

U. S. to Hunt Funds of Native Pro-Axis Groups

Even Coughlin Units May Be Among the 'Fronts' Searched for Money

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By JAMES A. WECHSLER

The basis for a sweeping U. S. investigation of the financing of native Fascist fronts merged today. It appeared in statements by Treasury Department officials interpreting President Roosevelt's order Saturday freezing Axis funds here.

In outlining plans for enforcement of the order, Treasury spokesmen yesterday made it plain that they would try to expose hidden Axis money—funds hidden behind the names and letterheads of ostensibly patriotic organizations. Presumably this could be accomplished only through a comprehensive inquiry into the network of Fascist groups now operating here without official German or Italian links. Sixty government men are working with New York banks now to expose Axis funds.

John W. Pehle, Assistant Secretary of the Treasury and Edward H. Foley, the Treasury's chief counsel, indicated that the pocketbook of the German-American Bund was closed now and that the private bank accounts of Bund leaders would be examined to study disposition of their funds.

The Treasury spokesmen said the fact that Bundsmen were American citizens would not protect their finances, so long as there was evidence that the money was being used for political business.

Sending food packages to Europe by radio already has been stopped. No more of those money orders to the Reich from German firms here will be countenanced.

While emphasizing that no red-hot witch hunt would be tolerated, the Treasury officials insisted that the new controls would extend to any Americans serving the Axis cause. They said the funds of the Communist Party and its journalistic organs also would be studied.

Coughlin In for It?

Heretofore, native Fascist groups, such as the Rev. Charles E. Coughlin's Christian Front, have escaped large-scale federal inquiry. In view of the deadly parallel between the talk and actions of such organizations and official Axis blueprints, U. S. officials may start seeking financial ties now.

Interlocking relationships between native and foreign Fascists have been demonstrated in numerous organizational campaigns. Bundsmen worked closely with some Christian Front leaders in the first stages of that organization. If Treasury officials adhere to their determination to unfold the Axis's financial investments here, they may trace the course of these joint movements.

The Nazis undoubtedly expected freezing of their funds here some day; it is safe to assume they have planted liberal sums in "innocent" groups. That suspicion seems to have inspired the Treasury's new warnings.

Pro-Fascist agencies in the New York area which may be compelled to disclose their financing include the Paul Revere Sentinels, the American Destiny Party and a whole series of "anti-war" committees. William Pelley, George Deatherage, Donald Shea, Edward James Smythe and other individuals also may face inquiry.

The status of the Spanish Fascist movement here is unsettled. Many of the most influential native Fascist sympathizers, like

established then LA ROCHEFOUCAULD

Throw Them Out, Or Else

The U. S. A. may or may not be at war with Germany and Italy already. American ships of war are fighting their ships of war, even though under another flag. American planes—not as many nor as good as we'd like, but some—fly over German and Italian territory and drop bombs. The bomb casings, for all I know, may have been made in one of these 48 states. Both candidates for President of the U. S. A. ran for election this year on the platform of aiding the enemies of Germany and Italy.

The U. S. A. may or may not be at war with the Axis already. Let's leave it for historians to decide.

But one thing is quite certain.

The U. S. A. is not at peace with them. We cannot buy their merchandise and they cannot buy ours. Our nationals are not welcome in their countries and their nationals have no business to transact here. If there are technical respects in which these statements are not accurate they are nevertheless for all practical purposes more than true.

Why then are there many hundreds of diplomatic and commercial employes of the German Reich and many hundreds of diplomatic and commercial employes of Premier Mussolini's Fascist State now in this country "on business" when there is no business to do? It's no longer news what they are really doing. No newspaper in America but what has long since patiently explained to its readers what they are up to—and diagrammed the explanation with facts, figures, names, dates and places. Government agencies have bickered and vied with each other for the privilege of aiding in their exposure.

They are what everyone knows—spies.

They are commercial, diplomatic and military spies.

The diplomatic and commercial ones are here to conduct and supervise business which does not exist. And yet they could not be busier. Conducting and supervising nefarious business which should not, but does, exist. And moreover, we went through all this once before in the years that preceded 1917.

Why do we let them stay here? Why do we let the German railways maintain a staff of 400 ticket sellers here when you can't buy a ticket on a German railway? Why did we do nothing when we read about that Italian diplomat, searched on the Mexican border, who had \$2,000,000 in U. S. currency in his diplomatic pouch? Why do we go on just shrugging our shoulders? Why do we fingerprint friendly aliens and fuss about whether Harry Bridges is or isn't a member of the Communist Party, and talk and talk and talk about the plotting, the bribing and the conniving and the sabotaging that real professional, paid, foreign spies work openly in this country—and still do nothing about it?

Why don't we say simply:

"Get out! Get out—by sundown tomorrow.

These spies do not have to run any blockade either to receive their orders or to get their information back to their headquarters in Rome or Berlin. They get their orders and they send back their information every day by a device known as wireless telegraph.

The German government does not permit the U. S. Government to maintain hundreds of spies in Germany. It does not give them the right to ride on all railways, to wander wherever they please and to wireless what they see and hear back to Washington. If we are not prepared to say to Messrs. Hitler and Mussolini, "Take your damn spies out of here," then why don't we say to them, "All right, for every man on an Axis payroll in this country, we want the right to maintain a man on our payroll in your country," at the same time insisting that our men have in Germany and in Italy precisely the same freedom of action that they have in this country—the right to fly over it, to ride around it, to talk freely with its citizens, to bribe them with money for conditional information, to conspire with their venal officials, to work at altering their foreign policy from within.

Well, why not?

If in a democracy, it takes what's called a movement to answer that question affirmatively, let's start a movement. Who wants these spies amongst us? I can't imagine that there are very many of us who do. All right then, let's gang up on them. Let's move on the people in Washington who have the power to act on these things—tell them to find out how to do it, and then do it: make the German and Italian Governments withdraw all diplomatic, commercial and military representatives—now no longer commercial, diplomatic, and military attaches, but common, garden spies. Or let us maintain similar operations in Germany and Italy.

And let's be in a hurry about doing it. This nonsense has gone on long enough.

RALPH INCEROLL.

This editorial urging expulsion of Nazi and Italian diplomatic and commercial employes appeared in PM last Dec. 8. Yesterday the U. S. A. cracked down on the Nazi entourage. But the Italian agencies—except for two consulates closed last March—remain.

Merwin K. Hart of the New York State Economic Council, have been actively identified with promoting Spanish Fascist propaganda in the U. S. A. Whether they, too, will be called upon to explain their connections was not indicated yesterday.

Treasury officials said that the fate of Communist Party groups might hinge on the Soviet response to a letter from the President demanding assurance that, if Russian

funds were freed here, they would not be used to evade his executive order.

Administration of the far-reaching program of supervision of Fascist funds here will be in the hands of Mr. Foley, Dean Acheson, Assistant Secretary of State, and Francis Shea of the Department of Justice. The full scope of the pending attack on Axis groups is not likely to be revealed until they have made a series of test cases.

Will Italy's Consulates Be Shut Next? . . . Two Closed Already, 49 Remain

America's crackdown on Nazi consulates poses the issue of the survival of 49 Italian consulates still operating as a propaganda network here.

Last March the U. S. A. closed Italian offices in Newark and Detroit. But that move left 49 doors open. Open Fascist agents have been walking through them freely.

Most observers believe that the Italian Fascist propaganda machine is as strong and active as the Nazi nucleus.

Central headquarters for the Fascist mouthpieces is in the Palazzo d'Italia in Rockefeller Center. There Commendatore Gaetano Vecchiotti, Italian Consul General in New York, directs a staff of about 35 and maps the campaign that blankets those territories throughout the U. S. A. where Americans of Italian descent cluster.

There are 4,500,000 of them.

Elements of Work

Among the functions of Vecchiotti's staff is the organization of "cultural activity" as a screen for Fascist talk and activity. Most recent public attempt was a concert scheduled for Madison Square Garden. It was called a "benefit." It was barred from the Garden when its plain political inspiration was exposed.

Analysts of the Italian Fascist campaign here believe it includes these elements:

¶ Italian consular representatives—many of them American citizens of Italian extraction—keep close contact with Italian cultural societies, sport clubs, fraternal organizations, the Italian language press and radio stations featuring foreign programs.

¶ Propaganda inspired in Rome in the Secretariat for Fascisti Abroad is edited by New York agents, then transmitted to the 49 consular stations.

¶ There are estimated to be 25,000 members of the Italian Fascist Party in the U. S. A.

Red Cross Contributions

¶ American money slips through to Mussolini's war chest through funds sent from Americans to Italian relatives.

During the Ethiopian war Mussolini's men in America managed to raise nearly \$500,000 for the Italian Red Cross.

Information describing the deeds of Italian Fascist agents here has been unfolded in Dies committee hearings and is stacked high in FBI files.

U. S. Assets in Italy

Are Frozen Solidly

Mussolini froze American assets in Italy so solidly yesterday—in retaliation for the freezing of Italian assets in the U. S. A.—that Americans in Rome pooled what cash they had and formed co-operative eating clubs to stave off hunger.

Berlin called freezing of German assets in America "absolutely unjustified" and was expected to retaliate soon.



Vecchiotti