processes the Russians need. They have been unwilling to place these at the disposal of the Soviet Union, although they shared many of them with Germany, Italy, and Japan before the war began.

The same group of companies which was linked with I. G. Farben in the I. G. Standard cartel seems to be in control of oil dealings with the Soviet Union. These companies are Standard of New Jersey, Shell, Texas, Standard of Indiana, Universal Oil Products, and M. W. Kellogg Company.

Need Oil From Coal

The I. G. Farben-Standard cartel was unfriendly to the Soviet Union. Its most prized possession was its process for making oil synthetically from coal, and one of the provisions in its agreements was that "no license for production of petroleum products from coal should be given to the Union of Soviet Socialist Republics."

With the Caucasus on the verge of being lost, a few synthetic oil plants in the Urals would be of the greatest importance to the United Nations and to Russia's continued resistance.

This was one of the processes for which the Soviets asked and this was one of the processes the President ordered that they be given.

They're still waiting.

PART II

The Men To Blame

In last week's issue of the Nation, I charged that three State Department officials played a leading part in the run-around given the Russians in this oil refining deal.

They are:

Assistant Secretary of State A. A. Berle,

Max W. Thornburg, the State Department's chief adviser on international petroleum.

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formerly operating vice president of a Persian Gulf Oil Company owned jointly by Standard Oil of California and Texas Company.

¶ Loy W. Henderson, of the Division of European Affairs, who has been regarded in the past, whether justly or unjustly, as a leading figure in the Department's anti-Soviet bloc.

One of these three men and a spokesman for the Department since have admitted to the writer that they did oppose the Russian request, but that this was done because they felt that we needed these same facilities too badly at home to spare any for the Russians.

Presumably that question already had been decided by the President. Presumably he felt that Russian needs were so urgent that we had to spare some of our supplies to help them.

No Attack on Patriotism

Other agencies friendlier to the Russians felt that this question was not for the State Department to decide, that the State Department was "butting in" on matters outside its province.

Since publication of those charges in the *Nation*, I have come into the possession of more information on these oil-refining negotiations, much of it in the form of documents which may be published by the Senate Patents Committee unless other departments of the Government succeed in suppressing them.

I am now in position to name more names, but in doing so I wish to make it clear that I am not impugning the patriotism of the men I have named and am about to name.

Questions of judgment entered into the Russian oil negotiations on which honest men might honestly differ. The shocking thing is that these subordinate officials took it upon themselves to substitute their judgment for the President's.

The interesting thing is that the judgment

they substituted for the President's happened also to coincide with the wishes of oil companies opposed to giving these processes to the Russians.

I am sorry to have to add the name of Assistant Secretary of State Dean Acheson to those in the State Department who opposed the giving of these facilities to the Soviet Union.

While Acheson has been much more progressive than most other members of the Department on such questions as the Soviet Union and relations with the Fighting French, and while he did not go as far as Thornburg or Berle in opposition, he finally was won over to their side in this controversy.

Another member of the Department who helped block aid to the Soviets in this case was Charles Bunn, a member of the State Department's Board of Economic Operations.

Though both Thornburg and Bunn are listed as special assistants to Under-Secretary Sumner Welles, I was assured within the Department that Welles had taken no part in the dispute and did not know of it until the publication of the story in the *Nation*.

Others Helped in Delay

Here are some of the other men who helped to delay the giving of this aid to the Soviet Union:

At the War Production Board:

¶ E. W. Reid, then assistant chief, now chief of The Chemicals Branch, a 3-a-year man from Mellon Institute.

¶ Alex I. Henderson, then counsel to the Materials Division, now its head, a lawyer from the famous Wall Street corporation law firm of Cravath, de Cersdorff, Swaine and Wood.

At the Petroleum Co-ordinator's office:

¶ Ralph K. Davies, of Standard Oil of California, deputy to Secretary of the

Delayed Vital Help for Red Arm

Standard Oil Convinced Admirals to Oppose Passing On Secrets

PART 2 (Continued)

terior Harold Ickes in charge of the Office of Petroleum Co-ordinator.

¶ Wright W. Gary, formerly of the M. W. Kellogg Company. Until a few weeks ago, Gary was director of refining in the Petroleum Co-ordinator's Office.

Get Admirals' Support

I am sorry to report that Standard Oil of New Jersey also convinced several admirals in the Navy that it was unwise to give some of these processes to the Soviet Union.

E. J. Hadler of Standard Oil of New Jersey convinced Admiral H. R. Stark, chief of Naval Operations, and the latter obtained the support of Admirals Reeves and Stuart in opposition to this particular form of aid to the Soviets.

In favor of this aid to the Soviet Union were Harry L. Hopkins, Lend-Lease Administrator Edward N. Stettinius, Jr., Donald M. Nelson, and William L. Batt.

I think that W. Averell Harriman should be in the list, but I don't know. Earl E. Ritty, the oil expert who accompanied the Harriman mission to Moscow, fought strongly to give this aid to the Russians, as did the subordinate officials of Lend-Lease who were in charge of aid to the Soviet Union.

Ickes Disappointing

Two other officials who appear in the picture, Secretary of the Treasury Morgenthau and Thurman Arnold, gave strong support to the Russians. Secretary Ickes, who has been outstandingly friendly to the Soviets in other matters, seems to have wavered disappointingly in this one.

Unfortunately, none of these top officials—and this is characteristic of the whole war production setup—proved energetic and forceful enough to overcome the objections put forward by subordinates, and by Standard Oil of New Jersey and its allies.

Run-Around Kept Secret

The Russians, ever cautious of diplomatic proprieties, fearful of offending Russian interests and officials with whom they must deal, not exactly trustful of their dealings with newspapermen, have maintained an unbroken silence on the subject.

The State Department is the master of all departments here in this art of government by well-placed technical objects. The strategy is to agree with the President in principle, BUT each BUT can be embodied in a memorandum. Each memorandum requires an answer. Pleasants may be spent in discussing technical objections and passing the buck from one department to another. This is a game in

4 The entire decision was delayed, the
under the excuse, to give some of the facili-
ties to the Russians because our own war
effort was growing and Pearl Harbor sent
oil prices sky-high. But even after
Pearl Harbor, the Badger Company, one of
the big oil-refining firms, was in a posi-
tion to build a Houdry process aviation gas
plant for the Russians without interfering
with our war program. The Standard Oil
Company was just as anxious to let Houdry
do the Russian business, if they had to deal
with the Soviet Union, they preferred to
keep the business in their own hands.

...the Russian Empire there should be compared, by the
...of these efforts, with the months
delay the Russians have imposed on Na-
to deliver the full force of their East-
European Empire against the West.

PART IV

Standard's Eye On Post-War

The truth is, as the President will see if he calls for complete files of inter-departmental communications on this matter, that the basic objection to carrying out his orders was of a quite different character.

He will see that the Standard Oil of New Jersey group was reluctant to let the Russians use its patented processes for aviation gas, toluene and other synthetics.

He will see Government officials as well as oil company men frankly looking at the whole problem in cold-blooded post-war commercial terms, rather than in terms of the great struggle in which we are engaged.

Fear Post-War Business

He will see that many of his subordinates were not half as concerned with the consequences of a Russian collapse as they were fearful that the Russians might use these processes to compete with our own oil and chemical companies after the war was over.

He will see this expressed in cold-blooded fashion.

Three months after the President's first orders to give this aid to the Soviet Union, these objections were being put forward vigorously by E. W. Reid, the Mellon Institute 4-a-year man on behalf of the chemicals branch.

Reid was opposing such aid to Britain as well as the Soviet Union. He did so on the ground of post-war commercial considerations. He said the Russians had been trying to obtain these processes for 15 months (this was in September, 1941) and that, the

MORE

PART 4 (Continued)

chemicals branch had objected consistently to giving them "trade secrets."

Backs Anti-Soviet Stand

Reid's attitude throws some unexpected new light on the failure of the WPB to take up the Russian offer to give us their processes for making rubber from alcohol. One of the Russian requests was for facilities to make vistanex. Vistanex is a synthetic elastic jointly owned in the past by I. G. Farben and Standard of New Jersey. It lacks many properties of rubber, but has certain valuable military uses. Reid said Standard Oil objected to giving this to the Russians and he supported Standard in these objections.

Had the Russian offer on synthetic rubber been accepted, it would have been harder to refuse the Soviet Union a request like this one, on vistanex.

The argument that the Russians would be obtaining trade secrets under the guise of the war emergency (the war appears as just such a minor consideration in the documents) also was sold by Sadler of Standard Oil to Admiral Stark and by the latter in turn to Admirals Reeves and Stuart.

Harry Hopkins knows that Berle and Thornburg opposed giving any aviation gas plants to the Russians and that Thornburg expressed the suspicion that the Soviet Union was only trying to get the precious trade secrets of the oil business.

Oil, with some of these people, seems to be much thicker than blood.

Secrets in Axis Hands

One of Sadler's arguments to Admiral Stark also was an argument put forward by Thornburg. This was that these secrets might fall into the hands of the Axis.

This, in reference to the Standard Oil-I. G. Farben processes, was the strangest argument of all. The enemy already had most of them, thanks to the cartel.

This same bugaboo already had been put to the President by State Department sources before his directives had been issued. The President had issued them, despite Thornburg's fears on this score. The President did so after Wright Gary expressed the opinion that he thought this question of secrecy from the Axis unreal. Gary, who came to the petroleum co-ordinator's office from the M. W. Kellogg Company, itself a partner in several of the Standard-I. G. Farben cartel pools, said Nazi chemists were familiar with the processes, through the cartel, and that plants to use them had been erected in Italy before the war began.

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Run-Around Given Russia Was Closely

Guarded Secret

Gary might have added that the aviation gas process was given to Japan before the war, despite State Department's objections. The process was given to the Japanese by International Hydro patents, jointly owned by Standard and Shell.

Every country in the Axis is using the aviation gas process which these same people were fearful of giving to our ally, the Soviet Union.

PART V

PCO 'Mislaidd' FDR's Orders

If the President investigates, he will find that one of the biggest stumbling blocks to the carrying-out of his orders was the Petroleum Co-ordinator's Office, despite the fact that the head of that office, Secretary of the Interior Ickes, has been outstanding among the Soviet Union's handful of real friends in the Government.

He will find that the Petroleum Co-ordinator's office seemed to have a talent for mislaying the President's instructions in this matter.

He will find that while the Petroleum Co-ordinator's Office was only too ready to facilitate shipment of aviation gas and other oil products to the Soviet Union, it balked and hesitated at giving the Russians the facilities to make these products for themselves.

Goes to Nelson

He will find that as late as April of this year, Secretary Ickes himself wrote Donald Nelson asking whether the Moscow protocol required us to supply oil drilling or refining parts or machinery to the Soviet Union. Nelson replied by calling his attention to the specific facilities named in the President's order of July 25, 1941, and August 18, 1941.

As late as May of this year, Wright Gary, the man Ickes made Director of Refining in the Petroleum Co-ordinator's office, couldn't find any record of any Presidential instructions in the matter of giving these refining facilities to the Russians. Yet these same instructions had been given in writing in Aug., 1941 to Ralph K. Davies, Ickes' dep-

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...and acting head of the Petroleum Co-ordinator's Office.

The record will disclose that both Davies and Gary were very leisurely about this Russian business. Neither seemed very anxious to get down to business.

The same atmosphere existed in the Petroleum Co-ordinator's Office.

Getting Complaints

The PCO has a foreign division. This foreign division passes on all proposed shipments of oil processes and refining facilities abroad. It exercises great power. The head of the division is James T. Duce of California Standard Arabian, which is owned jointly by Standard of California and Texas Company. The second-in-command of the Division is William D. Crampton, formerly Standard Oil of New Jersey's representative in France. Crampton figured in the negotiations between the Nazis and Standard to obtain the right to use certain synthetic oil processes in Occupied France. These negotiations came to light in the Department of Justice investigation into the cartel.

The anti-trust division of the Department of Justice has been getting complaints from independent oil companies that they are unable to obtain clearance in Washington for sale of special processes and products to the Soviet Union and other of the United Nations.

Clearance has to be obtained through the foreign division of the PCO.

Hampers War Effort

An example is a process long widely used in this country to reclaim used aviation lubricants. Its usefulness to the Russians and Chinese, both short of aviation lubricants, is obvious. But the independent company which owns the process seems unable to sell it to our Allies.

Use of the reclaiming process naturally cuts down need for aviation lubricants, and thus cuts into sales. Here is another example of the commercial calculations and monopolistic thinking that get in the way of war efficiency.

This foreign division of the PCO may have played a crucial part in the Russian negotiations in another way. Behind the scenes there has been a long haggle over

patent rights and royalties between the Soviet Union and the Standard Oil group. This haggle has helped to pass the time away while the Nazis were advancing on the Caucasus.

Use of these facilities for making aviation gas and toluene involves use of patents. Although the Russians have a patent system under which foreign corporations may collect royalties in the Soviet Union, the Standard Oil group never filed these patents in the USSR. It did not file them there because it did not want the Soviet Union to have them.

Collected Royalties

While the Standard Oil group of companies has claimed some \$5,000,000 in royalties in advance before it would agree to sell these facilities to the Soviet Union, the Russians protested that they did not see why they should pay for the use of patents not on file in their country. In this, so far as I can learn, they were supported by Thurman Arnold and the patents experts of the Department of Justice.

A compromise proposal was that the Russians pay only the same royalty fees which are being paid by the RFC for use of these processes. This proposal had the support of Secretary Ickes.

So far as I can learn, the royalty question has yet to be entirely settled.

Were the foreign division of the PCO in independent hands, it might have taken the patents fight into the open and forced Standard to hand over the processes to the Russians and haggle afterwards.

Can't Make Their Own

Instead, the PCO's influence has been thrown on the side of those who argued that it was better for us to supply the Soviets with aviation gas (despite the submarine menace) than to let them make their own. It has been thrown on the side of "compromise" proposals that the Anglo-Iranian Oil Company's aviation gas plant at Abadan in Persia be enlarged and the Russians obtain their aviation gas from it by truck or pipeline to be built from the Caucasus.

Had the President's orders been obeyed last year, the Russians might have had their own aviation gas and TNT plants under construction now in the Urals, supplying them with materials for continued resistance even if they are shut off entirely from the West.

1 EPILOGUE

Last March, the group of companies linked with I. G. Farben were ordered to dissolve the pools they had formed to restrict the use of a series of basic processes in the making of aviation gas and synthetic products. These pools were held to be violations of the anti-trust laws.

Last March, the Petroleum Co-ordinator's Office issued a special order permitting these same companies—Standard of New Jersey, Shell, Standard of Indiana, Texas, Kellogg and Universal Oil Products—to pool all these same processes and to do "co-operative development" work on them. This order was cleared with the anti-trust division of the Department of Justice and granted some immunity from prosecution.

The excuse was that the pooling of these processes, though it otherwise might be in violation of the anti-trust laws, was necessary to help the Soviet Union.



Harry L. Hopkins



Donald Nelson



Max W. Thornburg



A. A. Berle




Ralph K. Davies



William L. Batt



Dean Acheson



"We cannot have all we want
if our soldiers and sailors are to
have all they need."
—Franklin D. Roosevelt

**EVERYBODY
EVERY PAYDAY** **10¢** **BUY
WAR
BONDS**

WSC:ls
Broadcast: 9:00 PM
Dictated: 11:50 PM

September 27, 1942

MR. W. M. LADD

Re: Walter Winchell Broadcast
September 27, 1942

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2. Alien Apprehension. Alfred Max Bauer, who was described as a German butler employed at the Westbury, Long Island, residence of the Chairman of the Board of Governors of the New York Stock Exchange, was said to have been apprehended and interned as a dangerous enemy alien at Ellis Island.

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EX-3

Memorandum for Mr. Ladd
September 27, 1942

Page 2

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4. Publication "The Illustrious Dunderheads." This book was said to have been recently published by Kopp (phonetic) and to have been edited by Rex Stahl (phonetic) and Frank Sullivan. Winchell described this publication as "the book of the week," stating it was "a book that will keep many people in Washington, D. C. from sleeping well many a night. This new book exposes certain Senators and Congressmen by using their very own words right out of the Congressional Record. It also punches the noses of those Congressmen and Senators who voted against national defense and who failed you and your sons now at war."

A check failed to disclose that the Bureau has received this publication. It is presumed that the book was published by a New York concern, and it is suggested that the New York Office be instructed to obtain a copy of this publication for the Bureau's library.

5. Registration Act and Sedition Matters. Winchell stated that a "sensational document" will be introduced into evidence in Judge Raymond Cotheran's (phonetic) court at Sacramento, California, by California Attorney General Earl Warren. This document was described by Winchell as a blueprint allegedly sent by Nazi officials in Germany to its key agents in the United States, instructing these agents that they "must make a German homeland in America," and the Nazi agents were further instructed to have persons "ready to obey orders." This document was allegedly found in the home of F. E. Ferens, who, together with others, was on trial for failure to register as a member of a subversive organization. Winchell further stated, "Attorney General Warren will allege that Ferens was and is a Nazi agent, and that Robert Noble's Friends of Progress organization members were his paid dupes."

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Coffey _____
Mr. Hendon _____
Mr. Kramer _____
Mr. McGuire _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

Memorandum for Mr. Ladd
September 27, 1942

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[REDACTED]

Winchell also stated, "The only person of the twenty-eight who were indicted by the Government recently, and who still eludes arrest, is Edward James Saythe, of Virginia Avenue, New York City. I was on the verge of losing great confidence in Federal Agents for not finding Saythe until the other day when I found out my G-men can't find Saythe. It seems he is dead. How do I know this? I received an anonymous letter from him in which he says so himself."

[REDACTED]

William Power Maloney, the Department's Special Prosecutor, was said to be on his way to California, and Winchell praised Mr. Maloney highly for his successful prosecution of "so many cases" which resulted in imprisonment of the subjects. He mentioned specifically the trials of George Sylvester Vierick, Laura Ingalls, and George B. Hill, former employee of Congressman Hamilton Fish.

Mr. Tolson Winchell stated that Maloney will pause in Chicago tomorrow and will personally supervise the removal of "Lissie Dilling" to Washington for her trial on Government charges. Mr. Maloney, "after making sure that the handcuffs on Lissie's wrists are secure," will then proceed to the West Coast to do the same thing to Robert D. Edmundson, who, according to Winchell, "has been getting away with plenty since 1933."

Mr. Rosen Winchell also related, "William Cudren will be the next to be pushed into the Federal Police wagon; then Robert Noble and Ellis O. Jones of Los Angeles will be dragged to a plane bound for Washington, D. C. David Barker is another who bet on the wrong horse when he bet on Adolf. Several others will be picked up and handcuffed by the Department of Justice within forty-eight hours, but their names are a military secret at this time."

Mr. McGuire _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

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September 27, 1942

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[REDACTED] have all been the subjects of investigation by the Bureau for violation of the Sedition statutes. As you will recall, all of these individuals were included in the group of twenty-eight recently indicted in Washington, D. C. Inasmuch as the Department had these indictments returned without reference to the Bureau, and has more or less taken over this inquiry, the Bureau has had nothing further to do with the matter since that time. The Bureau is fully aware of all of the facts concerning [REDACTED]

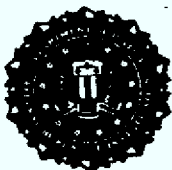
[REDACTED]

Respectfully,

W. S. Crawford

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Coffey _____
Mr. Hendon _____
Mr. Kramer _____
Mr. McGuire _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

JOHN EDGAR HOOVER
DIRECTOR



Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

October 4, 1942

WSC:le
Broadcast: 9:00 PM
Dictated: 12:15 AM
(10-5-42)

MEMORANDUM FOR MR. D. M. LADD

Re: Walter Winchell Broadcast
October 4, 1942

CC-287

Mr. Tolson	_____
Mr. E. A. Tamm	✓
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Carson	_____
Mr. Coffey	_____
Mr. Hendon	_____
Mr. Kramer	_____
Mr. McGuire	_____
Mr. Harbo	_____
Mr. Quinn Tamm	_____
Tele. Room	_____
Mr. Nease	_____
Miss Beahm	_____
Miss Gandy	_____

The following items which appear to be of interest to the Bureau were commented on by Mr. Winchell in his broadcast on the above date:

1. Alien Study by the Department. Winchell stated that Attorney General Biddle is expected to revise the alien laws and a release in this regard will be made on October 12, 1942. An announcement will be made, he stated, granting "citizen war status" to all loyal aliens. He observed, however, that this does not mean citizenship, but rather means "a recognition that certain aliens are not enemies."

It will be noted from my memorandum of September 13, 1942 that the Bureau has been advised that the Department is making an alien study at this time, and information has recently been received that consideration is being given to the removal of Italians from the category of alien enemies.

2. Vice Control in the District of Columbia. Winchell commented in regard to existing vice conditions in the District, and stated, "the fire-works are expected to start soon. If the Washington police can't handle this problem, the FBI will step in."

As you will recall, local newspapers have carried several articles recently in regard to the inadequacy of the local police in handling vice problems, particularly cases of prostitution. You will also recall that there has been some speculation that the Bureau would take over the handling of matters of this kind.

I discussed this matter with Mr. Rosen, who advised that the Director and other officials of the Bureau were fully cognizant in regard to this particular problem and suggested that further comment by the writer would not be necessary.

3. Counter-espionage in South America. Winchell, in making the following comment, placed the locale as "Rio," presumably Rio de Janeiro, Brazil, and commented, "The following cannot be fully told until after the

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war, but J. Edgar Hoover's FBI has crushed the Nazi Gestapo in a daring effort to steal war plans of the United Nations."

It was not possible to determine the specific incident referred to by Winchell, but he probably was referring to recent apprehensions of Axis nationals in Brazil. As you will recall, the Bureau furnished considerable information to Brazilian authorities, which resulted in the apprehension of a number of alleged Axis agents in that country. You will also recall that Bureau representatives had developed information in regard to some of the subjects which indicated that information in regard to the Allied war effort was being transmitted to Germany by short-wave radio.

4. Probe of Brooklyn, New York, Police Department. Mayor LaGuardia was said to have ordered Commissioner Hurlings (phonetic) to start a probe at once of the Brooklyn Police Department. Winchell stated, "This deals with Nazi-inspired vandalism across the Bridge. Persons having information about these fifth column activities or alleged Police Department derelictions are requested to contact Commissioner Hurlings at New York City tomorrow."

This comment was not altogether clear, but it appears that this probe will be directed toward the development of Police Department derelictions insofar as Nazi activity or "vandalism" is concerned.

It would appear, if Winchell's comments are correct, that the probe referred to would be of interest to the Bureau. It was not determined that the Bureau had received any advance information from the New York Office in regard to this matter, so the writer talked with SAC Drayton of the New York Office tonight, who advised that no information concerning this matter had come to his personal attention. He was requested to check into this matter and advise the Bureau by teletype at the earliest possible time as to all items of interest in this regard.

5. Apprehensions. Domenico Trombetta; Winchell began this particular comment by stating, "By way of brief outline of what the Government has done to some of the enemies among us, Domenico Trombetta, an American citizen who was editor of the publication 'Il Grido Della Stirpe,' propaganda organ serving Benito Mussolini, was accused of helping to organize a fifth column organization over here. Some of his material was re-published in the Congressional Record by the same Legislators who reprinted Nazi Agent Vierick's book. A few days ago, to the embarrassment of these Senators, this Mussolini agent was arrested by G-men as a dangerous enemy alien. His American citizenship has been revoked. He is now interned for the duration."

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