

Grand Jurors Call Viereck In Nazi Probe

Germans Ask Agents' Bail Be Returned, Admittedly Official Cash

By Dillard Stokes

Post Staff Writer
10/13/41

The German government reached in vain at a hearing yesterday for \$8000 in bail bond money held by the District Court since it was posted on March 18, for two Nazi propagandists indicted here and who were allowed to flee the country on the eve of their trial.

At the same hearing, George Sylvester Viereck, an acknowledged German agent, was ordered to appear today before the grand jury, which is investigating his fellow propagandists who have not registered as the law requires.

After a long investigation of their propaganda, the Nazi news agency, Transocean, its American director, Dr. Manfred Zapp, and its cable manager, Guenther Tonn, were indicted here last spring for failing to register with the State Department. A \$5000 cash bond was posted for Zapp and \$3000 for Tonn.

News Agency Tried, Fined

Later Zapp and Tonn were allowed to leave the country in a swap for two American newspapermen seized by the Germans. Special Assistant Attorney General George A. McNulty told a jury that the Americans' lives were feared for. Transocean was tried, found guilty and fined \$1000 and costs.

Attorneys Emil Morosini, jr., and Daniel F. Cohalen, jr., New York, who defended Transocean, yesterday urged the District Court to release the bond money. Their petition said the \$8000 was put up by

See **VIERECK**, Page 4, Column 1.

the German consul general in New York—the first time this has been admitted.

Like Transocean and kindred agencies, the German consul general has been expelled from this country by order of President Roosevelt, so Morosini and Cohalen asked Justice Jesse C. Adkins to order the clerk of court "to pay over directly to the German Embassy" the \$8000 still held by the court.

Special Assistant Attorneys General William Power Maloney and Edward J. Hickey agreed to the release of the money, but balked at giving it to the German Embassy, pointing out that the President has frozen the assets of the Axis in this country.

Justice Adkins suggested that an order be drawn providing for consultation with the Treasury and the State Department, and added that he would not sign any order that failed to protect this Government's right to seize the money. Finally it was agreed that the executive departments would be consulted, and Justice Adkins announced that, until this was done, he would withhold his signature from an order releasing the \$8000.

Cohalen and Morosini also appeared for Viereck. Known as a poet, novelist and magazine writer, Viereck is the first acknowledged German agent summoned in the current investigation. He has filed with the State Department a series of registrations in which he said he represented a Munich newspaper, Dr. Giselher Wirsing, author of "The 100 Families That Rule the (British) Empire;" the German publishers Verlag, Knorr and Hirth, and the German Library of Information, which has been expelled from this country.

How He Earned \$8350

Among the services for which the Germans paid Viereck \$8350 for six months work were:

For the Library of Information he edited "Facts in Review," which

Summoned Agent Called In Nazi Probe Inquiry

Stokes, Washington Post reporter, "before the bar of the House and try him for violation of the law."

In a 22-minute House speech heard by about a dozen members, Fish accused Stokes of a "double offense." The legislator described the alleged violations as follows:

"Entering the House Office Building and taking possession temporarily of certain sacks of mail, opening them, and taking photographs of mail in the House Office Building, sent out by members of Congress, in violation of the law."

"This reporter gets hold of evidence in the possession of the grand jury and the grand jury proceedings are supposed to be confidential and sacred and secret."

Reporter Stokes wrote news stories appearing in The Post in which it was reported that a House of Representatives truck, dispatched by Fish's office, took eight bags of franked, unaddressed Congressional mail from the office of Prescott Dennett while Dennett was under subpoena to the grand jury investigating Nazi agents. Stokes examined the mail in the House Office Building, and found a tag which said "Con. Fish—Attention Mr. Hill."

In a subsequent article, Stokes reported that a mailbag seized by the grand jury bore a tag indicating that it had been sent "to" Dennett "from" Fish. A still later article linked Dennett with a Nazi agent with \$10,000 to spend.

Fish said he was unable to understand how this information should come to Stokes except through grand jury sources. If that is true, Fish said, the reporter "is violating the law, and there is some leak on the part of some of the witnesses, or on the part of the grand jurors, or the officials, and it may be neces-



GEORGE VIERECK

man to pick up the speeches the next time he was in the vicinity of Dennett's headquarters at 1430 Rhode Island Avenue Northwest. The truckman later brought eight mail bags to Fish's office.

"Yet it seems these 500 speeches have not yet shown up," observed Representative Luther Patrick (Democrat), of Alabama.

Insurance Advertisers Urge Franking Inquiry

Boston, Oct. 2 (AP).—The Life Insurance Advertisers Association, representing companies in this country and Canada, was on record today in opposition to the use of the mails under Congressional franking for the distribution of political propaganda, "much of which is frankly anti-British in character."

The Association asked an investigation "of seeming abuse of the

giving it to the German Embassy, pointing out that the President has frozen the assets of the Axis in this country.

Justice Adkins suggested that an order be drawn providing for consultation with the Treasury and the State Department, and added that he would not sign any order that failed to protect this Government's right to seize the money. Finally it was agreed that the executive departments would be consulted, and Justice Adkins announced that, until this was done, he would withhold his signature from an order releasing the \$8000.

Cohalen and Morosini also appeared for Viereck. Known as a poet, novelist and magazine writer, Viereck is the first acknowledged German agent summoned in the current investigation. He has filed with the State Department a series of registrations in which he said he represented a Munich newspaper, Dr. Giselher Wirsing, author of "The 100 Families That Rule the (British) Empire," the German publishers Verlag, Knorr and Hirth, and the German Library of Information, which has been expelled from this country.

How He Earned \$8350

Among the services for which the Germans paid Viereck \$8350 for six months work were:

For the Library of Information he edited "Facts in Review," which the grand jury says was sent to a mailing list of 30,000 furnished by Frank B. Burch, Akron, Ohio, anti-interventionist, indicted last week as an unregistered agent of the German government.

He aided Dr. Friedrich Ernst Auhagen, now in jail as an unregistered German agent in editing "Today's Challenge," which published articles by the late Senator Ernest Lundeen (Farmer Labor), of Minnesota; Representative Hamilton Fish (Republican), of New York; former Undersecretary of State William R. Castle and other prominent persons.

He procured publication of "100 Families" by Flanders Hall, Inc., Scotch Plains, N. J., a firm being investigated by the grand jurors, and was supplied with \$10,000 to spend on publicity for the book.

Some of the "100 Families" publicity was issued by Columbia Press Service of Washington, whose manager, Prescott Dennett, has been questioned for seven days by the grand jury. Dennett is secretary-treasurer of two anti-interventionist committees, the make Europe pay and the islands for war debts committees, with headquarters at 1430 Rhode Island Avenue Northwest.

Got Rid of Bags

The morning after the grand jury called Dennett, he loaded 20 mailbags full of unaddressed franked reprints from the Congressional Record into a House truck sent to his headquarters by the office of Representative Fish. The truck took 12 of the bags to the America First Committee and the other eight to the House Office Building, where on orders from Representative Fish's secretary they were placed in a storage room on the sixth floor, in front of a bin assigned to Mr. Fish.

Viereck's lawyers asked Justice Adkins to vacate his summons, because, they said, Viereck had read in the newspapers that the investigation was really aimed at him, despite its official title of "U. S. vs. John Doe."

Asks to Be Excused

Maloney replied that if this were a ground for excusing a witness it never would be possible to ask a suspect anything, adding a scathing reference to "this registered German agent who invokes the protection of our Constitution."

Justice Adkins ruled that Viereck would have to appear, and denied him a stay pending an appeal of the order.

Viereck, a naturalized American citizen, refused to answer questions after the hearing, on his lawyers' advice.

House Should Try Reporter, Fish Hints

Representative Hamilton Fish (Republican), of New York, yesterday declared that it may be "the duty of Congress" to call Dillard

bers of Congress, in violation of the law."

"This reporter gets hold of evidence in the possession of the grand jury and the grand jury proceedings are supposed to be confidential and sacred and secret."

Reporter Stokes wrote news stories appearing in The Post in which it was reported that a House of Representatives truck, dispatched by Fish's office, took eight bags of franked, unaddressed Congressional mail from the office of Prescott Dennett while Dennett was under subpoena to the grand jury investigating Nazi agents. Stokes examined the mail in the House Office Building, and found a tag which said "Con. Fish—Attention Mr. Hill."

In a subsequent article, Stokes reported that a mailbag seized by the grand jury bore a tag indicating that it had been sent "to" Dennett "from" Fish. A still later article linked Dennett with a Nazi agent with \$10,000 to spend.

Fish said he was unable to understand how this information should come to Stokes except through grand jury sources. If that is true, Fish said, the reporter "is violating the law, and there is some leak on the part of some of the witnesses, or on the part of the grand jurors, or the officials, and it may be necessary for the House to call this reporter before it and ask him how he got this information from the grand jury."

Then Fish called attention to the article linking Dennett and a Nazi agent, declaring:

"How did he get that information, when Dennett is before the grand jury? Is the grand jury or any official a part of the smear campaign? (In an hour-long attack on The Post Monday, Fish accused the newspaper of attempting to "smear" him.)

Reluctant to Believe

"I don't want to believe that, as I said the last time I spoke in detail on all these charges, but here it is in black and white. It (the article) says that the grand jury presses questions for seven days, that Dennett is linked with a Nazi agent for \$10,000."

Fish stated he understood that Representative John Coffee (Democrat), of Washington, is to take the floor later to speak of Stokes' examination of the mail in the House Office Building. Coffee declared, after Fish's speech, that such was not his intention.

Trial Would Be Legal

Authorities on parliamentary procedure told The Post yesterday that it is entirely possible for the House to "try" a citizen. It has occurred several times in the past, though not in recent years.

Fish's initial blast was at a Post editorial. He accused the editorial of repeating "lies."

He pointed out that the editorial said ten mailbags were taken from the House Office Building to Dennett's office last summer and that one of the sacks taken away recently bore a tag indicating it had been dispatched from Fish's office.

"No bag from my office went to Dennett last August or within the last six months," Fish declared. "A bag might have gone to him a year or two years ago, or three years ago, or long before the war. I would not know that, and I doubt that even members of my (office) force would know it."

Denies Impropriety

Moreover, said Fish, there was nothing improper in Congressmen sending franked speeches to Dennett who was "not under suspicion by them, or the public, or anybody else, so far as I know."

Fish repeated assertions, made Monday, that Dennett recently telephoned Fish's office to say that he had 500 of the Congressman's speeches. One of his secretaries, said Fish, casually asked a truck-



GEORGE VIERECK

man to pick up the speeches the next time he was in the vicinity of Dennett's headquarters at 1430 Rhode Island Avenue Northwest. The truckman later brought eight mail bags to Fish's office.

"Yet it seems these 500 speeches have not yet shown up," observed Representative Luther Patrick (Democrat), of Alabama.

Insurance Advertisers Urge Franking Inquiry

Boston, Oct. 2 (AP).—The Life Insurance Advertisers Association, representing companies in this country and Canada, was on record today in opposition to the use of the mails under Congressional franking for the distribution of political propaganda, "much of which is frankly anti-British in character."

The Association asked an investigation "of seeming abuse of the franking privilege by a small minority of members of Congress."