

FBI Reports - Miscellaneous - 1943

(Folder 2 of 3)

Hopkins Papers  
Special Ass't to President  
Box 151

SPSPX 320.2 W.A.A.C.  
(3-1-43)

March 4, 1943

MEMORANDUM FOR MR. HARRY L. HOPKINS.

Subject: WAACs at Daytona Beach.

Your note of March 1st regarding the WAACs at Daytona Beach has been sent to the Assistant Chief of Staff, G-1 from whom you will hear in regard to the matter.

F. H. OSBORN,  
Brigadier General,  
Director

March 1st, 1943

TO: Brig.General F.H. Osborn

FROM: Mr. Harry L. Hopkins

SUBJECT: WAACs at Daytona Beach

I have heard rumors, indirectly, that the Coquina Hotel in Daytona Beach, Fla., where the WAACs live, is known as a pretty tough place and that WAACs and some of the other gals hang out at a place called Billy's Cafe and that the M.P.'s bring some of these girls in at all hours of the night, pretty well under the weather.

I haven't the faintest idea whether there is any truth in all this, but it might be worth looking into.

k

*Osborn*

Halifax Hospital  
Daytona, Florida  
February 16, 1943

Mr. J. Edgar Hoover  
Washington, D. C.

Dear Mr. Hoover:

I am taking the liberty of writing you in regards to this organization.

Since coming here two months ago as a member of the WAAC I am not only surprised but broken hearted over the things that exist.

I am going to write only of the happenings of the one place where I am stationed and things I have heard and seen myself.

The Coquins Hotel where I am stationed is known by the men of the Army and Navy also the public as a house of ill fame. These remarks have been made to me and others present by all of above mentioned.

The women gather in evening at a place known as Billy's Cafe where the sky is the limit. The vulgar profane language and the drunken disorder of these women is a disgrace to all good true American citizen, many of us that gave up good positions, homes and love ones that thought we had a big job to do to help out in this emergency.

The women officers in charge are behind these women and do nothing when half of their beds are vacant at bed check.

Military Police bring them in all hours of night and still there is no punishment meted out to them.

When I enrolled in the WAAC everyone was investigated by the FBI from birth to the day we left for active duty.

This organization on the whole was organized for a wonderful purpose but can not stand or be of service to our country with women of this caliber.

This hospital is full of women like myself, here for a certificate of Disability who really admit that the only thing wrong with them is a broken heart from the disappointment and disillusionment over having to stand for the insults and bad reputation these women cause.

Several of us went to our Chaplain about these conditions and he knew about them from citizens of Daytona Beach; but he tries to do all in his power without effect.

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Please sir if there is any thing you can do will you do it for the protection of women whose heart and soul is wrapped up in this one thing.

I have been an investigator for the City of Detroit for many years and gave up everything not a sacrifice but a privilege I thought to be proud of to become a part of this organization.

I hope I am guilty of no great offense in writing you.

Respectfully yours,

Aux. Mildred Hoover.

F. B. I.

March 8, 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

I thought the President and you would be interested in information I have recently received concerning statements said to have been made by the author, Louis Adamic, at a social gathering held at the address, 2 Gray Gardens East, Cambridge, Massachusetts.

I am informed that the social function was in the form of a tea given for Adamic prior to a speech he was to have made at the Ford Hall Forum, John Hancock Hall, Cambridge, Massachusetts. The meeting at the John Hancock Hall is said to have been sponsored by the War Resisters League for the purpose of maintaining an active interest in pacifism yet at the same time supporting Russia in the present war.

During Adamic's talk at the tea, which was on an informal basis, he is said to have referred to a movement to train young girls of high school and college age who have been selected from refugee groups in this country for the purpose of sending them to various foreign countries following the signing of the peace pact. He reportedly indicated there are already such training programs at Columbia University and Smith College and at another unidentified college in the West and that the girls are to teach Communism after they reach their countries or assignment. It was not reported, however, that Communism is included in the programs at the schools. During the course of his talk, it is related, he made reference to a conference he had had with the President and you just preceding his visit to Cambridge. He allegedly advised he was unable to relate the purpose of the conference at that time.

I have been further advised that Adamic also dealt with the subject of a Russian-dictated peace during his remarks made at the tea given in his honor. He is said to have stated the United States, as well as England, would be so organized that a Russian-dictated peace will be acceptable. He reportedly spoke of a plan of establishing committees or small groups in the United States, for which a name has not yet been selected, the purpose of which will be to expand the plans and ideas of the Russian-dictated peace. Adamic allegedly

Honorable Harry Hopkins

- 2 -

asserted that the alignment of the present government of England in this matter would be difficult in view of the fact of its being "out-moded." He reportedly suggested that an entirely new type of government in which the people could take a more active part would have to be established in England. Adamic also allegedly stated that the present war is not being fought for a lasting peace but for selfish interests of capitalistic groups and that it might be necessary to fight a third world war to abolish such interests. He is said to have offered his opinion that it would be more difficult to induce the American people to accept the contemplated Russian-dictated peace because of the fact that "they are a very peculiar lot made up of various nationalities."

No verification of the information concerning Adamic's talk at the social gathering has been made although the "Boston Post" contained a news article describing Adamic as Government consultant on "new immigration matters" and stating that he was to speak at John Hancock Hall, on the subject "Tolerance Is Not Enough."

If additional information is received concerning this matter, I shall, of course, make the same available to you.

With best wishes and kind regards,

Sincerely yours,

(s) Edgar

Pls file with FBI  
report on Adams.

DSK

✓



*file*  
*F.B.I.*

✓

MEMORANDUM

March 11, 1943

The Usher tells me Adamic was at dinner in January, 1942 and the President was present at the dinner but I was not present.

I have no recollection of ever having seen Adamic.

Harry L. Hopkins-k

JOHN EDGAR HOOVER  
DIRECTOR



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

MAR 10 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

As of possible interest to the President and you, there is transmitted herewith a map reflecting the locations of the radio stations operated by this Bureau as of February 1, 1943, and illustrating the radio circuits between them together with the alternate circuits used. The data set forth are, of course, being maintained in a most confidential manner by this Bureau.

With expressions of my highest esteem,

Sincerely yours,

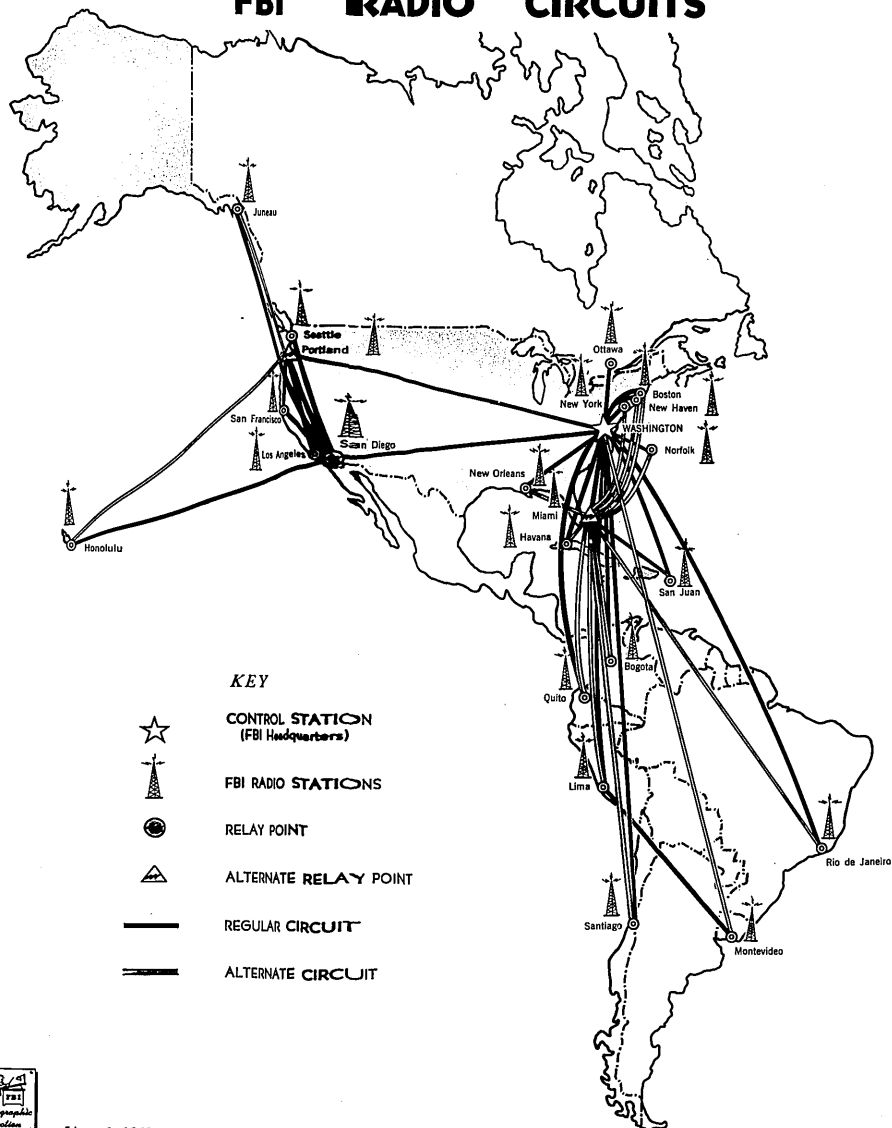
A handwritten signature in dark ink, appearing to read "Edgar", with a stylized flourish at the end.

Enclosure

DECLASSIFIED

E.O. 11652, Sec. 5(E)(2)  
Justice Dept. letter, 9-21-72  
By DBS, NLR, Date AUG 9 1975

# FBI RADIO CIRCUITS



February 1, 1943

*Handwritten mark*

March 13, 1943

The Honorable Dean Acheson,  
Assistant Secretary of State,  
Department of State,  
Washington, D.C.

Dear Dean:

There is a man named Jacques Wolfgang who wants to remain in this country, whose record is at the State Department, but I think the burden of it now is that he was serving one of our foreign agencies and I understand that his record has been completely cleared up. He now wishes to apply for American citizenship, but I gather that certain formalities are required at the Department to permit him to do this.

I wonder if you could look into this and let me know whether you think it can be worked out?

Cordially yours,

HARRY L. HOPKINS

F. B. I.

February 25, 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

With reference to your memorandum of February 19, 1943 I am attaching a summary of information in our files concerning Jacques Wolfgang. We have never investigated Wolfgang and you will note from the attached information that the Office of Strategic Services has apparently had rather extensive dealings with him.

You will note that on December 14, 1942, the Interdepartmental Visa Review Committee, State Department recommended approval of Wolfgang's application for an immigration visa.

With expressions of my highest esteem,

Sincerely yours,

(s) Edgar

Enclosure

February 25, 1943

MEMORANDUM

Re: Jacques Wolfgang

Information was received that an advisory approval of the application for a visa by Jacques Wolfgang had been sent to the American Consulate, Zurich, Switzerland, on October 16, 1941. On January 13, 1942, the Zurich Consulate informed the State Department that according to information from Geneva, Switzerland, Jacques Wolfgang was suspected by the British of diamond smuggling. Accordingly, on January 16, 1942, the American Consulate in Lisbon, Portugal, was instructed to cancel Wolfgang's visa and to question him regarding his past business activities and associations.

The American Consulate at Zurich, Switzerland, informed the State Department on March 17, 1942, that Jacques Wolfgang had boasted to the British consular officials in Geneva that he had been able to send diamonds into the United States in a secret fashion despite the refusal of the British Ministry of Economic Warfare to issue a navicert. The British officials were reported to have stated that Wolfgang had business dealings with three Geneva diamond merchants who are on the British statutory black list. At this time there was no derogatory information in the files of the Federal Bureau of Investigation.

It was reported that Wolfgang's father and fiancée arrived in Havana, Cuba, on February 26, 1942, at which time they were very thoroughly searched by Customs officials but no undeclared merchandise was found.

It was learned in August of 1942 that the Office of Strategic Services was interested in Jacques Wolfgang. Information was received to the effect that the Office of Strategic Services representative in Lisbon, Portugal, had used Wolfgang in a scheme to detect and trap smugglers of currency. It was understood that for this service Wolfgang had been promised a visa into the United States but that the State Department had canceled this visa because of information indicating that Wolfgang might be endeavoring to smuggle diamonds into the United States. Wolfgang was formerly engaged in the jewelry business in Paris and had gone to Lisbon after the fall of France where he was attempting to obtain a visa.

According to a representative of the Office of Strategic Services Wolfgang had his finger on various transactions between individuals in Lisbon and individuals in the United States through personal acquaintanceship with men involved in the smuggling business. Wolfgang apparently was assisting in obtaining information for the Office of Strategic Services in the hope of obtaining a visa to enter the United States. It was reported that he was to be used as an informant by the Office of Strategic Services in an effort to trap and prosecute certain persons who were thought to be planning to smuggle \$250,000. It does not appear, however, that this scheme was consummated.

Information from confidential British sources indicates that Wolfgang acted on behalf of the United States Customs authorities in Lisbon and also for the Office of Strategic Services. According to the British sources, it is believed that the rumor to the effect that Wolfgang was engaged in diamond smuggling was spread deliberately by him at the instigation of American representatives in Lisbon in order that Wolfgang might be able to penetrate certain circles in Lisbon. It is understood that Wolfgang was given the United States visa so that he might leave Lisbon, apparently for his personal safety.

Wolfgang, traveling on a Polish passport, arrived at New York City via Pan American Airways clipper from Lisbon, Portugal, on October 21, 1942. His baggage and person were thoroughly searched by Customs Inspectors, with negative results and he was admitted to the United States on a temporary visa for three months. Wolfgang was met upon arrival by a representative of the Office of Strategic Services who vouched for him.

Interdepartmental Committee, II, State Department, recommended unfavorable action upon his application for an immigration visa. This occurred December 7, 1942, and was apparently based upon the information to the effect that Wolfgang was suspected of smuggling diamonds.

Under date of December 14, 1942, the Interdepartmental Visa Review Committee, Division A, considered Wolfgang's application and the majority of the committee recommended favorable action. At this time the FBI representative recommended approval on the grounds that the information to the effect that Wolfgang had smuggled diamonds from Switzerland was not confirmed. Note was taken of a United States Legation dispatch from Lisbon, Portugal, wherein it was stated that Wolfgang had performed services of "greatest value" to the Office of the Coordinator of Information. As a result of these services Wolfgang's life was endangered and it became necessary for him to spend approximately six weeks in the Legation under the protection of the staff there. It was believed that these services were sufficient to overcome the information which may be considered derogatory.

The following is a description of Jacques Wolfgang: age, twenty-nine (born July 4, 1913, Paris, France); height, five feet, eight or nine inches; weight, 160 pounds; face, full; hair, brown, wavy; eyes, brown, wears glasses; build, noticeably paunchy; race, Jewish; citizenship, French and Polish; residence, Chalfont Hotel, 225 Central Park West, New York City; occupation, dealer in diamonds; immigration data, entered the United States at New York City, October 21, 1942, via Pan American Airways; references, J. S. Guthman, Tower Building, Washington, D. C. and Harold Weill, 15 East 26th Street, New York, New York.

February 19, 1943

MEMORANDUM FOR MR. J. EDGAR HOOVER,  
DIRECTOR, FEDERAL BUREAU  
OF INVESTIGATION.

Dear Edgar:

Do you have a record of this man  
and if you do, I would appreciate your  
letting me know about it.

Cordially,

HARRY L. ROYALS



ASSISTANT SECRETARY OF STATE  
WASHINGTON

March 23, 1943

Dear Harry:

With reference to your letter of March 15, regarding Jacques Volfgang, I have had an interim report which is too confused to try to summarize for you. I have now asked for a full report on the case, which I hope to get very soon, and it will enable me to give you a much clearer summary of the situation.

Sincerely yours,

*Dean Acheson*

The Honorable

Harry L. Hopkins,

The White House

Washington, D. C.

F. B. I.

March 16, 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry Hopkins  
The White House  
Washington, D. C.

Dear Harry:

I am transmitting herewith a memorandum summarizing information concerning Paul Hagen whose true name has been reported to be Karl Borromaeus Josef Frank. This supplements the information which was telephonically furnished to your Secretary by Mr. D. M. Ladd of this Bureau on March 16, 1943.

I hope that this memorandum will be of further assistance to you.

With best wishes and kind regards,

Sincerely yours,

(s) Edgar

Enclosure.

PAUL HAGEN

At the outset it should be stated that Paul Hagen is said to be the pseudonym for Karl Borromaeus Josef Frank. Hagen has used the instant name since his arrival in this country. He has also been known as Dr. Miller, Willi Mueller, and one Miles.

Born in Austria, Hagen reportedly went to Berlin, Germany, sometime during the years 1918 to 1920. It is said that while in Germany, until approximately the year 1930, he was a member of the Communist Party and also an official in the Berlin District of the Communist Party. While in Germany, Hagen was reportedly editor at one time of the publication "Die Rote Fahn," the alleged official organ of the German Communist Party.

During the year 1930, while he was in Germany, Hagen was reportedly involved in the kidnaping of one Wolfgang Swartz, described as the editor of a Social-Democratic daily paper. The incident is related to have occurred while Swartz was en route to make a radio address for his Party and Hagen is said to have taken Swartz' place at the radio station and made a speech for the Communist Party which was not completed as a result of the radio station officials discovering the mistake and cutting him off the air. Hagen allegedly was arrested for this activity and sentenced to one and a half year's imprisonment as one of the persons involved in the kidnaping.

Information which has been reported concerning Hagen's activities in Germany is to the effect that he participated in several plots against the democratic form of government in Germany at the time.

In this connection, it is alleged that in 1923 there was a Communist uprising in the form of revolution in Central Germany in which five hundred persons were said to have been killed, while thousands were wounded. Hagen, as Karl Frank, reportedly wrote and published a pamphlet in the German language under the latter name, which pamphlet has been described as a defense of the Communist revolution. Concerning this pamphlet, an allegation has been received from a confidential source, a former member of the Social-Democratic Party in Germany, that the defense of such a revolution or uprising could only have been written by a member of, or by order of, the Communist International, and for that reason it appeared that Hagen might have been its agent.

It is said to have been claimed by Hagen that in 1932 he left the ranks of the Communist Party in Germany and became a member of the Social-Democratic Party in that country. In this connection, it is said that Hagen in May of 1940 requested a private commission to be appointed in the United States to investigate his political background as a result of his having been accused of being a dangerous figure in Europe. As a result, a commission was reportedly organized which was composed of people who were former representatives of the Social-Democratic

Party in Germany and three members appointed by Hagen. It is related that evidence was submitted to this commission until April 1941, at which time Hagen requested that the commission be disbanded before all of the evidence was supplied. It is alleged that he had his three members of the commission write a letter to the effect that he was an honest man and to give him a favorable recommendation, all of which was done without the consent of other members of the commission.

A member of the commission, not of Hagen's group, has reportedly stated that Hagen's first claim was that he joined the Social-Democratic Party in October of 1931 but later denied this as being merely a mistake when it was established that he had not been a member of that Party during the Summer of 1932. Hagen is said to have then claimed having joined a branch of the Social-Democratic Party in Berlin in October of 1932; however, it was reported that this fact was never determined by the commission. The observation has been offered that either Hagen never became a member of this Party inasmuch as former Communists were not permitted to join or he joined some small branch which did not know him.

Shortly after 1932 Hagen allegedly appeared in Prague, Czechoslovakia, under the name of Willi Mueller, holding himself out to be a Social-Democratic leader. It has further been alleged that for some time prior to the invasion of Austria, Hagen had been in constant contact with German Communists, as well as Austrian Communists. A group of these individuals reportedly became followers of Hagen so that when he arrived in Paris sometime thereafter, Hagen was believed to have written a manifesto which was published in a French Communist paper and signed by Hagen with the pen name "Miles." It is said that this manifesto set out the aims of a group identified as Neues Beinnen (New Beginners, New Beginning). It is stated that also in the manifesto Hagen predicted that France would fall and that the war would become world-wide and, further, the Nazi Government of Germany would collapse, at which time Neues Beinnen would be ready to take over the reigns of government and make it a "Soviet Republic of Germany." It has been alleged that the manifesto strangely enough was purported to exhort the Neues Beinnen as the true follower of the principles of Lenin and did not mention fealty to Stalin as the principle to be followed. A source of information has stated in this connection that Hagen believes that Stalin has become ultraconservative and has strayed away from the true precepts of Communism and that consequently the Neues Beinnen is a follower of Trotsyism.

Hagen is said to be the creator and leader of the Neues Beinnen, which has been described as an organization of Marxist intellectuals, some of whom were formerly members of the Communist Party in Germany. It is said that the present difference between this group and that of the Communist Party consists mainly in the members' belief in the independence of the German-Socialist movement, as well as their opposition to a proletarian dictatorship from Moscow. Some of the members of the Neues Beinnen are alleged to have been formerly connected with the Institute of Social Research at the University of

Frankford. They have been described as former Communists who shared Hagen's viewpoint of the necessity in a fundamental change of the German Socia-Democratic Party policy.

After the arrival of Hitler into power, the Neues Beginnen allegedly made a considerable effort to obtain control of the Executive Committee of the Socialist Party (SOPADE) in exile. The Neues Beginnen later is stated to have published a booklet entitled "Neues Beginnen" written by one Miles, which was an expose of the theory of a new revolutionary socialism fundamentally based on the ideas of Karl Marx but having important changes. The theory has been described as being influenced by the theories of Sorel and Lenin, and called for the necessity of a political elite which sponsored leadership of the masses to lead them in a revolutionary struggle for power.

In connection with his work with the Neues Beginnen, Hagen reportedly made many journeys visiting Czechoslovakia, Switzerland, France, Belgium, Holland and England, and although his organization was small in number of members, he is said to have been successful in establishing valuable contacts in political circles in all of these countries.

It is said that there is also a section of the Neues Beginnen in London, England, which is very small. However, the English group reportedly corresponds with the Neues Beginnen in this country, although it is said there is very little close cooperation. The members of the group in England are allegedly employed by the British Broadcasting Corporation, German Section, although they are said to have no influence in political matters.

Hagen reportedly entered the United States during the year 1940, although a source of information has stated that he saw Hagen in the United States in 1938 and believed that he was also in this country in 1936. Since that time he has been affiliated with an organization known as the American Friends of German Freedom. It is alleged that Hagen helped create this group with the assistance of several United States citizens.

Hagen is also reported to have obtained influence in the Emergency Rescue Committee in New York City and, as a result, members of the Neues Beginnen and other members of the Socialist left-wing group in Europe sympathizing with the Neues Beginnen received assistance in entering the United States. It is alleged that among these individuals who obtained assistance are Henry W. Ehrman, Bernhard Taurer, George Eliasberg, F. W. Schmidt, and Baer Muhlen. Taurer, Eliasberg and Schmidt are said to be presently employed in the New York Office of the Office of War Information. It has been alleged that Hagen, remaining in the background, has exercised some degree of influence in the American propaganda agencies.

Hagen is said to be closely connected with Ingrid Francisca Warburg who is said to be the cousin of James Warburg, the American banker. Miss Warburg is allegedly connected with the Neuer Beginnen.

The allegation has been received to the effect that through the intercession of Miss Warburg on behalf of Hagen with her cousin, Mr. James Warburg, who is said to be unaware of the background of the Neues Beginnen, several of the followers of Hagen have been employed in the Office of War Information.

At the present time, Hagen is listed as Research Director for the American Friends of German Freedom, while his wife, Anna Caples, is Executive Secretary. This organization publishes monthly a bibliography of literature on German items under the title "In Re: Germany." This publication is described as a critical condensed review of material published on German problems and German-occupied Europe. The headquarters of the organization are reported as 120 East 116th Street, New York City, and the following individuals, other than Hagen and his wife, are listed as officers:

Reinhold Niebuhr, Chairman  
Mary Fox, Secretary  
Adolph Held, Treasurer.

Recently, a confidential source of information has advised of Hagen admitting that he was a former Communist although he broke with the Communist Party many years ago. At this time, Hagen is said to have also said that his group, the Neues Beginnen, would collaborate if a strong Communist movement would arise in postwar Germany and that this is the general feeling of his group. Hagen advised that although he previously had connections with underground groups in Germany, his contacts had been cut off during the past months because of the failure of mail from Switzerland and Sweden to arrive.

JOHN EDGAR HOOVER  
DIRECTOR



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

March 24, 1943

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

PERSONAL AND  
~~CONFIDENTIAL~~

Dear Harry:

You will recall my letter of February 5, 1943, concerning the investigation which this Bureau was conducting at Los Angeles, California, at the request of the War Frauds Unit of the Department of Justice, involving a charge of fraud upon the Government and theft of Government property on the part of Victor Nelson and others participating in the building of air schools at Lamesa and Sweetwater, Texas, during which investigation information was obtained alleging a \$1500.00 payment to James Roosevelt of the Aeronautical Training Center, Incorporated, of Hollywood, California.

I have now been advised that this case is scheduled for trial during the first week in April in the Federal District Court at Fort Worth, Texas, and it is entirely possible that the facts surrounding this matter may be brought out at the trial.

With expressions of my highest esteem and best regards,

Sincerely,

A handwritten signature in cursive script, appearing to read "Edgar", with a large loop at the end.

BY SPECIAL MESSENGER

DIRECTOR  
BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE  
WASHINGTON, D. C.  
OFFICIAL BUSINESS

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

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1/2/50*

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Honorable Harry L. Hopkins  
The White House  
Washington, D. C

PERSONAL AND  
CONFIDENTIAL

BY SPECIAL MESSENGER



March 29, 1943

MEMORANDUM

A Captain in the Australian Air Force recently met with a number of press representatives in an off-the-record press conference. He had just returned from duty in Australia and made the following statements:

GENERAL MacARTHUR

The Captain stated that General MacArthur is living the life of a hermit; that he is mad at everybody in Australia. As a result, MacArthur has lost his popularity in Australia and the Australians now hardly know that he is there. MacArthur has been converted to air-mindedness by General Kenney, although when MacArthur first arrived from the Philippines, he refused to ride in an airplane. He travelled across Australia riding four days by train rather than make the trip by plane in a few hours. He is now willing to fly but only if General Kennedy is at the controls.

GENERAL KENNEY

The Australian Air Corps Captain described General Kenney as being one of the greatest officers in the Army and expressed his personal opinion that he should be given greater and more important commands. He stated that General Kenney knows all of the secrets of coordination between air and ground troops and is far ahead of anyone else in the Pacific Area. He states that Kenney has 150 bombers and 120 commercial transports at his command. The Captain made no estimate of the number of fighting craft. General Kenney completely reorganized the Australian plane repair system, which was built around the location of engine repair factories in the South of Australia, when actually they were needed in the North. Kenney moved these plants north, and in addition, stopped construction of four new repair plants in the south and moved them in their entirety to Northern Australia. Prior to Kenney's arrival, planes were flown thousands of miles to the South of Australia to be overhauled and then flown north again to be placed back in service. Kenney has saved thousands of flying hours by this move.

AUSTRALIA

Australia is in no danger whatever of any serious invasion by the Japanese. The Japanese may make a face-saving attack on the northwestern coast and hold a few miles of beachhead, but the Australians would encounter little difficulty. The Australians have tens of thousands of troops in service and these troops have nothing to do.

AMERICAN TROOPS IN AUSTRALIA

The Captain expressed dissatisfaction with the American Infantry soldiers in Australia. He criticized the payment of American troops upon the basis of the U. S. wage scale and expressed the belief the payment to American troops should be predicated upon the Australian wage scale. He suggested that the American Government hold back part of the pay of American soldiers in Australia so that they would have only approximately the same amount as Australians to spend. He stated that the Americans are becoming very unpopular, that they are "storming the hotels, have money to spend on girls, have cigarettes when nobody else has them and are buying up everything".

He was particularly critical of the 32nd Army Division saying that its performance in New Guinea was so unsatisfactory it had to be withdrawn from there. He claimed that the 32nd Division lacked necessary training which resulted in its being replaced by the 41st Division, which unfortunately was no better than the 32nd. The Captain stated that one of the major weaknesses of the 32nd Division was the lack of experience on the part of the minor officers. He stated that General MacNider was wounded while trying to force men back into line and the duties he was performing were those of a second lieutenant.

The Captain stated that American soldiers were unable to fight the Japs in Japanese style and that the majority of the Japs knew but one sentence of English -- "Come on in, Yanks, you're yellow". This taunt has made the Americans take chances frequently with disastrous effects. He cited an instance where three Japanese snipers were surrounded in a tree, but the Japanese taunted the American soldiers with the result that the Americans lost fifteen men before the Japs were killed. The Captain commented upon the difference in psychology between the Japanese and the American soldiers, since the Japanese have no "out" when fighting except to be killed while the American seeks "one out". The Australian Captain also ridiculed a reported statement of Admiral Halsey that one U. S. troop was worth twenty Japanese, claiming that Halsey was intoxicated when he made this statement.

NEW GUINEA

The Australian Air Corps Captain stated that the Australians did not drive the Japs away from Port Moresby, but that the Japanese supply line broke down when the Japanese were at a point 17 miles of Port Moresby and that accordingly the Japanese began a retreat. He claimed that the Australians merely followed the Japanese back over the mountains without even contacting the enemy before they reached the coast. He stated that the Australians had 50,000 troops on New Guinea when the Japs invaded with a top total of 6,000 troops; that the Japs had only 1,500 men at Buna, but that the allied forces required five weeks in which to kill off the last 300 Japs on the Island. The Captain further claimed that at the time of the invasion the Allies were ready to evacuate Port Moresby and had planes available for

the evacuation when to their surprise the Japanese began to retreat.

The Captain stated that the Allied troops were supplied by air and water and that during the march across the mountains all supplies were dropped by transport planes largely without parachutes, resulting at first in a loss of sixty per cent of the supplies. Later this loss was reduced to thirty per cent, although at times it was necessary to drop food and medicine without parachute, because of the lack of parachutes. Ammunition was dropped without parachute, but since it all had to be tested prior to use the practice was adopted of attaching parachutes on ammunition only.

#### U. S. TROOPS IN NEW GUINEA

The 32nd Division was flown in by air from Australia in four days by 44 commercial transports. General Kenney arranged this and although General MacArthur opposed it at the beginning, Kenney ultimately convinced MacArthur that it should be done. The air movement started at Melbourne and the Division was flown a distance of 1,400 miles. The Captain stated that each soldier carried everything he could lift and all their artillery was flown in, up to 105 m. m. guns, which were broken down and carried by air. The original estimate was that each soldier would weigh 180 pounds with his equipment, but actually each soldier weighed 280 pounds with his equipment. General MacArthur in opposing the movement of troops by air, said that too many troops would be killed but the movement was a great success and not one man was lost.

#### OUTLOOK OF WAR IN THE SOUTH PACIFIC

The Captain stated that there are many more planes in Australia than there were six months ago but that it means little whether Australia gets more long-range bombers, as this can have little effect on the outcome of the war. He stated that very little is being done in Australia to win the war and that there would appear to be no benefit from moving northward from Australia as this means extending a supply line which is already 8,000 miles long by another 3,000 miles or so, without commensurate improvement of the war situation. He stated that the Japanese cannot invade southward except for a token effect and that the Allies should not move northward. He commented upon the desirability of constantly slashing at the Japs as they venture southward. He pointed out that Raboul must be bombed from a low altitude because of the bad visibility at higher altitudes.

When asked direct how the war in the Pacific could be won if the Allies did not move northward, the Captain indicated that the reopening of the Burma Road and invasion through China was in the opinion of the residents of the South Pacific the only logical solution to this problem.

-4-

SUPERIORITY OF AMERICAN AIR FORCE OVER JAPANESE

The Captain stated that the United States planes have complete air superiority over those of the Japanese and that in addition, the Allied pilots are better fliers.

March 29, 1943

MEMORANDUM

A person who has been intimately associated with Prime Minister Churchill over a period of some time recently held an off-the-record luncheon discussion with a number of top-flight American newspapermen. The following comments were made by him.

Churchill is generally very affable but drinks excessive amounts, and the speaker on occasion has seen Churchill take as many as eight "slugs" of whiskey in a relatively short time. The speaker spent an evening with Churchill recently and after they had both drunk considerably, the speaker criticized Churchill because of the British attitude towards Ghandi. The speaker told Churchill that the British were making a big mistake in mistreating Ghandi and asked Churchill why he wouldn't see him. Churchill exploded and stated he would see Ghandi in jail.

The speaker then needled Churchill about Russia, Churchill wearing at the time of the discussion a black skull cap which had been given to him by Stalin. The speaker praised Russia, saying Russia had kept England from being whipped, had been putting up a wonderful fight unassisted except for a few tanks sent by England, etc. Churchill "exploded" and became very critical of Stalin and the Russian program.

Sometime after this occurrence the speaker met Churchill at Casablanca during the conference with President Roosevelt, at which time Churchill handed the speaker a sheet of paper from his wallet. On the paper was a poem which Churchill had composed about Russia, which in effect inquired "where the hell was Russia and the second front when England was being driven out of the low country"? The poem inquired whether Russia would be in the war today if Hitler had not attacked and invaded Russia and concluded with the observation that it was all right to say a few nice things about "Uncle Joe" once in a while but that people should also keep a kind word for "number ten" Downing Street.

Churchill's attitude towards war

The speaker on one occasion while admiring a sunrise inquired of Churchill-- "How can God make such a beautiful sunrise and then permit so much misery and war in the world?" Churchill made a lengthy statement that there was no peace on earth save in death; that all life is war,

-2-

a struggle for survival; that the best in men comes out in time of war; that in times of war the real improvements are achieved, and that under the stress of war tremendous progress is made for the good of living. Churchill stated that when war ends, men settle down to taking things easy, to complacency and only war will compel more progress. Churchill stated that the only peace to man is death.

March 29, 1943

TO: Mr. J. Edgar Hoover, Dir., F.B.I.

FROM: Harry L. Hopkins

SUBJECT: Postcard from Jos. Twornski,  
N.Y.C.

Dear Edgar:

Here's one I got today.

Harry L. Hopkins  
encl.

F. B. I.

March 31, 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

I wanted to bring to the President's and your attention information I have received concerning the mass picketing of the United States Senate Building on April 6, 1943, as contemplated by individuals belonging to the Fellowship of Reconciliation. I am informed that approximately one thousand individuals will engage in the demonstration and the Socialist Party is cooperating with the Fellowship of Reconciliation which will send delegations from various of its branches throughout the country. The date of April 6 is said to have been chosen for this activity since it is an anniversary of this country's entrance into the First World War.

I am further informed that delegations will arrive in Washington on April 4, 1943, to hold preliminary meetings, after which it is said they contemplate leaving a "message" with the President and talking with various members of Congress. Other activities which are reportedly planned are the distributing of leaflets and carrying placards which are said to bear the following exhortations:

"No Isolationism, No Imperialism"  
"Wage Peace Now, Resist Fascism to the Death Non-Violently"  
"Send Food, Not Bombs, Bread, Not Bullets"  
"Wage Peace, Not War"  
"Churches, How Can You Preach Love God--Kill Man!"

It is reported that the nucleus of the demonstration is a committee led by Dr. Evan Thomas, brother of Norman Thomas and member of the National Council of the Fellowship of Reconciliation. He is also Chairman of the Metropolitan Board of Conscientious Objectors, New York City, and is National Committee Chairman of the War Resisters League. Dr. Thomas, it is recalled, was imprisoned during World War I for his activities in opposition to war and conscription.

I am further advised that one of the bases for demonstration is the "hunger strike protest" which has been made by two conscientious objectors, Stanley T. Murphy and Louis Taylor Krawczyk, now in the Federal Reformatory, Danbury, Connecticut, serving a sentence for having wilfully left a Civilian Public Service



Honorable Harry Hopkins

- 2 -

Camp. In this connection, it is alleged that individuals presently assigned to Civilian Public Service Camps as conscientious objectors will join in the demonstration.

It is further reported that preliminary plans were first discussed at a recent meeting held at the Labor Temple, New York City, at which time the committee headed by Dr. Thomas was chosen. At that meeting opposition was said to have been expressed against Mr. Paul Conly French and his National Service Board for Religious Objectors.

Briefly, the Fellowship of Reconciliation, 2929 Broadway, New York City, was organized in December 1915. The guiding figures in the organization have been Reverend A. J. Muste and Reverend John Haynes Holmes. Some of the recent activities engaged in by this organization include the following:

1. Sending an open letter to the people of Japan in 1935 condemning "provocative American naval maneuvers."
2. Opposition to the Burke-Wadsworth Bill, characterizing it as "class legislation of the worst sort" and declaring that registration day (October 16, 1940) should be observed as "a day of National Humiliation."
3. Issuing a statement on December 10, 1941, declaring, "Shocked as we are by the manner in which the Japanese-American conflict was precipitated, and conscious of the gravity of the problems confronting our Government, we nevertheless do not accept a too common notion that the sole guilt for this war rests upon Japan. The guilt rests also upon the United States and other nations."
4. Protesting publicly and criticizing evacuation of the Japanese from the West Coast as "shameful."
5. Advocating a negotiated peace.

I thought the President and you would be interested in this information in view of the contemplated action and in view of the character of the organization involved.

With best wishes and kind regards,

Sincerely yours,

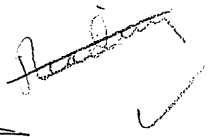
(s) Edgar

JOHN EDGAR HOOVER  
DIRECTOR



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

APR -2 1943

  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

There is transmitted herewith a copy of a report covering a survey conducted by this Bureau of the Japanese Relocation Centers. I thought you might be interested in calling this matter to the President's attention.

The survey was made by this Bureau at the request of Mr. Dillon S. Myer, Director, War Relocation Authority, and copies of the report have been furnished to him.

Sincerely yours,



Enclosure

JOHN EDGAR HOOVER  
DIRECTOR



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

SPR-2 1951

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

As of possible interest to you, there is trans-  
mitted herewith a monograph concerning totalitarian  
activities in Venezuela.

This monograph has been prepared from informa-  
tion developed by this Bureau through confidential,  
reliable sources.

With expressions of my highest esteem,

Sincerely yours,

J. Edgar Hoover

Enclosure

April 6, 1943

TO: Mr. J. Edgar Hoover, F.B.I.

FROM: Mr. Harry L. Hopkins

SUBJECT: Anonymous letter of  
Mar. 31st - anti-  
administration, etc.

I got this one today.

encl.

Serial 0124023

THE UNDER SECRETARY OF THE NAVY  
WASHINGTON

~~CONFIDENTIAL~~

APR 7 - 1943

My dear Mr. Hopkins:

In reference to my letter of February 12, I have just received the report of the investigation of security measures on board the U.S.S. MT. VERNON.

After very careful consideration I am convinced that the facts clearly demonstrate that the report of laxness is without foundation.

The following is quoted from Commandant, Twelfth Naval Districts forwarding letter:

"It is believed that every reasonable precaution has been taken by the Commanding Officer of the MT. VERNON and the responsible officers in this District to guard against sabotage and fire. Regardless of any real or apparent laxity - and a certain amount of such is unavoidable under existing conditions - it is clear that the reporter was not fully informed as to security measures in effect. For example, a certain identification procedure is usually followed with respect to the admission of personnel on board of which the reporter was obviously unaware. Again the statement he made to the effect that anybody would be accepted for work without challenge is not borne out by facts. Except in the case of vessels loading explosives as cargo, it is not the practice of the Captain of the Port to have all tool boxes and lunch boxes carried by the workmen examined. This was done at one time but the loss of man-hours was so great that it was considered necessary to discontinue it. It is now the practice of the Captain of the Port's force to make "spot inspections" of tool boxes at random when time and circumstances permit."

"The Commandant is convinced that the Commanding Officer of the MT. VERNON has proved himself to be outstanding in his attention to the security of his ship, and that he has shown unusual foresight, alertness and attention in the performance of his duties."

Sincerely yours,

Mr. Harry Hopkins,  
The White House.

*Forrestal*

UNCLASSIFIED

DECLASSIFIED  
OSD Letter, 5-8-72

OCT 30 1973

Op-23-3/pw 4/1  
(SC)A8-6/AP22

Serial 0124023

~~CONFIDENTIAL~~

DEPARTMENT OF THE NAVY  
NAVY DEPARTMENT  
WASHINGTON

IN REPLY ADDRESS  
THE SECRETARY OF THE NAVY  
AND REFER TO No.

97802

APR 7 1949

My dear Mr. Hopkins:

In reference to my letter of February 12, I have just received the report of the investigation of security measures on board the U.S.S. MT. VERNON.

After very careful consideration I am convinced that the facts clearly demonstrate that the report of laxness is without foundation.

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"The Commandant is convinced that the Commanding Officer of the MT. VERNON has proved himself to be outstanding in his attention to the security of his ship, and that he has shown unusual foresight, alertness and attention in the performance of his duties."

DECLASSIFIED  
OCT 11 1973  
Sincerely yours,

JAMES FORRESTAL

Mr. Harry Hopkins,  
The White House.

DECLASSIFIED  
OSD Letter, 5-8-72  
OCT 30 1973

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УВВ  
МУНИЦИОН  
УДАЛ ДЕРЖАВНИХ

SECRET  
CONFIDENTIAL

*Hoover*

DEPARTMENT OF THE NAVY  
OFFICE OF THE UNDER SECRETARY  
WASHINGTON

97502

65048-6/AP22  
Serial 050223

~~CONFIDENTIAL~~  
~~CONFIDENTIAL~~

FEB 12 1943

My dear Mr. Hopkins:

Receipt of your letter of February 8, 1943, relative to conditions existing on the U.S.S. MOUNT VERNON while undergoing repairs at the General Engineering Company, San Francisco, California, is acknowledged.

The Navy Department has started an immediate investigation to determine whether or not the report is correct and specifically what steps were taken for the security of the vessels while under overhaul.

Sincerely yours,

JAMES FORRESTAL

Mr. Harry Hopkins,  
The White House.

DECLASSIFIED  
OSD Letter, 5-3-72

OCT 30 1973

February 8, 1943.

PERSONAL & ~~CONFIDENTIAL~~

Dear Jim:

I have heard that the security on board the Navy transport U.S.S. Mount Vernon in San Francisco is not good. The fire extinguishers were taken out during alterations; all the decks have a lot of inflammable material on them and the individuals get temporary badges of identification without a positive check as to their identify.

Sincerely yours,

*[Signature]*  
HARRY L. HOPKINS

Honorable James Forrestal

Under Secretary of the Navy

DECLASSIFIED  
By Deputy Archivist of the U.S.

By W. J. Stewart Date OCT 30 1973



CONFIDENTIAL  
PROPERTY OF THE BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
DATE 1/27/43

CONFIDENTIAL

F. B. I.

January 26, 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry Hopkins  
The White House  
Washington, D. C.

Dear Harry:

The following information was furnished to this Bureau by a confidential source who obtained it from a man who was employed on the refitting of the Navy Transport, U. S. S. Mount Vernon in a San Francisco Bay Area shipyard. As you know, the matter of protection of the U. S. S. Mount Vernon against sabotage is solely and exclusively the duty of the Navy and not of this Bureau. The information regarding conditions on the Navy Transport U. S. S. Mount Vernon, formerly the liner S. S. Washington as obtained by the confidential source from the workman, may be summarized as follows:

Individuals may receive temporary badges of identification without positive check as to identity and may thereafter board the U. S. S. Mount Vernon without the inspection of their persons or of their duffel bags or other containers which they might bring aboard. Notwithstanding the use of temporary badges of identification, persons go aboard the vessel and leave the vessel at will without identification badges. In connection with this situation it has been pointed out that gangplank guards have been asleep while on duty.

The workman stated that members of the work crew would leave their work gangs and wander about the ship for a half hour at a time without any check being made as to their location, or would disappear into cabins and remain there for protracted periods. No guard ever checked such cabins for the purpose of determining whether any sabotage devices had been hidden there. The workman also stated that fire extinguishers were taken out during alteration work on the vessel, and although the decks were often piled high with scrap lumber and other highly inflammable material, there was no stand-by fire crew. Frequently, and without warning, all the lights on the ship would go out during working hours for the night shift and would remain out for as long as fifteen minutes at a time. During these periods the fire alarm system was likewise useless. On such occasions the work crew would sit in the darkness and joke about the possibility of the vessel being blown up.

Honorable Harry Hopkins

- 2 -

I have been advised that the U. S. S. Mount Vernon is now docked at Pier 25, San Francisco, California, and that recently more guards have been posted aboard the vessel and on the pier. I have also been advised by a confidential source that it is still possible for unauthorized individuals to go aboard the vessel since identification badges are not demanded and the fingerprints of employees working on the vessel are not required.

This information is being referred to you as I thought it may be of interest to the President and you, and for whatever action you may consider appropriate.

With best wishes and kind regards,

Sincerely yours,

(s) Edgar

F. B. I.

April 12, 1943.

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

In response to your memorandum of April 6, 1943, and its enclosures, there is attached a memorandum embodying information contained in our files regarding the Bedaux Company.

Charles Eugene Bedaux, an American citizen who founded the Bedaux Company and originated the "Bedaux System of measuring Human Efficiency and Labor in Industrial Organizations," was taken into custody by the United States War Department in North Africa on January 24, 1943, on a charge of trading with the enemy. Upon the specific request of General Dwight D. Eisenhower and the War Department, two representatives of this Bureau proceeded to North Africa for the purpose of conducting an intensive investigation regarding Bedaux's activities. The information developed has been submitted to Mr. Oscar Cox, Assistant Solicitor General, Department of Justice, for an opinion as to prosecutive action, and one of our representatives is being held in North Africa pending a decision in the matter.

With expressions of my highest esteem,

Sincerely yours,

(s) Edgar

Enclosure

[REDACTED]

April 6, 1943

TO: Mr. J. Edgar Hoover, F.B.I.

FROM: Mr. Harry L. Hopkins

SUBJECT: The Bedaux Co. letter of  
mar. 22 and Mr. Lubin's  
memo of Mar. 31.

Dear Edgar:

Do you know anything about this  
group?

I would be suspicious of anything  
that Bedaux had anything to do with.

Harry L. Hopkins  
encls.

DECLASSIFIED  
By Deputy Archivist of the U.S.  
By W. J. Stewart Date OCT 31 1973

[REDACTED]

F. B. I.

April 13, 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

I want to acknowledge receipt of your note dated April 6, 1943, with which you forwarded to me an anonymous letter sent you in an envelope postmarked New York April 1, 1943, which was apparently written by a woman from Alabama who had become embittered because of the death of two of her sons in the present war.

Because of the very threatening attitude taken by the writer of the letter toward the President, you, and other officials of the Government, I am making a copy available to Secret Service and will retain the original in my files for possible identification.

With expressions of my highest esteem,

Sincerely yours,

(s) Edgar

F. B. I.

April 17, 1943

~~PERSONAL AND CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

You will recall your conversation on April 12, 1943, with Mr. Edward A. Tamm of this Bureau concerning Miss Helena M. Crooks, an employee of the Special War Policies Unit of the Department of Justice.

Information was originally received by the Washington Field Division of this Bureau that a Helen, Ellen or Helene Crooks had reportedly advised Reverend A. F. Liotard, Pastor of the French Congregation, St. John's Church, that files were kept in the Department of Justice concerning all Frenchmen and French activities. Miss Crooks reportedly advised that the file concerning this church was entirely satisfactory and favorable, and the file concerning Reverend Liotard disclosed but one unfavorable factor, namely, that he had contacted the French Embassy and knew people there.

Miss Crooks was reported as informing Reverend Liotard that she was surprised that he would invite Dr. Wencelius to fill his pulpit since it was known from an article Dr. Wencelius wrote in "Amerique" that he is a Royalist and favors the return of the Count of Paris. Miss Crooks was then alleged to have stated that anything of this nature made public by a Frenchman was recorded in his file.

These data were made available to the Department by memorandum dated March 23, 1943. On April 5, 1943, Reverend Liotard advised that Miss Crooks had accused him of being the cause of her dismissal from the Department of Justice, inasmuch as the previous facts had been disclosed to him in her conversation. Miss Crooks however indicated that Reverend Liotard's name had not been given to her and her accusation was apparently the result of a mere presumption.

Miss Crooks was quoted as having stated that she had an engagement to see Mrs. Roosevelt on April 8, 1943, and she was going to report the entire matter to her during the interview. Miss Crooks was also quoted as having stated on several occasions that she is a personal friend of the President and Mrs. Roosevelt and further she had known them for the past twenty years.

Honorable Harry Hopkins

- 2 -

Reverend Liotard then advised that Miss Crooks' accusation concerning his having been the cause of her dismissal took him by surprise as he had not been able to recall the facts at the time, and that he had denied this to her. Further reflection in the matter however caused Reverend Liotard to recall that he had mentioned the previous conversation to an employee of this Bureau, and he then indicated that he felt he had performed a national duty in discussing the matter. He also indicated however that he owed a duty to Miss Crooks due to his Pastor - Congregation relationship and felt he had violated amoral responsibility and confidence so far as she is concerned. Reverend Liotard then stated that he had no desire to involve the Federal Bureau of Investigation in the matter. He expected to consider the matter at great length concerning the possibility of contacting Miss Crooks and assuming the entire responsibility for her dismissal.

These data are being forwarded to you in order that you may be completely advised concerning this matter.

Sincerely,

(s) Edgar

JOHN EDGAR HOOVER  
DIRECTOR



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

May 14, 1943

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

PERSONAL AND CONFIDENTIAL  
BY SPECIAL MESSENGER

Dear Harry:

You will remember my letters dated February 8, 1943 and March 24, 1943, relative to the resolution passed by the Board of Directors of the Aeronautical Training Center, Incorporated, Hollywood, California, authorizing the payment of \$1500.00 to James Roosevelt for services rendered to that corporation in securing a contract with the British Government.

You will recall that the information set forth above was located during the investigation of Victor J. Nelson, et al, a Fraud Against the Government matter. This case was presented to the United States District Court, Fort Worth, Texas, and on April 28, 1943, two of the subjects, namely, Victor J. Nelson and Robert Young, were found guilty. On April 29, 1943, these two subjects received fines of \$500.00 each.

Please be advised that during the court session no mention was made of the \$1500.00 payment.

With expressions of my highest esteem and best regards,

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Edgar", is written below the typed name.



JOHN EDGAR HOOVER  
DIRECTOR



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

MAY 25 1953

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

As of possible interest to you, there is transmitted herewith a monograph concerning totalitarian activities in El Salvador.

This monograph has been prepared from information developed by this Bureau through confidential, reliable sources.

With expressions of my highest esteem,

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Edgar", with a large loop at the end.

Enclosure

F. B. I.

June 5, 1943

*Admitted  
Lond Halifax  
6-16-43*

~~PERSONAL AND CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

As of possible interest to you, information has been received that Noel Baillon, a British subject who resides at Curitiba, Brazil, has stated to a reliable, confidential source that he was sent to Brazil by the British Government in April, 1942, for the purpose of sabotaging certain vital centers of industry, transportation, and communication in the event Brazil entered the war against England.

Baillon stated that he had been recruited by the British in Brazil and sent to Canada where he had taken a course of training in sabotage prior to the time of his assignment in Brazil. Baillon stated that he was doing work for the British Intelligence Service at the present time and admitted that he had been utilizing as an informant one Ernest Van Steen, former Belgian Consul and Dutch Honorary Consul of the Foreign Office of Brazil at Florianopolis. Van Steen's consular representation was taken away from him after investigation by police authorities in Brazil, and he was arrested as a possible Nazi agent on March 3, 1943.

Van Steen's correspondence intercepted by the police reflected that he had been critical of the local governmental authorities and of Americans in general. Baillon admitted that Van Steen was unreliable and had a tendency to exaggerate, but stated that Van Steen's difficulties with the authorities arose because of his criticism of the local government and the fact that Van Steen had accumulated considerable information which would be very embarrassing to State officials, such as details concerning the son of the Governor being intimate with Van Steen's wife.

Hoping this information will prove to be of interest to you and with expressions of my highest esteem,

Sincerely yours,

(s) Edgar

F. B. I.

June 26, 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

I thought you would be interested in the following information which has just been made available concerning a disturbance occurring at Camp Blanding Florida, on June 24, 1943.

It is reported that a negro company of soldiers stationed at Camp Blanding, Florida, held a dance at a service Club on the night of June 24, 1943, for the exclusive benefit of that company. During the progress of the dance, negro soldiers attached to another negro company obtained eight .30 caliber Army rifles and fired into the dance hall. Seventeen persons who were attending the dance are in the hospital and some are reportedly seriously injured. Two white Army officers assigned to the negro company giving this dance were present and are among those injured. It is also alleged that erroneous rumors have been circulated that this disturbance was between white persons and negroes, whereas the true facts are that with the exception of the two white officers assigned to the company giving the dance the persons involved were all negroes.

With expressions of my highest esteem,

Sincerely yours,

(s) Edgar

JOHN EDGAR HOOVER  
DIRECTOR



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

JUN 26 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

I thought you would be interested in information which has been supplied by a confidential informant of the New York Field Division of this Bureau concerning what he terms considerable tension existing in the Harlem area of New York City. This confidential informant, who is a Negro and who has been of considerable value to this Bureau in several cases involving pro-Japanese organizations, has had a great deal of experience in Harlem and knows the area well.

No actual disturbances among the Negro population in Harlem or in the New York area have been reported to date, although two hearsay complaints have been received. One of these complaints relates that one Bill Fisher, described as a Negro writer for Negro publications, made a statement at the New York Public Library on June 23, 1943, to one Tindley Hubbell of 60 Bank Street, New York City, that he had heard of and knew of an organized attempt at an uprising in Harlem.

Another complaint has been received that a Negro school-teacher, a Mrs. Ieathe Hemachandra, a resident of Queens, New York, made a statement concerning a race riot, "You just watch out for July 5, 1943!" In this connection, it is to be noted that a mass meeting is scheduled for that date at Madison Square Garden by the People's Committee and the Negro Labor Victory Committee to re-present a version of a Negro play previously given by these two organizations on June 7, 1943.

This confidential informant has reported that since the disturbances and trouble in Detroit he has noted from personal contacts made in Harlem that there is a considerable amount of tension existing there and conversations he has had with various inhabitants in that area indicated this tension results from the photographs of the Detroit riot which were published in the "PM" newspaper under


Honorable Harry L. Hopkins

- 2 -

date of June 23, 1943. For your ready reference pages 10 through 19 of the pertinent issue of "PM" newspaper, which comprise the article and pictures in question, are attached.

With expressions of my highest esteem,

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Edgar", with a large, stylized loop at the bottom.

Attachment

# Complete Picture Story of Riots . . .



These are the innocent victims of race prejudice. A Negro woman screams. A girl, probably her daughter, looks out the car window with stunned amazement. The woman's husband has just been dragged out of his auto on Cass

Ave., Detroit, by a mob of white hoodlums who beat him up. And another victory has been scored for the monsters who rule the Axis and are trying to rule us by dividing us into antagonistic groups.

## Auto Industry's 'Do-Nothing' Policy Blamed for Detroit Riot

By ARNOLD BEICHMAN  
Staff Correspondent

DETROIT, June 23.—In the accounts of the two-day riots which engulfed the fourth largest city in the Nation, taking 28 lives, you've read about the white and Negro hoodlums, about the Ku Klux Klan and the Black Legion, about a well-intentioned but timorous mayor.

But you haven't read the names of Ford, General Motors and Chrysler, the Big Three, which rule Detroit. In the opinion of responsible community and trade union leaders I have interviewed, the major burden of responsibility for the tragedy which almost threw this city into civil war rests upon the management of the auto industry and particularly the Big Three. (See *Albert Deutsch's Column on Page 9*.)

No grand jury will ever be able to put responsibility on the three giant corporations. This is a crime of omission. It is what

they didn't do and even prevented others from doing that makes them culpable along with the Klaxers and the anti-Semites who spread the rumors that incited thousands who wielded the clubs and brickbats.

For three years this has been coming, ever since our war production program began, and coming nearer in proportion to the ever-growing demand for manpower. Hundreds of thousands of workers came flocking into the Detroit area—particularly from the South—whites, who had never worked in factories before, whites who had been weaned on *The Birth of a Nation* and taught that Negroes are second-class citizens.

And with them came Negroes, some from the South, some from Northern states. It was a volcanic situation and last week-end the volcano erupted.

In all three years the Big Three sat by

doing nothing except to say to civic-minded people apprehensive over what was obviously inevitable:

"This is the union's problem, not ours. Our job is production."

A community leader, who asked not to be identified, said his group diagnosed the problems three years ago.

"As soon as you bring in Southern whites and try to integrate them with Negroes you've got a headache," he said.

"We all knew what was coming but we couldn't get any help from the auto industry. We've had the President's Fair Employment Practice Committee here for two years. We've never been able to interest the top management of the Big Three to talk about these problems.

"Management in Detroit has no sense of social responsibility and no sense of social consciousness. They are production-minded

men and they are blind to the human factor."

Here are some examples of what my informant was talking about—and remember he is not identified with organized labor:

1. At the two new foundries of the Ford Rouge plant, almost 95 per cent of the workers are Negroes, new to factory operations, new to union discipline. An unauthorized strike broke out about two months ago over some "run-of-the-mill" grievances. The company issued a statement charging that the strike was instigated by Negro youths of draft age, who were characterized as the "fittering element."

2. At one plant, white workers came to the management to protest against the hiring of Negroes. The personnel manager was asked what had been done to "sell" the white workers on the Negroes. "Oh, I read them the President's Executive Order on dis-

# ... The Horrors of Racism in Detroit



Brave lads, these Detroiters—when it's 10 or more to one. A crowd of white rioters surrounds two Negroes who have been knocked down. One of the victims is trying to rise. The other is unconscious. Southern hillbillies who

were transported to Detroit to work in the auto plants—because they were used to low wages and no union—form the elements most susceptible to incitement by subversive hateranglers.

**MORE** →

crimination and told them they could take it or leave it," he replied.

The same criticism was made by R. J. Thomas, president of the United Auto Workers, CIO, who asserted that the auto manufacturers have "given us little cooperation."

Thomas charged that "there has been murder committed in this town and no charge has been brought against anybody."

"There is a substantial nucleus of KKK and Black Legion elements here," he said, "and nobody in political life has the intestinal fortitude to move in and prosecute. It's no secret that the KKK whooped it up here during the last couple of days and I'm willing to give names before a grand jury."

Thomas gave me an anti-Semitic leaflet which was distributed yesterday before the Detroit Steel Products plant by one of the workers. His name has been given to Government authorities for investigation.

The leaflet was a reprint of the infamous forged Benjamin Franklin statement about the Jews.

The pamphlet bore this postscript: "Print as many copies of this as possible and give them to your friends, asking them to do the same. Don't patronize Jewish business places."

The community leaders I talked to told me anti-Semitism is growing here.

"It runs through the bus conversations you hear," one of them said. "Some time ago a Jewish firm here became involved in a Government fraud. The buses and street cars seethed with rumors and just plain, downright anti-Semitism. And, of course, we have our rumors, obviously organized, that the Jews are evading the draft, are making all the money and so on."

Referring to these racial animosities, Walter Reuther, UAW vice president, accused the auto industry of ignoring wartime social problems.

"As soon as they pull the troops out of here it will happen again," he said. "Our only hope is that some active committee is organized to arouse the decent people of this town so that this won't happen again."

Another problem is the Detroit police department which has proved utterly incapable of dealing with these racial tensions.

Seven hundred were injured, of whom a half dozen are expected to die.

About 1250 rioters still are under arrest. The production decrease was between 15 to 50 per cent.

A General Motors spokesman said that four of the corporation plants had "practically 100 per cent" absenteeism among Negro workers yesterday. The over-all absentee figure in four plants was 50 per cent, he said. Absenteeism among 60,000 Negro war plant workers in Detroit ranged from 50 to 90 per cent, according to Army, WPB and plant officials.

You know the score—28 dead, 25 of them Negroes, 90 per cent of the injured Negroes, 34 rioters sent to jail for 90 days, all Negroes.

Here is a revealing paragraph from the Detroit News:

"Sturks and Hamilton (Detroit policemen) then entered the store and were con-

fronted by two unidentified Negroes who began cursing the officers. The patrolmen fired simultaneously and both Negroes crumpled to the floor, dead."

John Bugas, local head of the Federal Bureau of Investigation, said:

"I don't think that either the Germans or Japs inspired this business."

For the moment the cops have been superseded by the Army which has patrols armed with sub-machine guns, gas, bayonets, riding the streets in jeeps and trucks. But it's an invitation to trouble to allow the Detroit police to remain in charge after the troops move out.

Yesterday I walked through the streets of Detroit's East Side, where the majority of the 160,000 Negroes live. The sidewalks were littered with smashed plate glass. Many store fronts were covered with pieces of lumber. Some shops had signs out front, "colored." I was stared at, curiously and suspiciously, by Negroes on front porches and street corners. On a smaller scale it was like walking through the Warsaw ghetto.

CONTINUED

## Rioters Raid the Street Cars . . .

### Race an Issue In OWI Row

**Southerners Voted to  
Abolish Agency Because It  
Was Fair to Negroes**

WASHINGTON, June 23.—One of the big issues before the Senate Appropriations Committee tomorrow, when it begins consideration of the appropriation for the Office of War Information, is:

What is the place of Negroes in the U. S. A.?

In the midst of the worst race riots in American history, the one Government agency which has attempted by persuasion to mitigate the racial differences between white and Negro Americans stands marked for execution—and partly for that reason.

#### Basis for Action

That was the basis of the outcry by Rep. J. C. Starnes (D., Ala.) when he offered the motion to kill OWI's domestic activities. Starnes charged that the OWI "is an insult to the patriotism and the sacrifices of the members of this body of the American people, whose brothers and whose sons have fallen from the skies in flaming combat."

"That was the meaning of Starnes' assertion that 'the type and character of the domestic propaganda foisted upon the American people through publications printed and distributed at public expense by the OWI is a stench to the nostrils of a democratic people.'"

Rep. A. Leonard Allen (D., Ala.) spelled it out. Said he:

"Ehner Davis, instead of helping the war effort domestically, is hurting it. . . His propaganda stuff has hurt the South. We in the South understand that problem and know best how to deal with it. We understand the psychology of the race problem. Davis had 2,500,000 copies of a certain pamphlet printed and sent everywhere. This pamphlet undertook to glorify one race in the war."

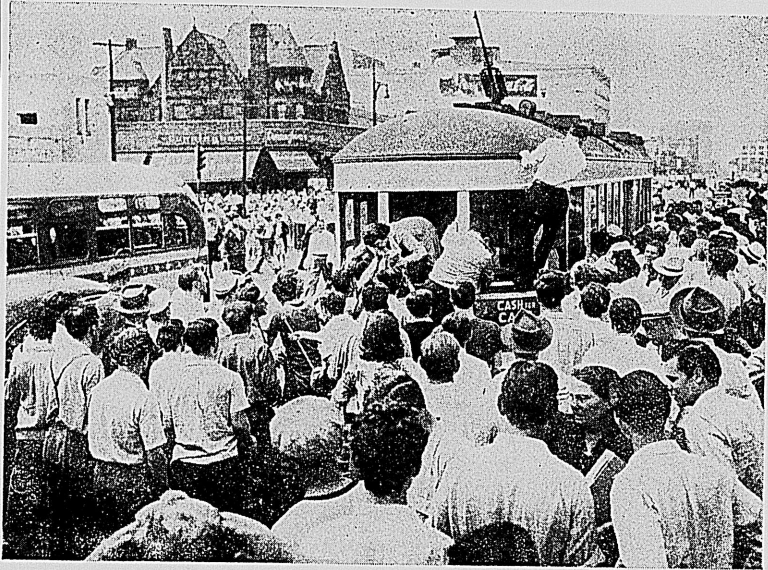
#### Pamphlet Is Target

"We in the South wish to encourage that race. We are the best friends of that race. But such propaganda raises a race issue, which ought to be kept down."

Starnes and Allen were talking about the OWI pamphlet *Negroes and the War*. It was an attempt by word and pictures to tell what Negroes are doing in agriculture, industry and in the armed services, what Negroes have to gain by an American victory and what Negroes have to lose if the Axis wins.

The booklet also outlined the progress made by Negro citizens in recent years in education, economy and in the arts and sciences.

Starnes and Allen, with predominantly Republican support, prevailed and the OWI's information service that has been helping newspapers, radio, magazines and motion pictures tell Americans about the war is to be abolished—unless the Senate votes otherwise.



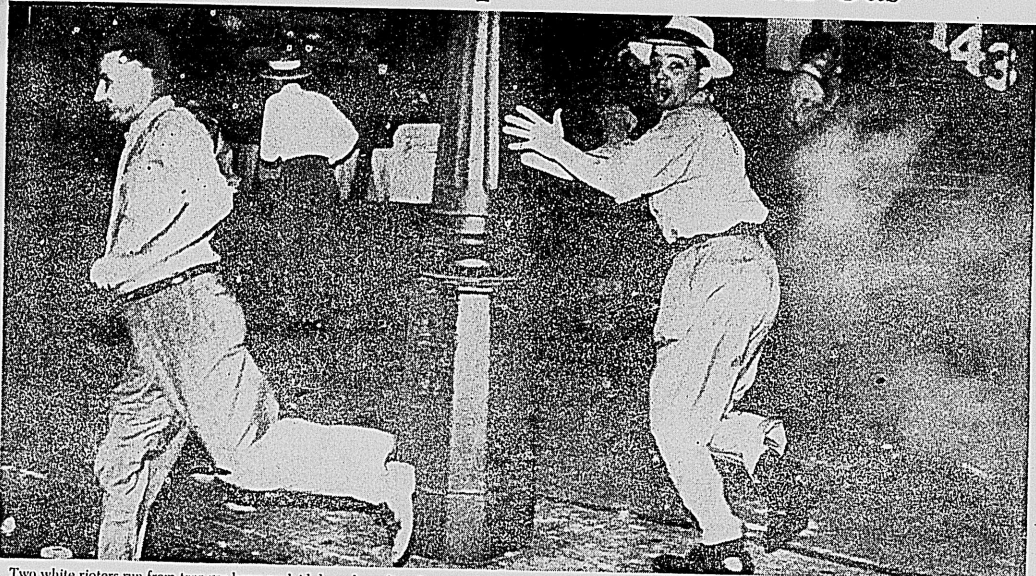
Racist fanatics surrounded a street car in downtown Detroit in their hunt for more Negroes—any Negroes, not persons suspected of misdeeds—to beat up. As rioters jam the doors a woman is being helped out the rear windows.



Here, at least, is one picture that doesn't tear your heart out. It's one brave man, a white, who stands in the doorway of a street car, making a plea for tolerance to the mobsters trying to get inside and drag out their prey.

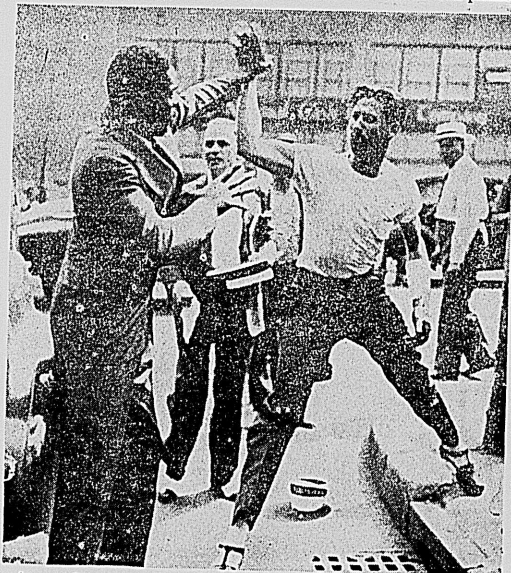


... And Police Break Up Mobs With Tear Gas



Two white rioters run from tear gas barrages laid down by police. But it is the arrested Negroes who are drawing prison sentences in Detroit. This picture

was taken shortly after the arrival of Army forces to restore order to the Nation's greatest production center.



A rare sight among these pictures—a white rioter fights a Negro single-handed. Of course, there were other whites standing by to help.



No cars for Negroes. White hoodlums overturned this car when they found a Negro driving it and set it afire.

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**CONTINUED** **Bloody Fighting**  
**On Streets of Detroit, U. S. A.**



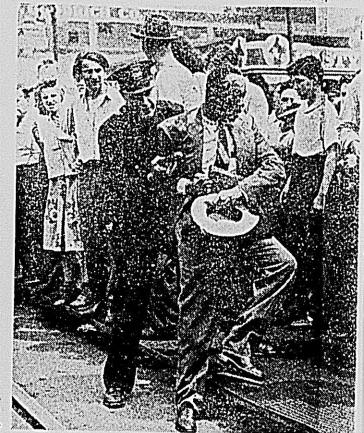
A Negro victim tries to rise while three white men stand over him—the ringleader apparently ready to strike again. Thus Hitler's racist bully-boys fought in Berlin—always with the odds on their side.



A white mobster chases a fleeing Negro. He is armed with a beer bottle. This isn't his



An injured Negro runs a gantlet of whites at Woodward Ave. and Mack, cowering close to a fence. The nearest white man may be waving in the direction in which the victim can escape—or maybe not.



A policeman escorts a colored man who has been in downtown Detroit. Apparently, in this case at least,



...ing Negro. He is armed with a piece of lead pipe. His friend  
 te. This isn't honest fighting; it's the blood lust of ignorant men

...set loose upon the most easily identified minority group. Nobody bothered to ask this  
 Negro boy any questions. What was wanted—blood.



...who has been hauled off a street car and attacked in  
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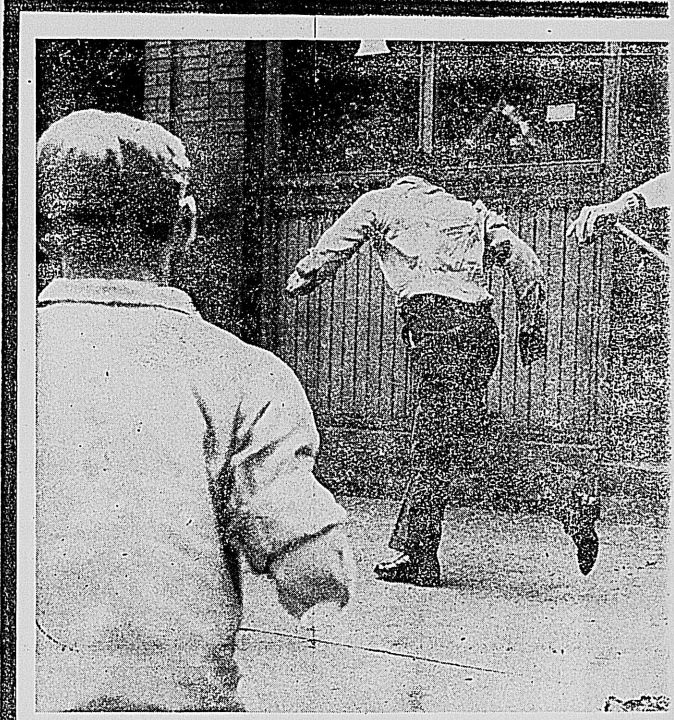
A Negro, knocked down in an alley near Woodward Ave., begs for mercy. After the picture was  
 taken, the crowd moved in upon the prostrate man and kicked him.

MORE

# CONTINUED Bloody Fighting On Streets of Detroit, U. S. A.

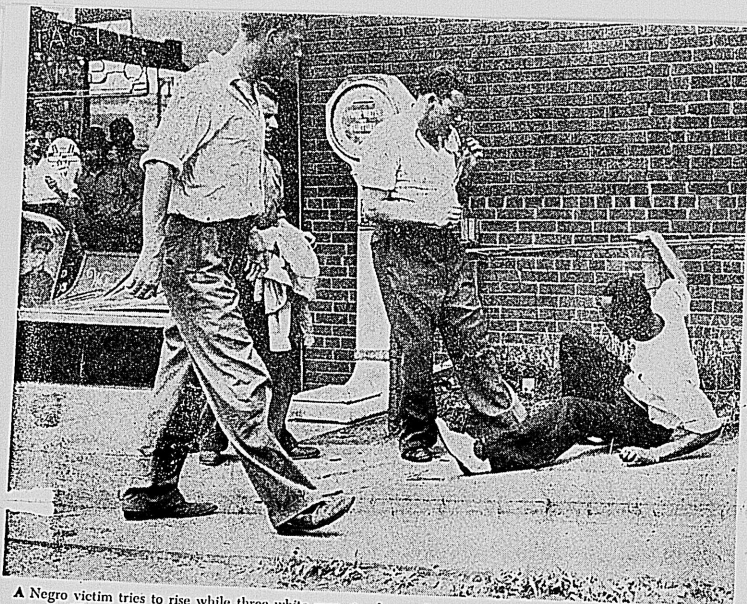


A Negro victim tries to rise while three white men stand over him—the ringleader apparently ready to strike again. Thus Hitler's racist bully-boys fought in Berlin—always with the odds on their side.

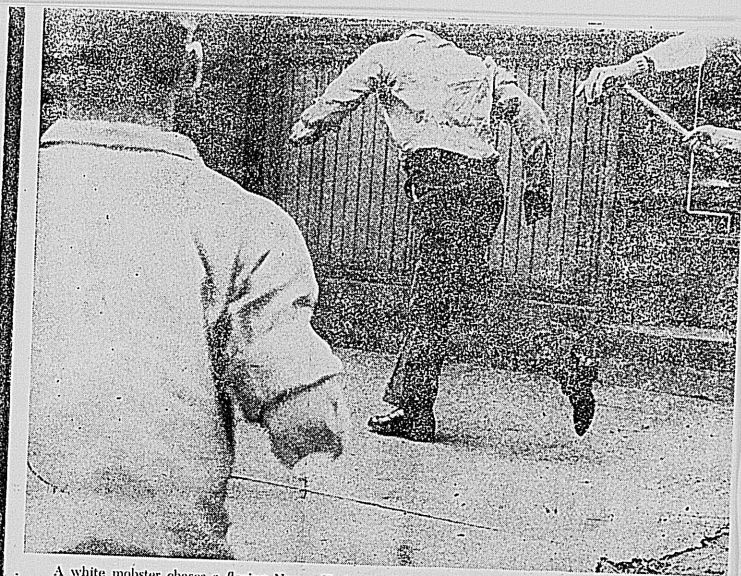


A white mobster chases a fleeing Negro. He is armed with a piece of lead pipe. His friend is armed with a beer bottle. This isn't honest fighting; it's the blood lust of ignorant men





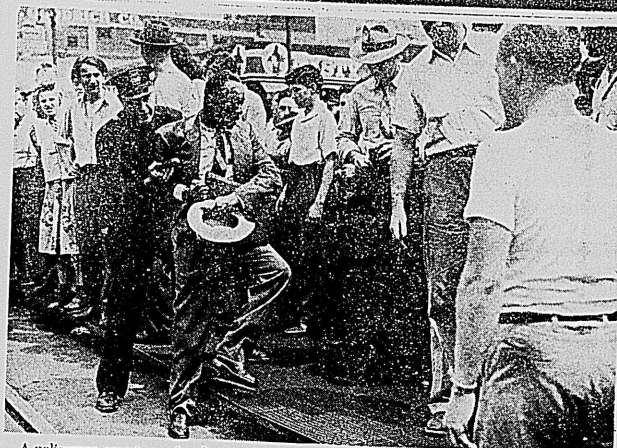
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Injured Negro runs a gantlet of whites at Woodward Ave. and Mack, covering close to a fence. The nearest white man may be waving in the direction in which the victim can escape—or roaybe not.



A policeman escorts a colored man who has been hauled off a street car and attacked in downtown Detroit. Apparently, in this case at least, the officer was trying to be helpful.



A Negro, known, taken, the c

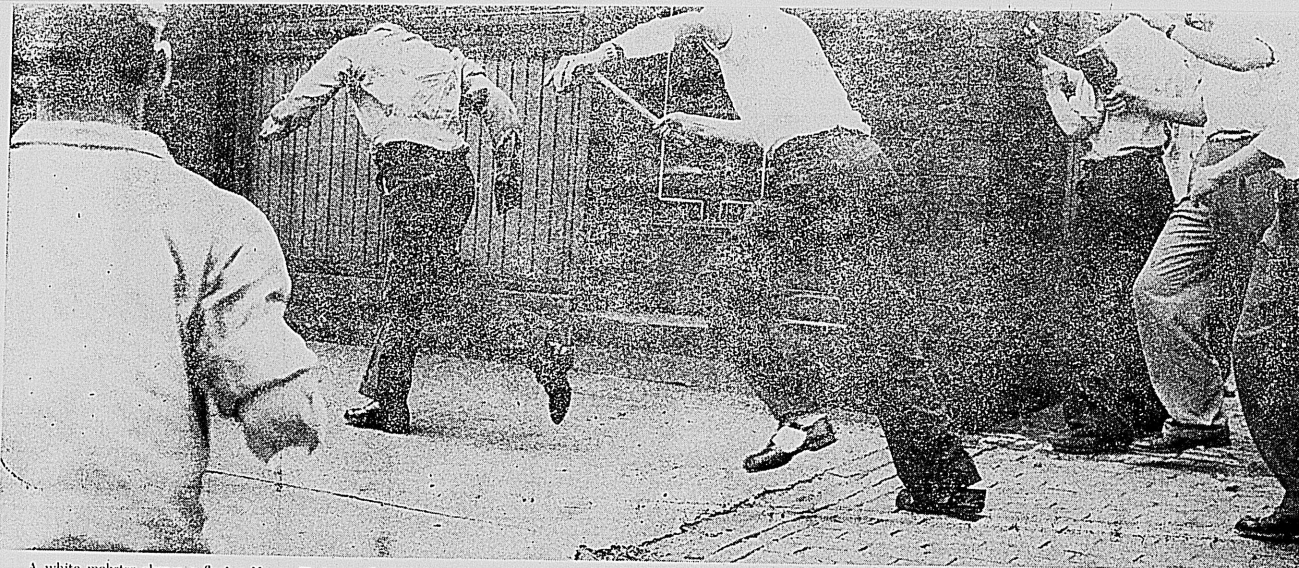
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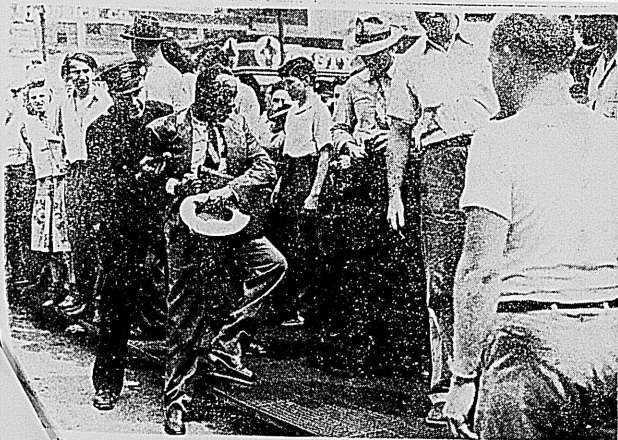
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Police man escorts a colored man who has been hauled off a street car and attacked in downtown Detroit. Apparently, in this case at least, the officer was trying to be helpful.



A Negro, knocked down in an alley near Woodward Ave., begs for mercy. After the picture was taken, the crowd moved in upon the prostrate man and kicked him.

**MORE** ➤

# ... And Those Who Were Lined Up by Police



Negro residents of an apartment building on Vernor Highway were driven out by gas. Police were seeking a sniper who shot at them from a window. The

apartment residents all were lined up like dangerous criminals while the officers searched them for weapons.



When these police prisoners were lined up, they were told to keep their hands on their heads. Note what is most significant about the picture. There

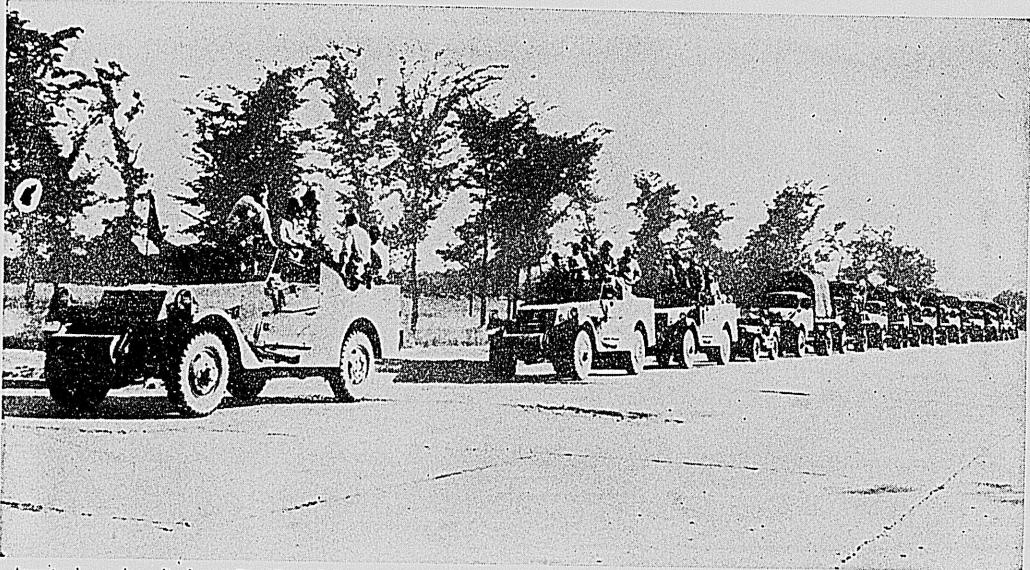
is not a white man in the line. Of the first 34 suspects sentenced in Detroit, all were Negroes.

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# The Army Takes Over in Detroit Crisis . . .



Army trucks are shown lined up at River Rouge before they moved into Detroit at the command of President Roosevelt. Army detachments in battle

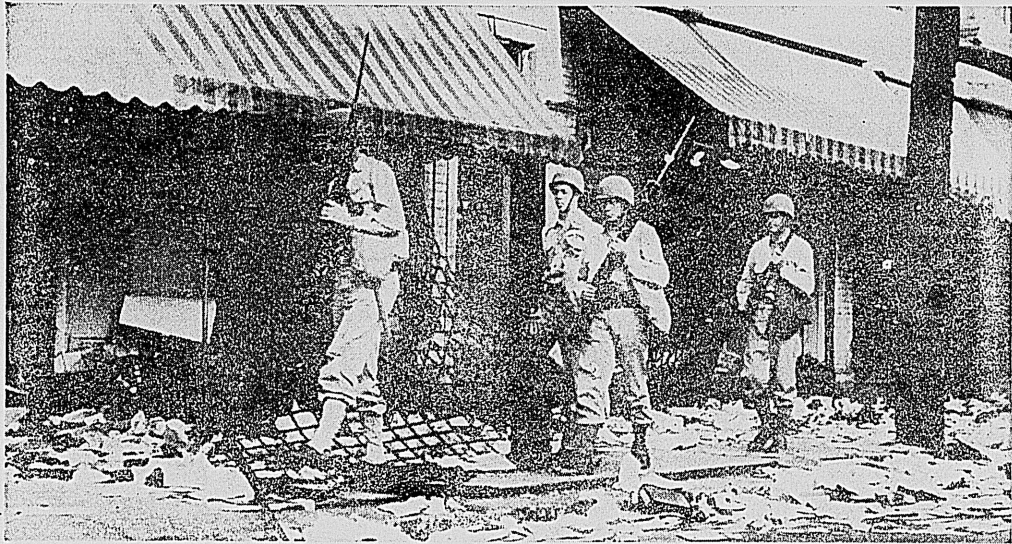
dress sped into the machine metropolis, and an immediate easing of tension was noticeable when their trucks appeared.



Army troops lean from a truck, ready to hurl tear gas bombs at the first sign of attack by Detroit rioters. The rioters, however, stayed well away from

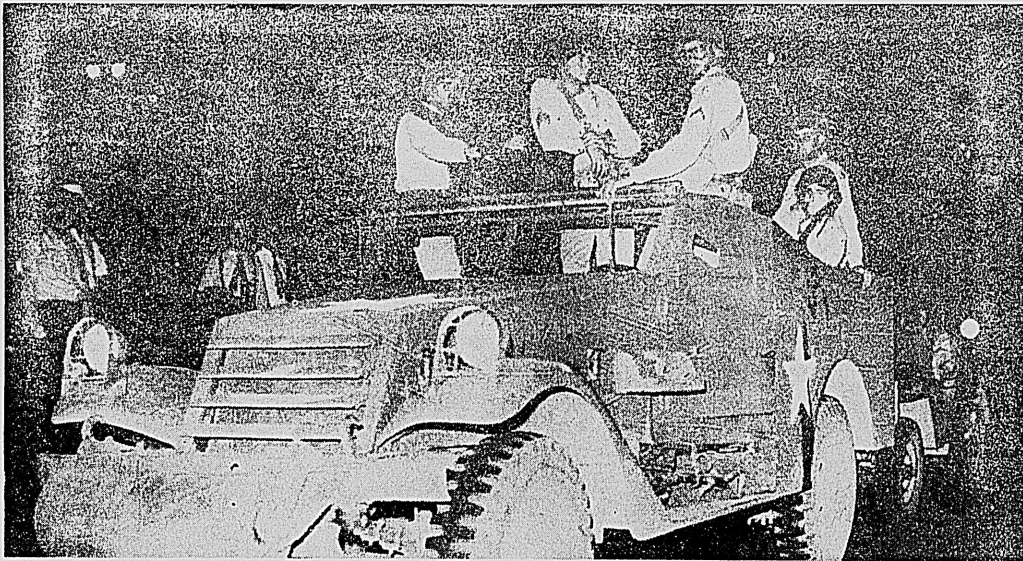
them, and the troops bivouacked at intervals along a two-mile stretch of Woodward Ave., the city's main street.

# . . . And Reign of Terror Appears at End



Soldiers are slow patrolling a debris-strewn street in the heart of Detroit—a street that looks as though it had been bombed. After the most violent 24

hours in Detroit's history, the Army quickly brought an uneasy quiet to the city. Martial law is still in effect.



In a combat car mounting a heavy-caliber machine gun, U. S. troops move through the streets of the Negro district and the surrounding area, where

most of the disgraceful battles were staged. This is the end of today's picture story from Detroit—a story we profoundly regret having to tell.

*Most of the Pictures on These Pages Are from the Detroit Free Press.*

F. B. I.

July 1, 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry Hopkins  
The White House  
Washington, D. C.

Dear Harry:

Information has been received regarding racial disturbances between white and negro workers at the Kaiser Shipyards, Vancouver, Washington.

A disturbance was caused on the night of June 28, 1943, at Hudson House, a shipyard dormitory where both negro and white workers reside, reportedly because a negro worker insisted upon playing his radio late at night. About three hundred white workers started milling around Hudson House, both they were dispersed by Military Police, members of the State Highway Patrol, the Sheriff's Office and the Vancouver Police Department. Herman R. Williams and William M. Ross, both white workers, were arrested by the Sheriff. No one was hurt and no property was damaged.

Reports that the negroes at the Kaiser Shipyards, Vancouver, Washington, were planning a race riot for 10:30 P.M., June 29, 1943, were indicated to be false when no disturbance of any kind developed during the night of June 29, 1943.

There is no information available indicating the above situation was in any way attributable to foreign inspired agitation.

With best wishes and kind regards,

Sincerely yours,

(s) Edgar

F. B. I.

July 3, 1943

~~PERSONAL AND CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

As of possible interest to you I am making available the following information concerning the recent activities of a negro organization.

Major John A. Hillman of the Military Intelligence Service advised that the Garveyites, a negro organization, will stage a mass meeting on July 4, 1943, at 2126 Washington Street, Gary, Indiana. The Military Intelligence Service reported it was informed that the Garveyites were armed at a meeting on June 27, 1943, when a speaker told them they would need to use weapons in defense of their race.

Information has been received from a confidential source to the effect that negroes are planning to invade public beaches in Gary on July 4 which may result in violence. It is not known whether or not this proposal was made by the organization mentioned or was prompted by it.

It has been reported that a Chicago local of this organization proposed to send unnamed persons to Detroit to clear up the discrimination against negroes in that city by creating a scene of a riot to bring the conditions existing there to the attention of what was termed a "White House Committee" in Washington.

The Garveyite organization is identical to the Universal Negro Improvement Association and African Communities League founded by Marcus Garvey, a West Indian negro, shortly after the first World War. His intention was to take possession of Africa and establish a government for negroes with himself as president. He proposed a steamship line and found many followers willing to pay for shares therein. Misappropriation of the money so collected resulted in his conviction for mail fraud in 1922 and his subsequent deportation to Jamaica, British West Indies. The original Universal Negro Improvement Association had within it a uniformed unit which engaged in military drill and conferred military titles upon its members. The Association lost much of its strength after the death of Garvey and numerous negroes sought

Honorable Harry L. Hopkins

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to take over the organization. At present James R. Stewart, Chicago, Illinois, is the national head. It has been reported that the Universal Negro Improvement Association retains the military unit within it to a very limited extent. Further, a number of the organizations whose leaders have been convicted of sedition or related offenses were developed among former members of the Universal Negro Improvement Association.

With expressions of my highest esteem,

Sincerely yours,

(s) Edgar

F. B. I..

July 3, 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry Hopkins  
The White House  
Washington, D. C.

Dear Harry,

I thought the President and you would be interested in information reported concerning the National Convention held by the March on Washington Movement in Chicago, Illinois. This Convention began June 30, 1943, and it is contemplated that it will continue through July 4, 1943.

The March on Washington Movement held its opening meeting at the Metropolitan Community Church in Chicago on June 30, 1943, at 8:30 P.M. It was attended by approximately 500 persons. A. Phillip Randolph, National Leader of this organization, presided, and he is related to have said that the March on Washington Movement was founded to express condemnation of those Governmental policies which permit racial discrimination and segregation. He is said to have announced that the Convention would consider the development of what he described a powerful nonpartisan political bloc to bring pressure on Congress for the enactment of the anti-poll tax and anti-lynching bills. This political bloc, according to Randolph, will ask that Negroes be given "first-class citizenship status."

Randolph is reported to have also stated the President would be requested to form a national race commission for the purpose of achieving a Congressional investigation of race riots.

Dr. Lawrence Ervin, who is the Eastern Regional Director of the organization, also spoke at the opening meeting and stated "the Negro must fight for his rights" and "who in hell is going to tell the Negro how he should go about getting his rights."

At 12:00 noon, July 1, 1943, a business session of the Convention was held and in attendance were approximately 110 people. The Credentials Committee at this meeting made various reports. The Convention's program was outlined and permanent national committees previously appointed by the Executive Board of this organization were announced.

An afternoon session was held on July 1 which was attended by approximately 270 delegates and members of the public. A discussion on "The Outlook and Future of the Fair Employment Practice Committee" was engaged in by Earl B. Dickerson and Milton P. Webster, both of

onorable Harry H. Hopkins

Chicago, who were former members of this Committee, and Harold Stevens and Thurman Dodson, delegates to the Convention from Washington, D.C. A dispute arose between the Protestants and Catholics when Dodson is said to have attacked the President for appointing Monsignor Haas as head of the Fair Employment Practice Committee on the ground that Monsignor Haas was not suitable because of his training as a Catholic priest. Stevens, a Washington Delegate, led the dispute against Dodson.

There were two resolutions adopted at the Afternoon meeting on July 1, one condemning the action of Monsignor Haas for his decision in the Alabama Dry Dock and Shipbuilding Corporation case in Mobile, Alabama, which permitted Negroes to work on only four of the ways in the shipyards. This action was labelled as discrimination against Negroes. The second resolution was an appeal to have Dickerson and Webster reappointed to the new committee of the Fair Employment Practice Committee.

It is said that both of the resolutions were sent to the President by telegram. In this connection, Randolph is reported to have read a resolution in the form of a telegram to the minority and majority leaders of both Houses of Congress, to the Vice President, and to Congressman Fish of New York in which an appeal was made that legislation be passed to create a "Commission on Race in America." It is allegedly desired that this commission rule on all racial questions arising in the United States. The last resolution was unanimously adopted.

The March on Washington Movement plans a demonstration in the form of a parade for Sunday, July 4, 1943, which will begin at the Metropolitan Community Church and end at the DuSable High School in Chicago, Illinois. A confidential informan has advised that a large demonstration is expected in connection with this parade.

A confidential informan has also advised that a decision on an actual march on the City of Washington will not be reached or discussed in open meetings at the Convention until an answer has been received to the three previously mentioned resolutions.

I thought the President and you would be interested in this information and as additional pertinent data are received, they will, of course, be made available to you.

With best wishes and kind regards,

Sincerely yours,

(s) Edgar

F. B. I.

July 6, 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry Hopkins  
The White House  
Washington, D. C.

Dear Harry:

Supplementing previous information furnished to you regarding the National Convention now being held by the March on Washington Movement in Chicago, I thought the President and you would be interested in the following data concerning events which occurred on July 1 and July 2, 1943.

In connection with its National Convention the March on Washington Movement held a meeting on "Jim Crowism in America" at 9 P.M. July 1, 1943, in the Metropolitan Community Church, Chicago, Illinois. Approximately 600 persons were in attendance, including 25 white people. Reverend Archibald J. Carey, Jr., Pastor, Woodlawn, A.M.E. Church, Chicago, presided and introduced the following speakers, all of whom are Negroes: Layle Lane, March on Washington Movement Secretary, New York City; Carl Hansberry, President, National Negro Progress Association and wealthy Chicago real estate owner; Cordelia Green Johnson, President, Beauty Culturists League of America, Jersey City, New Jersey; Hank Johnson, United Mine Workers Union representative, New York City, and Dr. George Edward Haynes, Federal Council of Churches in America.

All of the speakers criticized the alleged discrimination against and segregation of the Negro in labor and in the Army. Reverend Carey stated that Negroes should not go to Burma to save freedom if they can't get freedom in Birmingham. He asserted that the cause of the riot in Detroit is to be found in the heart of the Negro who is oppressed. Layle Lane suggested that Negroes can secure political, social and economic freedom by use of the purchasing power and the right to vote found in the total Negro population. Hansberry advised Negroes to take advantage of all legal means to secure freedom from racial discrimination, and Cordelia Johnson suggested that Negroes take advantage of all opportunities to join interracial groups. She also quoted a colored friend who had stated that she would rather shoot her son that see him in the uniform of the United States Army, but continued by stating that she had tried to dissuade her friend from this course of action. Johnson stated, "Why should he (referring to the Detroit Negro) fight for freedom when his own citizens were being shot by policemen who were sent to



Honorable Harry L. Hopkins

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protect him." She also advocated legislation to abolish "Jim Crowism" and placed the responsibility for the existence of "Jim Crowism" in the Army and in labor on the Federal Government. Bayard Rustin urged members of the March on Washington Movement to follow a direct action non-violence program to secure negroes' rights at the present time. He stated that freedom would not come from the use of laws, but will come from the application of the non-violence technique. He asserted that violence would be suicidal and freedom would not come by the use of force.

Voluntary contributions were solicited from those in attendance at the meeting and the booklet, "Jim Crow in Uniform --War's Greatest Scandal," was sold. Copies of "Labor Action," an alleged Socialist newspaper, were distributed.

On July 2, 1943, a meeting was held from 10 A.M. until 1:15 P.M., the purpose of which was to present the program of the March on Washington Non-Violence Direct Action Good Will Committee. Only delegates were permitted to attend this meeting and members of the press were excluded upon the instructions of A. Phillip Randolph, National Director. Several members of the Socialist press, however, whose names are presently unknown, were permitted to attend. Dr. William Edward Nelson, Chairman of the Non-Violence Direct Action Good Will Committee, and Dean of the School of Religion, Howard University, Washington, D.C., presided. The following persons who are members of this committee addressed the delegates: Miss Rita Baham, Chairman of the Chicago Local Non-Violence Committee and member of the Committee on Racial Equality; Dr. J. Holmes Smith, former missionary to India from New York City and operator of the Harlem Work Shop; Reverend James Farmer, Resident Secretary of the Fellowship of Reconciliation, Chicago, Illinois; Bayard Rustin, Field Representative, Fellowship of Reconciliation, New York City; Mrs. Melba Wilson, Fellowship of Reconciliation representative, Columbus Ohio, and E. Pauline Myers, National Executive Secretary of the March on Washington Movement.

The speakers stressed the importance of not responding to violence on the part of white agitators and policemen, and a direct action non-violence program was suggested whereby Negroes would be educated by a March on Washington Movement school for teaching the non-violence technique. This technique, it was stated, would consist of approaching white proprietors of restaurants, bus companies and theaters to secure service for Negroes as well as whites. The program as outlined by speakers Rustin, Baham, Smith and Myers stressed the fact that Negroes should passively resist until service is given. No alternative action was decided upon in the event the services are denied.

The non-Violence Direct Action Committee submitted a five-point resolution which, according to confidential informants, will probably be adopted in its entirety. This resolution recommends that the program of non-violence direct action take effect in the fields of employment, civil and constitutional rights, "Jim Crowism" and

voting. It was decided upon by the committee during the morning session of July 2, 1943, to experiment with the non-violence technique in the cities of New York, Washington, Richmond, Chicago and Los Angeles. It was also recommended that the March on Washington Movement establish an institute to teach the non-violence technique with headquarters to be located in New York City. In addition, it was advocated that paid National Director of the March on Washington Movement be appointed.

At the afternoon session, which began at 2 P.M. on July 2, 1943, the discussion was devoted to the problem of "The Negro in Peace and Post-war Planning -- Africa, the Caribbean and the United States." The speakers at this session were: Dr. Lawrence Reddick, a March on Washington Movement delegate from New York City who is connected with the New York City Library; Dr. Eric Williams, Professor of Social and Political Sciences, Howard University, and Dr. Louis Wirth (white), Professor of Sociology at the University of Chicago.

Dr. Reddick stated that the four freedoms should be applied to Africa now and remarked that the foreign colonies in Africa must be given self rule. Dr. Williams asserted that the four freedoms should be granted to the Islands of the Caribbean. He stated that natives of these islands are now without decent living conditions, education or recreational program, which has caused West Indians to flock to the United States. Therefore, he concluded, this country should extend to these islands the freedom of the Atlantic Charter. Dr. Wirth acquiesced in the opinions of Reddick and Williams and stated that a new world is being created now in which the minorities will exist as they do at present. He concluded by urging the Negroes to carry on the fight to win the present war. As yet no formulated program has been submitted to the conference regarding postwar planning for Negroes.

As further information is received relative to the National Convention of the March on Washington Movement, it will, of course, be made available to you.

With best wishes and kind regards,

Sincerely yours,

(s) Edgar

F. B. I.

July 6, 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry Hopkins  
The White House  
Washington, D. C.

Dear Harry:

Supplementing that information which I have already furnished the President and you concerning the National Conference of the March on Washington Movement in Chicago, Illinois, I am attaching a memorandum summarizing data relative to the last session of July 2, and the July 3 and 4, 1943 sessions of the Conference.

As it will be noted from the attached memorandum, the organization approved the staging of an actual march on the City of Washington, the date of which is to be decided by the National Executive Committee of this organization. The preliminary plans include marches by local units of the March on Washington Movement on State and city municipal buildings, presumably for the purpose of protesting alleged discrimination and segregation. These local marches are said to serve also as training and conditioning for the participants in the proposed march on the Nation's Capital.

I wanted to point out, further, a report made by a confidential informant of a statement made by A. Phillip Randolph, the national leader of the organization. Randolph is said to have informed if a crisis results from the local demonstrations, then the actual march on the City of Washington will be called and those persons participating in it will remain in Washington until a bill is passed creating a "racial commission."

Information has also been received that at the evening session on July 2 postal cards were distributed at the beginning of the meeting for the purpose of urging the President to reschedule the railroad hearings by the Fair Employment Practice Committee and, further, to reappoint Earl B. Dickerson to this Committee.

I thought the President and you would be interested in this information and as additional pertinent data are reported, they will, of course, be made available to you.

With best wishes and kind regards,

Sincerely yours,

(s) Edgar

Enclosure

July 5, 1943

RE: NATIONAL CONFERENCE OF THE  
MARCH ON WASHINGTON MOVEMENT,  
CHICAGO, ILLINOIS

On the evening of July 2, 1943, the organization held a "Town Hall" meeting which was attended by approximately 650 Negroes and 20 White persons. Colden Brown, President of the New York local of this organization as well as Chairman of the national committee dealing with the Winfred Lynn Selective Service case, presided at the meeting which dealt mainly with the subject "Jim Crow in Uniform--The War's Greatest Scandal." Penny postal cards were distributed at the beginning of the session to be addressed to the President urging that he reschedule the railroad hearings of the Fair Employment Practice Committee and reappoint Earl B. Dickerson to that Committee. The recipients of these cards were urged to write their own messages concerning these two matters.

The following individuals spoke at the meeting: Vincent Baker, Negro, National Director of the Modern Trend Progressive Youth Group; James Farmer, Negro, Secretary of the Fellowship of Reconciliation; Roscoe Mitchell, Negro, Richmond, Virginia, delegate at the Conference; David Grant, Negro, St. Louis, Missouri, delegate at the Conference; Norman Thomas, Chairman of the Socialist Party; Ira Reed, Negro, head of the Department of Sociology, Georgia University; and Edgar G. Brown, Negro, representative of the National Negro Council.

Colden Brown, as Chairman, announced at the outset that the National Conference of the March on Washington Movement proposed to lift "the lid from the foul Jim Crow situation" which exists in the United States. He alleged that the problem originated from the Federal Government itself and stated that it is a sad commentary that all groups can serve in the country's war effort except the Negroes. He further alleged that 90 per cent of the Negro troops in the United States are in labor battalions rather than in combat units and urged segregation in the United States Army be eliminated.

With regard to the Winfred Lynn Selective Service case, Brown stated the March on Washington Movement plans to carry it to the United States Supreme Court and warned if the Supreme Court fails to rule in favor of Lynn, then the Negro has no recourse to the courts of the United States. He added if the Supreme Court ruled in favor of Winfred Lynn, then the "Jim Crow policy of the War Department" will have to be changed. He stated that July 4 means nothing to the Negro soldier; that to him hymns and prayers are fraud and deception, for revolting hypocrisy and barbarism are rampant.

(It is to be recalled that the Winfred Lynn Selective Service case involved this individual, a Negro selectee from Long Island, New York, refusing to be inducted into the United States Army because of alleged discrimination and segregation in it. His attorneys, his brother, Conrad Lynn, and Arthur Garfield Hays of the American Civil

Liberties Union in their brief attacked the administration of the Selective Training and Service Act as being unconstitutional in that separate quotas are allegedly used to induct white and colored selectees. A writ of habeas corpus sought on these grounds after Winfred Lynn had been inducted was denied on the basis there was a failure to prove Lynn's induction was pursuant to a quota since Lynn had reported for induction alone on December 19, 1942, and not in an induction group. An appeal was filed and subsequently the March on Washington Movement indicated its desire to support the appeal as a means of attacking discrimination against and segregation of Negroes.)

Vincent Baker at the July 2 evening session remarked that Negroes are told not to be emotional over riots, yet if Negroes are to be indignant over the slaughter of Americans in Japanese internment camps then surely they are entitled to become indignant over the slaughter of Negroes in American camps. He then stated that Hitler and Goebbels could not have done a more effective job of breaking up American unity than "Stimson and Knox" and alleged that everywhere American troops have gone the prejudice of "Jim Crowism" has followed it.

James Farmer of the Fellowship of Reconciliation informed that "Jim Crowism" exists throughout the United States and the world at large and alleged the United States Army is under the hand of reactionaries in the South. He urged segregation be abolished for unity in order that true unity can be based on equality and justice. He then stated that Winfred Lynn is not breaking the law, rather upholding it in opposing segregation in the United States Army. He urged all Negroes to protest through demonstrations and letters and telegrams to their Congressmen.

David Grant avowed the riots in Detroit were caused by segregation inaugurated by industrialists and urged agitation, exploitation and the expose of existing conditions by Negroes to cure "evils of Jim Crowism."

Norman Thomas in his speech urged the abolition of "Jim Crowism" in America and stated also that no Negro or white man can hope to have freedom without doing away with the war system and conscription under it. He urged Negroes not only to fight "Jim Crowism" but to fight against the whole system which permits conscription to exist.

In connection with the evening meeting of July 2, 1943, it was ascertained by a confidential informant that the Non-Violence Direct Action Committee of the March on Washington Movement would stage a demonstration composed of Negroes and white persons at the Walnut Room of the Hotel Bismarck in Chicago during the dinner hour on July 5, 1943. It was alleged that the March on Washington Movement would observe the outcome of this demonstration to determine the course of further activity on their part. James Farmer, previously referred to was reportedly scheduled to make the initial demand for service at the hotel which would be followed by demands for service by other demonstrators.

On July 3, 1943, from 3:00 P.M. to 9:00 P.M., a closed meeting was held at the Metropolitan Community Church in Chicago. This was a meeting of the Non-Violence Direct Action Committee of the March on Washington Movement and the purpose of it was to present the recommendations on future activity in this particular field. There it was recommended that plans for an actual march on the City of Washington be made at the present time and a date be set for this march. It was further recommended that local chapters institute marches immediately upon their delegates' return from the National Conference to be directed at State and municipal buildings. William Stuart Nelson, Dean of Religion at Howard University and Chairman of the Non-Violence Direct Action Committee of the instant organization, introduced a resolution which was adopted by the delegates:

1. That the actual march on Washington be used as one of the techniques of the non-violence, direct action, good will program;
2. That local marches on city and State government buildings be held by local chapters as soon as plans can be made which are to be used to train and condition marchers for the "national march demonstration" in Washington, and
3. That the time of the national march be determined by the national Executive Committee.

This resolution was adopted unanimously. In this connection, it is reported that A. Phillip Randolph, the national leader, in a private conversation advised if a crisis comes as a result of local demonstrations, then the actual march on the City of Washington will be called and those persons participating in it will remain in Washington until a bill is passed creating a "racial commission." The contemplated purposes of the "racial commission" are:

1. To outlaw "Jim Crowism" in the Army.
2. To investigate all racial questions in the Army and elsewhere

On July 3, 1943, the delegates at the National Conference numbering 104 elected a new National Executive Committee composed of 26 persons and divided the United States into 7 geographical districts. They provided for 3 members in each district to hold membership in the Executive Committee and for 5 members at large from New York City. A quorum of the Executive Committee was set at 5 persons, which body has been given the power to meet at any time and to issue the "call" for a national march. It was voted 103 to 2 to exclude white persons from membership in the organization. Randolph, who apparently accounted for the extra vote, was in favor of permitting Socialists to become members. Layle Lane, National Executive Committee member, favored permitting white persons to become members inasmuch as the March on Washington Movement has accepted contributions from them. It is to be noted in this connection that representatives of the Socialist party's newspaper "The Call" and "The Militant" which is generally

recognized as the official publication of the Socialist Workers Party, a Trotskyite group, were permitted to attend the closed session.

The members of the subcommittee interested in the Winfred Lynn Selective Service case, referred to previously, issued recommendations at the closed meeting of July 3, 1943, that each local unit of the March on Washington Movement obtain additional cases of this character. They further recommended that Negroes be approached prior to their induction into the Army for the purpose of acquainting them with "the law" so that after they are inducted they can institute legal action against the War Department. According to a confidential informant, there was some discussion as to whether the Negroes approached should institute legal action before induction took place, although nothing definite was settled in this regard.

Among the other resolutions passed at the closed meeting of July 3 was that Communists be excluded from the membership of the organization. An additional resolution was that \$12,000 must be raised to finance the organization by the local units through staging rallies, concerts and dances. Another resolution, which was adopted by a vote of 104 to 1, urged assistance in winning the war and purchasing war bonds. In this connection Layle Lane opposed the resolution on the ground that the war is "capitalistic" and requested that her vote be recorded.

On the morning of July 4, 1943, a morning prayer was given for the National Conference at the Negro Soldier's Monument in Chicago. This was followed at 2:00 P.M. by a parade from the Metropolitan Community Church in Chicago to the Du Sable High School where the final mass meeting of the Conference was held. Approximately 50 persons participated in what was called the "freedom parade."

At 3:45 P.M., July 4, 1943, the final meeting of the National Conference was held at the DuSable High School in Chicago. In attendance were approximately 2,200 Negroes. The Chairman of the meeting was Dr. Charles Wesley Burton, Negro, President of the Chicago unit. He announced that the March on Washington Movement had decided to maintain the idea of marching on the City of Washington as the strategy to get rid of "Jim Crowism." He advised, however, this would be used only as a last resort. Burton also announced that the March on Washington Movement would prepare to discipline its members for the national march by instituting local marches upon various cities and State capitals in the United States. He welcomed an investigation by the Federal Bureau of Investigation, stating that that Bureau stood for justice.

The following individuals also addressed the meeting: Dr. William Stuart Nelson, who has been referred to previously and who was appointed to direct the "action program" of the March on Washington Movement; Dr. E. Stanley Jones, white, a missionary to India, who was described as an aid of Mohandas Gandhi; A. Phillip Randolph; Dr. James Horace, Negro, preacher of the Monumental Baptist Church; and

Reverend T. E. Chapman, Shilo Baptist Church, Englewood, Illinois.

In his speech, Dr. James Horace stated, "The Church must come to grips with the race measure, the Church has upheld segregation and it is time it started confessing its sins. The Church has preached dogma and not brotherhood. It is a sin for a Negro to go to the Solomon Islands to fight for democracy that he doesn't have at home. I want the FBI to communicate that to the President."

Dr. E. Stanley Jones addressed the audience on the subject of non-violent solutions to the race program. He described the non-violent action program of Mohandas Gandhi and stated it was a principle of "we won't hate you, but we won't obey you." He recommended the organization to institute such a technique.

A. Phillip Randolph in his speech stated the present war is one of imperialism and of white people's supremacy. He claimed the cause for freedom is in full retreat and the Allies may win but democracy will lose. He stated the Negro is not free and never has been free because of the inequalities which have existed in America. He compared the liberation of Negroes to that of other enslaved peoples. He pointed out alleged instances of segregation of the Negro in the social, economic and political fields in the United States.

In his speech Randolph advocated the members of the local units of the March on Washington Movement contact public utilities through sending committees to seek employment for Negroes with the public utilities. He further advocated if employment is not obtained the local units conduct picketing, institute marches and stage demonstrations. He added that demands would be made by the March on Washington Movement of President Roosevelt to gain employment for Negroes in all branches of the United States Government. He stated the March on Washington Movement proposes a united Negro political bloc, mass picketing of public utilities and marches on city halls and State capitals. He called upon the Negro soldiers to vote in support of anti-lynching and anti-poll tax laws as well as similar measures.

Randolph also remarked in his speech that the March on Washington Movement will demand an answer from the Republican and Democratic Parties on the question of racial discrimination. He also said the organization proposes to purge labor unions of discrimination by similar means. He severely criticized Monsignor Francis Haas, head of the Fair Employment Practice Committee, for his decision in the Mobile, Alabama, shipyards case, terming it another example of race segregation.

It was claimed by Randolph in his remarks that the Federal Government was entirely responsible for the race problem existing in America at the present time and it would only do what was right when forced to by measures proposed by the March on Washington Movement. He added that Congress will be called upon to enforce that section of the Fourteenth Amendment which provides that individual States discriminating against races be cut down proportionately in their representation in Congress.



F. B. I.

July 8, 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry Hopkins  
The White House  
Washington, D. C.

Dear Harry:

As a further supplement to the information which I have previously furnished to the President and you regarding the March On Washington Movement National Conference in Chicago, there are related below the events which transpired at the National Executive Committee meeting of this group on July 5, 1943.

During the course of the meeting which was held in the Metropolitan Community Church, sub-committees were appointed. William Stewart Nelson of Howard University, Washington, D. C., was re-appointed Chairman of the Non-Violence Good-Will Direct Action Committee and Thurman Dodson, a Washington, D.C., attorney, was named Chairman of the Committee to work with the Fair Employment Practice Committee.

A new group was set up at this meeting to make plans for a conference to be held next year in New York City to discuss post-war planning for "free Negroes and darker peoples." At this proposed conference it is planned to draw up "manifesto of four freedoms to apply to Chinese, Indian peoples and Negroes" for presentation to the United Nations Peace Conference following the war.

Charles W. Burton announced that a series of institutes are planned to teach non-violent good-will direct action, the first one to be held at Howard University. He also asserted that transportation and public utility companies of Chicago and elsewhere would be asked to hire Negroes equally and that if these requests are met with refusals mass demonstrations will be employed.

The majority of the delegates at the convention were reported to be leaving for their homes on July 6, 1943. A. Philip Randolph, E. Pauline Myers and Aldrich Turner were scheduled to return to New York City on the same date.

Honorable Harry Hopkins

Page Two

I thought you would be interested in receiving the information set out above as, according to informants, it covers the final official activities of the March on Washington Movement National Conference.

With best wishes and kind regards,

Sincerely yours,

(s) Edgar

F. B. I.

July 13, 1943

PERSONAL AND ~~CONFIDENTIAL~~  
BY SPECIAL MESSENGER

Honorable Harry Hopkins  
The White House  
Washington, D. C.

Dear Harry:

Shortly after 10:00 PM on July 7, 1943, Ferdinand C. Smith, National Secretary of the National Maritime Union of America, and Joseph Curran, President of the same organization, attended a secret meeting in Suite 810 of the Hotel Essex House, 160 Central Park, South, New York City. Suite 810 was occupied by Henry Young, Executive Assistant to Vice President Henry A. Wallace, and Dave Katz, alias Dave Karr, Assistant Chief of the Foreign Language Desk, Office of War Information, Washington, D. C.

Information has been received from a highly confidential and reliable source that arrangements for the meeting were made through Eugene P. Connolly, New York Country Secretary of the American Labor Party, who is reportedly a key figure of the Communist Party of the USA in the New York area.

Information has also been received from a highly confidential and completely reliable source that prior to the meeting on the night of July 7, 1943, Connolly reported to Saul Mills, Secretary-Treasurer of the Greater New York Industrial Union Council, CIO, and the known "go-between" for Roy Hudson, member of the Political Committee of the National Committee of the Communist Party of the USA, with Joseph Curran, President of the National Maritime Union of America. It is reported that Connolly explained that the purpose of the meeting was an attempt to build up support behind Vice President Wallace since Wallace feared that a "deal" might be made to replace Wallace with some Southern Democrat.

Because of the political implications of this meeting it should be noted that Ferdinand C. Smith is an Alien Jamaica negro who is a member of the Waterfront Section of the Communist Party of the USA in New York City. Dave Katz, alias Dave Karr, of the Office of War Information, is a former employee of the Daily Worker, East Coast organ of the Communist Party of the USA. Henry Young is reported to

Honorable Harry Hopkins

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be the "pipe-line" of information from the office of the Vice President to the Communists in maritime fields.

I thought the President and you would be interested in the foregoing information.

With best wishes and kind regards,

Sincerely yours,

(s) Edgar .

JOHN EDGAR HOOVER  
DIRECTOR



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

JUL 21 1943

PERSONAL AND CONFIDENTIAL  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry,

Anent the conversation had by you on June 24, 1943, with my Assistant, Mr. Edward A. Tamm, and with further reference to my letter of June 26, 1943, there is appended a memorandum regarding the results of the investigation concerning Frederick W. Shappert.

As you will note from the attachment, Shappert was questioned before a grand jury in the Southern District of Illinois at Peoria on July 15, 1943, at which time he admitted calling upon Mr. Dan Schuyler, Counsel for the Republican National Committee in Chicago, but denied positively that he tried to sell him any photostatic copies, documents or information of any nature involving you, Mr. John Hertz, Mr. Walter Joseph Cummings, or the Lehman brothers.

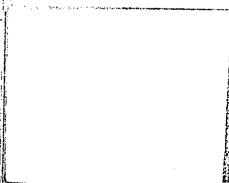
Subsequently, Shappert admitted lying while under oath before the grand jury and was afforded an opportunity to return before that body for the purpose of giving the correct story regarding his visit to Mr. Schuyler. On this occasion he stated that while talking to Mr. Schuyler he intimated that the surveys which he desired to conduct probably would show irregularities on the part of you, Mr. Jesse Jones, Mr. Hertz and Mr. Cummings. However, he absolutely denied having any photostats, documents, writings or information reflecting on your integrity or honesty, or the integrity or honesty of any of the men mentioned.

With expressions of my highest esteem,

Sincerely yours,

A handwritten signature in dark ink, appearing to read "J. Edgar Hoover", is written over the typed name "Sincerely yours,".

Enclosure



JUL 21 1943

MEMORANDUM

Re: FREDERICK W. SHAPPERT

While conducting an investigation concerning Frederick W. Shappert, it was learned that one of the companies whose files and records he had examined as a representative of the Truman Committee was the Chicago and Illinois Midland Railroad, whose general offices are located in Springfield, Illinois. Accordingly, arrangements were effected with Mr. Howard L. Doyle, United States Attorney for the Southern District of Illinois, to subpoena Shappert before the Grand Jury of that District which convened at Peoria, Illinois, on July 15, 1943. Although Shappert refused to sign an immunity waiver, he was taken before the Grand Jury anyway for the purpose of questioning him about any documents, photostats, or other information in his possession involving Mr. Harry Hopkins, Mr. John Hertz, Mr. Walter Joseph Cummings, and the Lehman brothers. Shappert was questioned before the Grand Jury for approximately two and one-half hours, during which time he admitted calling upon Mr. Dan Schuyler, Counsel for the Republican National Committee in Chicago, whom he stated he knew generally from past years when he was associated with the Insull interests. Shappert claimed he asked Mr. Schuyler to use his influence in getting him a job making industrial and railroad surveys. Shappert denied positively that he tried to sell any photostatic copies of any documents or information of any nature involving Messrs. Hopkins, Hertz, Cummings or the Lehman brothers. Shappert admitted retaining copies of certain "passing reports" on various railroads whose files and records he had examined as an employee of the Truman Committee. He stated these were presently stored in the check room of a hotel in New York City but he would permit them to be examined in his presence.

After appearing before the Grand Jury, Shappert was vigorously questioned by Mr. Doyle and a representative of the Federal Bureau of Investigation, at which time it was pointed out to him that it was known he had personally contacted Mr. Dan Schuyler and endeavored to sell him information of a derogatory nature concerning Messrs. Hopkins, Hertz, Cummings, and the Lehman brothers. It was explained that if Mr. Schuyler were subpoenaed to appear before the Grand Jury and testified that Shappert actually had contacted him for this purpose, Shappert could be charged with perjury. After consulting with four prominent and reputable attorneys in Peoria, Shappert admitted he had committed perjury. He was told that he would be given an opportunity to return before the Grand Jury and purge himself, provided he would tell the complete story regarding his visit to Mr. Schuyler's office and any information of a derogatory nature in his possession involving the mentioned individuals.

Before affording Shappert the opportunity of correcting his story before the Grand Jury, he was questioned at length by Mr. Doyle and a representative of the Federal Bureau of Investigation in the presence of a public stenographer, who had been sworn to secrecy. Shappert admitted he had contacted Mr. Dan Schuyler for the purpose of getting him to use his influence in securing a job for him in making industrial and railroad surveys. While talking to Schuyler, Shappert stated he intimated that the surveys which he would conduct probably would show irregularities on the part of Messrs. Harry Hopkins, Jesse Jones, John Hertz, and Walter Joseph Cummings. He stated that he told Schuyler he thought particularly he could develop information showing Mr. Hopkins had used his influence on behalf of Mr. John Hertz in connection with the Chicago Consolidated Transportation System, in which Mr. Hertz is a controlling figure. He claimed he wanted to check the transportation system of Chicago, which he felt positive would develop information of a political nature involving Mr. Hopkins.

Shappert absolutely denied having any photostats, documents, writings, or information of any nature involving Messrs. Hopkins, Jones, Hertz, or Cummings, or any data reflecting on their integrity or honesty, nor has he any information concerning any deals which they supposedly are or were connected with. It was the opinion of United States Attorney Doyle that Shappert was using his imagination and was on a "fishing expedition," utilizing the names of Messrs. Hopkins, Jones, Hertz, and Cummings as "bait" in the belief that Schuyler would "bite."

Through a highly confidential source of information it was learned that Shappert has among his personal effects a memorandum entitled "Jesse Jones--Walter Cummings Activities." This memorandum apparently was written by Shappert and contains an historical resume of the business activities of Mr. Cummings and the Cummings Car and Coach Company of Paris, Illinois. Numerous references are made to the association of Mr. Cummings with the Samuel Insull interests in a financial way. Details are also set forth on the various means through which the Cummings interests were financed. At the end of the memorandum Shappert comments "Investigation of all of the various Cummings--Jones dealings would prove very interesting." A photographic copy of this document is appended.

In the course of the investigation conducted of Shappert, numerous officials of various railroads whose general offices are located in Chicago were interviewed. Practically all of these men described Shappert as being a mental borderline case. They explained that at one time he was a very influential man in the Insull Empire, being somewhat of a "fair-haired boy" with the elder Insull. However, because of his highhanded tactics and unorthodox method of operation, he was dismissed.

From the investigation and the interviews had with Shappert, he appears to have a phobia for conducting railroad surveys and maintains that the Government is not fully utilizing its railroad transportation because of its failure to insist on the elimination of short hauls.

As you may recall, Shappert reportedly contacted an official, believed to be the Chairman, of the Republican National Committee in Washington, D. C., before he called on Mr. Schuyler. Mr. Harrison Spangler, upon interview, advised that he had a vague recollection of receiving a telephone call and visit from Shappert sometime during March, 1943. Mr. Spangler remembered at the time Shappert called him he made some other serious allegations regarding railroad routing and asked Mr. Spangler to see him. When he called on Mr. Spangler, Shappert went into great detail as to how the Government was wasting a lot of effort by failing to take full advantage of its railroad systems.

Mr. Spangler explained he got the impression right away that Shappert was a "crackpot" but since his only complaint seemed to be that the Truman Committee or any other governmental agency concerned with the efficient use of railroads would not listen to him, Mr. Spangler promised to see that his story was brought before the proper agency. Accordingly, Mr. Spangler stated he believed he sent a letter to a member of the Truman Committee, believing that if there was any credit to his claims, Shappert would be at least afforded a hearing. It was Mr. Spangler's recollection that the person to whom he wrote confirmed his, Spangler's, belief that Shappert was a "crackpot."



June 28, 1943

F. W. Shappert, now at Mayflower Hotel in room 947, who says you will remember him as the Vice President of Utilities Company in Chicago, wants to see you today for the following reasons:

Has made a survey of conditions in the middle west - Ill., Wisc., Minn., Iowa., Mo., Kans., Nebr., Ind. and Mich.

Says he has positive information concerning the "Benedict Arnolds" who have been helped by this administration who are working 95% for themselves and 5% for the President. Has specific information.

Says "If we are going to win the 1944 campaign, something must be done and done right away".

The information he has also includes the Chicago situation which is very unhealthy.

dek

He is only going to be in town today.

DEK phoned Shappert at 12:30 to say that she had discussed with Mr. Hopkins and he was particularly disturbed about "Benedict Arnolds" portion of his message and that he felt it should be given to the F.B.I. and had suggested that a man contact him. Shappert's reaction was immediate in that he did not intend to give it to the F.B.I. "because the man might be Hoover's man this year, but possibly not next". He then rambled on about the fact that "if we plan to win next year" we must do something about putting our foot down. Also said he had to protect the source of his information, is saying he wouldn't give it to the F.B.I.

June 28

Chaffinch  
seen in the  
field near the  
house

R.K.

JOHN EDGAR HOOVER  
DIRECTOR



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

JUN 26 1943

PERSONAL AND CONFIDENTIAL  
SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry,

Apropos of your conversation on June 24, 1943, with my assistant, Mr. Edward A. Tamm, I thought you would be interested in the attached memorandum which incorporates a summary of information contained in our files regarding Frederick W. Shappert.

Pursuant to your request, I have caused an investigation to be initiated in this matter and I shall be pleased to keep you informed of developments.

With expressions of my highest esteem,

Sincerely yours,

A handwritten signature in cursive script, appearing to read "J. Edgar Hoover".

Enclosure

JUN 26 1943

MEMORANDUM

Re: FREDERICK W. SHAPPERT

Shappert was born at Belvidere, Illinois, which he still maintains as his legal residence, on April 1, 1875. After graduating from high school and attending business college, Shappert in 1901 began working as Soliciting and Freight Agent for the Nashville, Chattanooga and Saint Louis Railroad, where he remained until early in 1911. From March 27, 1911, to September 1, 1916, he was employed in the Accident Investigation Division of the Chicago Surface Lines at a maximum salary of \$96 monthly. He resigned from this position voluntarily. In 1916 he was employed as Traffic Manager for the Chicago, North Shore and Milwaukee and the Chicago, Aurora and Elgin Railroads, eventually becoming Assistant to Mr. B. J. Fallon, Chief Executive Officer of these and the Chicago, South Shore and South Bend Railroads, all Samuel Insull properties, at a maximum salary of \$600 a month. Shappert entered his last full year of service for these railroads on January 31, 1929, at which time he was placed on a part-time basis as a free agent doing odd jobs at a salary of \$166.67 a month. He continued in this position until April 30, 1932. In the opinion of his superior, Shappert left this position under pressure because "he could not adjust his ideas and high-pressure methods to the poor economic conditions of the railroads during the time of depression."

In 1940, Shappert was engaged in making corporate surveys for railroads, banks, and insurance companies all over the country, operating out of various hotel rooms.

On June 2, 1911, a judgment was returned against Shappert for \$62.50 when he filed a voluntary petition in bankruptcy.

A newspaper clipping from the Chicago Examiner, Chicago, Illinois, dated November 26, 1912, carrying the head line "Trapped Pupil Bares School for Traction Perjury Band," stated in substance that Shappert, then residing at 7343 Yale Avenue, an investigator for the City Railway Company, had caused one James Huston, a teamster of 123 North Sheldon Street, to give perjured testimony in court. As a result, Mrs. Ada Alberts, 3307 North Albany Avenue, filed a damage suit of \$10,000 against the City Railway Company, which has since been taken over by the Chicago Surface Lines. This clipping indicated a warrant was to be issued for Shappert's arrest by the State Attorney's Office, but a check of the records of that Office failed to locate any information concerning such process. The comment has been made that this article was the result of "a newspaper crusade," and the case had been dropped because the State Attorney had no evidence of such a violation.

Shappert is a widower with three sons, Fred W., Jr., a contractor; Lawrence J., an architect, and William H., a wholesale liquor dealer, all graduates of the University of Chicago. Shappert was a member of and resided at the Union League Club in Chicago from May 11, 1926, to September 28, 1935, resigning because of a controversy over his residence.

- 2 -

Acquaintances of Shappert describe him as pleasant appearing but unpopular because of his desire to put on "a big show" of success. Some acquaintances indicate his integrity is above reproach, while others state he would be dishonest under pressure. However, no definite evidence of dishonesty on the part of this individual was developed. Shappert maintains a satisfactory credit rating and no criminal record was located.

MEMORANDUM: Harry L. Hopkins

June 25, 1943

Clabaugh came to see me yesterday and told me that Fred Shappert was working for the Truman Committee and was recently fired because of alleged stolen documents in his possession. Shappert was recommended to Truman by Senator Lucas. Clabaugh believes that Lucas could not have known about Shappert's past history which was unsavory. He has been a blackmailer all his life. He would get a job as an investigator and then steal what he considered compromising files from his employer.

Clabaugh told me that Fred Schuyler, President of the Illinois R.R., and Milton Budd stated that Shappert had come to him, trying to sell some documents which he claimed were very incriminating regarding me, John Hertz and Cummings, President of the First Natl. Bank of Chicago. Schuyler, having heard that Shappert had worked for Budd, asked Budd what kind of a reputation he had. Budd told him that it was very bad and Clabaugh understands that Shuyler wrote Shappert telling him about being very careful about using the stuff.

Clabaugh said that he had known Shappert when he worked for the Illinois Central Electric and that he is very convincing, smooth, utterly unscrupulous and is undoubtedly peddling the story all over the country.

In view of the fact that the man is charged with having in his possession Government legal documents, I asked the F.B.I. to investigate this phase. I told Clabaugh that I had no interest in what he was saying about me and that as we come closer to the political issue more and more of this type of stuff will be gossiped about.

Fred W. Shappert  
Union League Club  
perhaps live in suburb

27  
person

he is with Naval Intelligence  
speci. duty.  
dek

Cable Mayflower



H.L.H. saw 6-24-43

Telephone District 3000

Confidential *The Mayflower*  
CONNECTICUT AVE. AND DE SALES ST.  
Washington, D.C.

6/23/43

Dear Miss Kraus:

The information relates to certain photostats of documents and data taken from government + private file, this is being offered to the Republican National Committee and is said to reflect upon some high in the administration and may prove hurtful to the party.

No one else has been informed of what is going on and it was believed highly desirable to bring it to the attention of Mr Hopkins personally.

Respectfully  
Winton G. Lohsbary  
Commander USNR (Act)



**PUBLIC SERVICE COMPANY**  
OF NORTHERN ILLINOIS  
72 WEST ADAMS STREET  
CHICAGO

BRITTON I. BUDD  
PRESIDENT

June 21, 1943

Mr. Harry Hopkins  
White House  
Washington, D.C.

Dear Mr. Hopkins:

You will remember me as a friend  
of Mr. John Hertz and Mr. Walter Cummings.

This will introduce Mr. Hinton G.  
Clabaugh, who has been associated with me  
for a number of years. He was formerly  
the head of the F.B.I. in New York and later  
in Chicago.

Mr. Clabaugh has information of  
possible value which I have asked him to  
communicate personally to you.

Very truly yours,

*Britton I. Budd.*

Jesse Jones-- Walter Cummings Activities

Walter Cummings was President and owner of the Cummings Car & Coach Company, Paris Illinois, prior to his appointment as Assistant Secretary of the Treasury under Mr. Woodin. The Paris factory manufactured railway equipment, consisting of street, railway, car trucks, electrically operated snow sweepers and plows. Also gasoline car bodies, and motor bus bodies. The plant covers 23 acres.

The Cummings Car & Coach Company became affiliated with the J. G. Brill Company, a subsidiary of the Brill Corporation and the American Car & Foundry Co. Walter Cummings is a Director in the American Car & Foundry Co, Brill Corp., and the J. G. Brill Co.

About a year after Mr. Cummings was appointed Assistant to Secretary Woodin, he resigned and was appointed Chairman of the Board, Continental-Illinois Bank & Trust Co of Chicago. When Cummings joined the bank, he purchased about 285 shares of the banks stock. To-day Walter Cummings and his family own about 7,000 shares. The Continental-Illinois Bank owns considerable stock in the Commonwealth Edison Co, Middlewest Utilities Company, Midland United Co; and other utilities.

When Samuel Insull resigned from his various utilities in 1932, The Chicago and New York banks appointed James Simpson former Chairman and President of Marshall Field & Co; as Chairman of The Commonwealth Edison Company of Illinois and all subsidiaries including: Public Service Co. of Northern Illinois, Western United Gas & Electric Co; Northwest Illinois Utilities Co, State Line Generating Company and Commonwealth Edison Company.

When James Simpson died, Walter Cummings rushed to New York to consult with the New York Banks and get their approval to appoint Charles Y. Freeman (General Consul for James Simpson) as Chairman of the Board, Commonwealth Edison Company.

The Commonwealth Edison Company owns 100% of the Chicago & Illinois Midland Railway Stock. The Company also owns considerable stock in the Chicago North Shore & Milwaukee Railroad (electric line) and The Chicago Aurora & Elgin Railroad (electric line). Mr. Charles Freeman selects the Officers of all these rail lines. The Reconstruction Finance Corporation has loaned the Chicago North Shore & Milwaukee R.R. \$1,125,000.00. Walter Cummings is of course interested in selling railway supplies to the Commonwealth Edison Company, rail properties.

About eight years ago, Charles C. Chase, formerly an Insull executive, was appointed President of The Indianapolis Street Railway Co, at the suggestion of Mr. Cummings. Within three years after his appointment Chase purchased over a million dollars worth of street railway equipment. Walter Cummings handled the details.

About three years ago, Mr. Guy Richardson, President of the Chicago Surface Line resigned, and at the suggestion of Walter Cummings, Charles C. Chase was appointed President of The Chicago Surface Line. The Surface Line was in the market for several million dollars worth of railway equipment.

The Chicago Surface Lines Board of Management consists of A. Shaw, C. Albers, Walter J. Cummings, D. G. Green, & E. J. Fleming. Mr. Daniel C. Green former President of The Middle West Utilities Company was appointed on this board at Walter Cummings suggestion.

On August 25, 1940, The Transportation Committee of The Chicago City Council and representatives of the Chicago Surface Lines, Chicago Rapid Transit Company (elevated lines) and The Chicago Motor Coach Company, announced that they had drafted a satisfactory traction unification agreement. In August 1940 the R. F. C. authorized a loan of fifty three million dollars in connection with this agreement. The Chicago Motor Coach Company, later withdrew from the plan and as a result the R. F. C. withdrew its loan agreement.

The Chicago Herald-American of Friday June 13th, 1941 page three, column one, has an item headed: IGOR RAPS RFC LOAN BULING.

"Federal Judge Michael L. Igoe on June 13th, set June 27th, for hearing on an application for final order of sale of the Chicago Surface Lines properties. At the same time he referred caustically to the letter of FEDERAL LOAN ADMINISTRATOR JESSE JONES TO MAYOR KELLY, in which the R. F. C. head refused the city's application for a sixty million dollar loan:

"Mr. Jones had anticipated earnings of the Surface Lines, Rapid Transit Lines, and Subway would not be sufficient to make the loan self-liquidating, even under an 8¢ fare, and demanded the Chicago Motor Coach Company properties to be made a part of the new traction set up"

"It appears to the Court that Mr. Jesse Jones is trying to foist the bus companies on the City of Chicago".

Britian I. Budd, President of the Public Service Co. of Northern Illinois (chief distributor" for the Commonwealth Edison Co. and allied subsidiaries) During the Insull Empire day Budd had one or two modern planes at his disposal, and frequently made long distance practice hops to Canada and Latin America. About three years ago one of the Chicago newspaper boys learned that U. S. Senator James Slattery had \$25,000 in Commonwealth Edison securities in the Slattery security box. Britian Budd, wife and chauffeur Hugh Rafferty left Chicago suddenly on a motor trip to the Pacific Coast. Budd made 800 miles the first day, and would undoubtedly have exceeded this record but for a blow out tire in Nebraska.

Warner Schroeder Republican National Committeeman from Illinois, former Secretary to the late Governor Len Small who had "working arrangements" with Samuel Insull. Schroeder as you know made quite a fight for the Chairmanship of the Republican National Committee but was defeated at the National Committee Convention at St. Louis. Schroeder is closely allied with the Cummings-Freeman-Budd Utility crowd and The Chicago Tribune.

Governor Dwight Green of Illinois former U. S. District Attorney in charge of the United States Government case against Samuel Insull was a Law Partner of Walter Froelich with offices on the 20th floor Continental-Illinois National Bank & Trust Co. Bldg. Chicago. Through the influence of Walter Cummings, the law firm of Dwight Green-Walter Froelich, received several hundred thousand dollars in fees from the Middle West Utility Company, United Light & Power Company, and other Utility Companies. Walter Cummings was of course interested in all the supplies purchased by these Utilities including the purchase of coal.

Peabody Coal Company, operates all the Commonwealth Edison Company coal mines, located in Illinois. The Peabody Company has "working arrangements" with Walter Cummings, and utilities in Illinois, Indiana and Wisconsin. Some of this coal is shipped to consignee and marked "hold for storage" regardless of the shortage of ours. For years the Peabody Company has been indifferent about the Interstate Commerce Commission rules and regulations governing per Diem and demurrage. "Friendly relations", have existed between the Peabody Company and John L. Lewis for some time.

The Peabody Coal Company, and its retail affiliate Crerar Clinch Coal Company, were helpful in having the Chicago Tribune law firm of Kirkland, Fleming, Martin & Green, appointed counsel for The Chicago Retail Coal Dealers Association.

Mr. Harry Reid former President of the National Electric Power Company, was appointed President of the Indianapolis Street Railway Company, to succeed to Charles C. Chase at the suggestion of Walter Cummings. While Mr. Reid was President and Director of the National Electric Power Company, the Directors and Officers of the N. E. P. Company substituted ten million dollars worth of poor securities for ten million dollars worth of good securities. This case was tried before Judge Roseman of the New York Supreme Court.

Walter Cummings is a Trustee of the Chicago Milwaukee, St. Paul and Pacific Railroad, the other two trustees are H. A. Soandrett and George Haight a Chicago lawyer and close friend of Walter Cummings. The M. P. & P. Railroad several million dollars and Mr. Cummings is of course interested in the purchases made by the railroad.

The Trustees of the Chicago Rock Island & Pacific Railroad are ex-Governor Frank O. Lowden of Illinois, Joseph Fleming & James Goran. Mr. Fleming is a partner in the Chicago Tribune law firm of Kirkland, Fleming, Martin & Green. Cummings is interested in all orders placed by this railroad. An investigation of the Peabody Coal Company-Walter Cummings-Rock Island purchase of coal would prove interesting.

Mr. Charles Murphy a wealthy manufacturer of railway supplies died about fifteen months ago, and left twenty million dollars to the Northwestern University, Evanston, Illinois. When the new Murphy Technical School Building on the Northwestern Campus was dedicated last summer Jesse Jones made the principal address. This was arranged through Walter Cummings. The Continental-Illinois Bank & Trust Co. and Walter Cummings are Trustees of the Murphy Will. I enclose a list of fifty one individuals including Presidents and Vice-Presidents of Railroads, that received sums of ten thousand to one thousand dollars each, as mentioned in the Murphy Will. I understand Mr. Murphy had these gentlemen on his payroll for a number of years. Jesse Jones and Walter Cummings are well acquainted with a majority of the gentlemen mentioned in Mr. Murphy's Will.

An investigation of all of the various Cummings-Jones deals would prove interesting.

F. B. I.

July 26, 1943

*Mr. H.  
should be Mr. H.  
to see  
7/27/43 GME*

PERSONAL AND CONFIDENTIAL  
BY SPECIAL MESSENGER

Honorable Harry L. Hopkins  
The White House  
Washington, D. C.

Dear Harry:

Reference is made to your call of July 23,  
1943, regarding one Gero Von Jevenitz.

Although we have no information available concerning anyone by this name, it has been determined that he is undoubtedly identical with Gero Von Schulze Gaevernitz. There is attached for your information a memorandum which summarizes the data contained in our files relative to Gaevernitz and in the event I can be of any further assistance to you in this matter please do not hesitate to call upon me.

With expressions of my highest esteem,

Sincerely yours,

(s) Edgar

Inclosure

*H. L. H. Placed in GME's file  
ask if they know who these  
are from. Was GME's name  
called back to me by  
Mr. B. B. Bell  
7/27/43*

July 26, 1943

GERO VON SCHULZE GAEVERNITZ

Personal History and Background

Mr. Gaevernitz was born on September 27, 1901, in Freiburg, Germany, the son of Gerhart von Schulze Gaevernitz and Johanna Hirsch Gaevernitz. His father, who was of German descent was formerly a professor of Economics at the University of Freiburg, and was reportedly at one time a democratic German Reichstag Deputy. Gaevernitz' mother is said to have been Jewish.

Gaevernitz has a sister, Margiana, who on November 19, 1929, married Edmund Hugo Stinnes, a son of the late Hugo Stinnes, the well-known German industrialist. This sister and her husband are residing in the United States at the present time and will be dealt with at greater length hereinafter.

Gaevernitz arrived in the United States on April 26, 1926, aboard the SS Leviathan, and subsequently filed a Declaration of Intention to become an American citizen on December 5, 1933, in the United States District Court for the Southern District of New York, New York City, and was admitted to citizenship on October 1, 1936, in the same court.

Since arriving in this country, Gaevernitz has listed his legal residence as Ascona, Switzerland, Casa Signor in Croce. His domestic address is said to be 240 East 79th Street, New York City. He is said to be single.

Trips out of the United States

Gaevernitz has made a number of trips to points outside of the United States since his first arrival in this country. The following information is available concerning these trips:

Left New York City in January, 1929, for Europe and returned in May, 1929.

Went to Canada on December 30, 1929, and returned on January 2, 1930.

Departed aboard the SS Majestic in October, 1930, and returned aboard the Ile de France in December, 1930.

Left aboard the SS Europa in September, 1932, and returned aboard the SS Rex in November, 1932.

In March, 1933, departed from Miami by plane and returned by plane after a trip to Central America on April 25, 1933.

Departed in June, 1934, aboard the SS Bremen and returned in March, 1935, aboard the SS Conte de Savoia.

Went to Quebec, Canada, on August 2, 1935, and returned to New York City on the SS Bremen on January 23, 1936.

Gaevernitz also reportedly left the United States in February, 1939, and later went to Berlin, Germany, where he resided from about November 15, 1939, to December 24, 1939, and from September 13, 1940 until November 6, 1940.

In 1942, it was reported that Gaevernitz was then in Switzerland.

#### Business Activities and Associations

When Gaevernitz first came to this country he is reported to have listed his occupation as investment broker. He has had connections with various firms since that time and in addition is said to have an income from private sources. In December, 1931, he was reportedly the Executive Vice-President of the United States Shares Corporation of Maryland, and at about the same time he is said to have been interested in the United States Shares Financial Corporation and the Standard International Securities Corporation. During the year 1931 he introduced to his bank and account of N.V. West Europeesch Administratiekantoor, a Dutch Finance company.

In 1934 the following comment was made by a confidential source:

"Gaevernitz has had a rather unsavory reputation. Many begrudge the fact that two investment trusts with which he has been connected during his stay in New York have gone more or less on the rocks while his personal affairs seem to be prospering. Among my acquaintances who have been associated with Gaevernitz in one way or another the opinion prevails that one is just as well off by not doing business with him."

In a report prepared in November, 1940, by Gaevernitz, based apparently on his experiences in Europe, he expressed the opinion that the entire military and political machine in Germany rests on the person of Hitler. Should anything happen to him, Gaevernitz stated, the war will be over. He stated that Hitler was anxious to make a peace based on the successes which he has achieved. Hitler would, according to Gaevernitz, like to consolidate the European Continent into one economic bloc under German leadership, which would be bordered on the West by the Atlantic Ocean and on the East by Russia. The German army would be the only military power in this consolidated Europe, the other armies being reduced to the impotence of mere police forces.

Gaevernitz said that Germany had believed that their air blows at England would so demoralize that country that the German troops would be able to land and conquer the island in a few weeks. Due to the heroic stand of the Royal Air Force however the people of Germany had begun to realize that their plans would not materialize and that the war would continue. This was said to have fostered in the German people a feeling of admiration for the R.A.F. and the people of England who had withstood the German bombardment.

Another point brought out by Gaevernitz was the possibility of an attempt by Germany to eliminate Great Britain altogether from the Mediterranean and thereby gain access to North African territory and raw materials.

Gaevernitz remarked that he had a short time prior to the preparation of his report been in Berlin, Germany, and while there had witnessed a great number of night air raids which had a very adverse effect on the German people. In addition to the air raids, Gaevernitz stated that other difficulties beset Germany, including the problem of maintaining a continuous flow of petrol supplies, inability to administer foreign countries and a desire on the part of the German people "to be done with the war."

In conclusion Gaevernitz asserted that a time will come when the German government will be anxious to conclude a peace. This then, he said, might be worked out, leaving the British Empire fully intact as a powerful stabilizing factor. He asserted that from the American point of view it was imperative that Great Britain be maintained as a powerful balance against any European bloc under German control, for if Great Britain were to go under America would have to face alone a combination under Hitler's influence extending from Portugal to Japan and from Africa to the Arctic.

On November 19, 1940, Gaevernitz applied for American passport facilities, at which time he stated that he had left the United States for pleasure and for the purpose of representing an American firm, Schildge Rumohr, Inc., 15 Williams Street, New York City, later known as the Transmares Corporation. Gaevernitz indicated that he was also engaged in liquidating a German Company the Avas, A. G. of Berlin, Germany, and expected to return to the United States.

In the early part of 1941 the United States State Department received a cable from the American Consulate in Lisbon, Portugal, stating that Gaevernitz was there and wanted validation of his passport so that he could go into France to do relief work for the Unitarian Service Committee of the American Unitarian Association, 25 Beacon Street, Boston, Massachusetts. This validation was denied on February 27, 1941.

About the same time a source in Switzerland furnished the following information:

"Gaevernitz last left the United States in February, 1939. He resided in Germany, the country of his birth, from about September 13, 1940, to November 6, 1940. He had previously resided in Germany from about November 15, 1939 to December 24, 1939. He had also stayed in England and while there made about six visits to Germany which lasted in time from three days to two weeks. Since his last departure from the United States he has spent most of his time at Ascona, Switzerland, where one of his married sisters owns a house.

"While he stated he has no relatives in the United States, it was learned from him that his brother-in-law, Edmund Hugo Stinnes, entered the United States in the summer of 1940 as an immigrant. His sister, Mrs. Edmund Hugo Stinnes, is in possession of an immigration visa and is now waiting in Rome for transportation to the United States."



- 4 -

Gaevernitz was in Switzerland for at least a part of the year 1942. On March 21, 1942, he addressed a letter to a member of a New York law firm, enclosing a photostatic copy of his Certificate of Naturalization and authorizing the addressee to look after his interests in this country. While in Switzerland he was reportedly interested in the work of the Unitarian Service Committee.

Gaevernitz has substantial bank connections at the present time, his account in one bank having increased from an average of approximately \$400.00 in January and February of 1943 to an average of \$6,200.00 in June of 1943. In addition, he has a safe deposit account of about \$10,000.00 and at least one account with an investment brokerage firm.

#### Relationship with Edmund Hugo Stinnes

As stated previously, Gaevernitz' sister married Edmund Hugo Stinnes, the son of the late Hugo Stinnes. Through this marital relationship, Gaevernitz has apparently maintained a rather close social acquaintanceship with Stinnes, as well as being involved with him in certain financial affairs.

By way of identification, Edmund Hugo Stinnes was connected with the Stinnes steel interests in Germany from the time he completed his education in 1922 until 1925. He left the firm about a year after the death of his father, and since then has been engaged in various enterprises in Central Europe and North and South America. During recent years he has reportedly been associated with the N. V. West Europesch Administratiekantoor, the N.V. Handelmaap Chasprij Electra, both of which were Dutch finance companies located in The Hague, Netherlands, and the Compania Industrial y Commercial a Buenos Aires, Argentina, firm. Stinnes was, according to his own statements, a director of each of these corporations. He is understood to have considerable private wealth and an independent income. At the present time he is a member of the faculty of Haverford College, in Haverford, Pennsylvania.

Several years ago Stinnes was allegedly offered a commission in the Intelligence Service of the German army, but refused because in such a capacity he would be against many of his personal friends in Great Britain and the United States. He undoubtedly does have many friends in both England and the United States, but it is reported that he has many connections as well in influential circles in Germany. Many of his contacts in Germany are said to be close to Field Marshal Goering. He is also said to be well acquainted with a Mr. Wohltat, who is allegedly a high official in the Nazi Ministry of Economics, and with Dr. Gerhard Alois Westrick, who came to the United States in 1939 as a special commercial envoy of the German government.

Despite his apparent German connections, some sources have described Stinnes as anti-Nazi and anti-Fascist. He has declared his intention to become an American citizen, and received his first papers in New York on March 11, 1941.

In March, 1941, information was received that Edmund Hugo Stinnes was making remarks to the effect that the so-called Goering circle, in which his wife was said to have acquaintances through her brother, Gero von Schulze

Gaevernitz, was once again putting out "balons d'essai" as to the possibility of peace by negotiation on the grounds that the continuation of the war would result in the spread of Bolshevism. This, according to the informant corresponded to Nazi propoganda among appeasement circles.

Stinnes is said to hold in his safe deposit box one stock certificate of 13,000 shares of Clavering Gold Mine, Limited, of Quebec, Canada, which is allegedly the property of Gaevernitz. It is also noted that the Supercaster Company of Buenos Aires, in which Stinnes has an interest, transferred sums of \$6,343.93 and \$10,098.90 to Gaevernitz' account at Kidder, Peabody and Company, New York City. It has also been stated that Stinnes receives statements of Gaevernitz' bank transactions, and while in Switzerland Gaevernitz allegedly looks after Stinnes' business interests in that region.

It was reported in February, 1943, that Stinnes had a power of attorney over Gaevernitz' account at Kidder, Peabody and Company, 17 Wall Street, New York City, a stock brokerage firm where Stinnes also carries an account.

#### Relationship with Werner Conrad von Clemm

It has been reported that Gaevernitz is very close to Werner von Clemm and it is known that the following appeared in von Clemm's address book: "Gero von Schulze Gaevernitz, office, New Trading Company, Limited, 82 King William Street, Mansion House, 7703 London, England."

Von Clemm is a naturalized American of German birth who served in the German army during the World War. He came to the United States in 1922, and worked in banking and brokerage firms until about 1933. In the latter year, he formed a liquor importing business with the assistance of Joachim von Ribbentrop, the German Foreign Minister, to whom he is related by marriage. Von Clemm later became connected with the International Mortgage and Investment Company, which was formed to make investments in German mortgages, payable in gold marks. This concern invested heavily in German mortgages, and due to foreign exchange restrictions was left holding a large amount of blocked marks for its credit in the Reichs Kredit Gesellschaft in Berlin, Germany. In an effort to overcome this difficulty, the Pioneer Import Company was organized, with von Clemm as president, to liquidate the foreign blocked assets of the International Mortgage and Investment Company. This liquidation was attempted by purchasing with the blocked marks German export products, with the approval of the German government. Finally, the Pioneer Import Company started importing cut stones and diamonds. Some of these diamonds, it turned out, actually belonged to Belgium and Dutch nationals, but were designated as German merchandise. For instance, in September, 1940, the Pioneer Import Company allegedly received some of the stocks looted from the low countries by the Germans, the Reichs Economic Ministry allegedly being involved in the transaction. Due to his activities in this regard, von Clemm was tried for conspiracy to violate certain statutes and Executive Orders pertaining to customs regulations, was found guilty, and on August 24, 1942, was sentenced to serve two years in a Federal penitentiary, which sentence he is still serving.

Von Clemm has been reported as anti-British and pro-Nazi, although during the aforementioned trial he denied any pro-German sympathies or any intent to engage in activities detrimental to the United States.

Miscellaneous

A calling card bearing the name Gero von Gaevernitz and the inscription "Many thanks," was found in the effects of Enno W. Ercklentz, prior to his departure from the United States for Germany on June 5, 1941. Ercklentz was the New York representative of Commerzund Privat-Bank, Aktiengesellschaft, Berlin, Germany, and returned to that country via Tokyo, Japan. Ercklentz was a Nazi Party member and was in contact with several espionage suspects in the United States. At one time he reportedly wrote to Regierungstrat Dr. Arvid Harnack, Reichwirtschafts-Ministerium, Berlin, Germany, complaining of the anti-German feeling in the United States, and placing himself at Dr. Harnack's disposal for any services he might require.

"Gero V. Gaevernitz, 240 East 79, N.Y." appeared on a card which was found in the residence of one Wolfgang Flatow, a German alien, in Spokane, Washington, who has been reported to be pro-Nazi.

July 16, 1943

GERO VON GAEVENITZ, speculator and promoter formerly identified with both Hardy Company (Berlin) and with VON CLEMM's Pioneer Trading Corporation, has just been made Chief Advisor to the Alien Property Custodian, and is leaving for Switzerland. Von Clemm is related to Von Ribbentrop, and was recently convicted in the Federal Court at New York.

THE WHITE HOUSE  
WASHINGTON

PERSONAL &  
CONFIDENTIAL

July 22, 1943

M E M O R A N D U M

TO: MR. HOPKINS

FROM: MR. LUBIN

The attached is for your per-  
sonal and private information. It was  
given to me by a responsible party.

July 16, 1943

GERO VON GAEVENITZ, speculator and promoter formerly identified with both Hardy Company (Berlin) and with VON CLEMM's Pioneer Trading Corporation, has just been made Chief Advisor to the Alien Property Custodian, and is leaving for Switzerland. Von Clemm is related to Von Ribbentrop, and was recently convicted in the Federal Court at New York.