

Court Hears Ways of Nazi Propaganda

Writer Formerly
In Berlin Office
Calls Transocean
An Agent of Reich

By Dillard Stokes
Post Staff Writer

Beating down defense objections as fast as they were made, Federal prosecutors yesterday wrote into the record of the District Court a sensational "inside story" of the world-wide Nazi propaganda industry.

On trial for not registering as a foreign agency was Transocean News Service, expelled from America a few weeks ago by President Roosevelt.

Having shown by a sheaf of State Department documents that no registration was on file, Special Assistant Attorney General George A. McNulty called eight witnesses to testify that the service supplied, not news, but propaganda conceived and controlled by the Reich government and the Nazi party.

Defense Counsel Emil Morosini, jr. of the New York firm of Cochran & Morosini, bitterly contested every revelation.

Charles E. Hewitt, jr., North Tonawanda, N. Y., publisher and magazine writer, told how he worked in the Transocean Berlin office six months in 1933. His job was to prepare, in English, a news report chosen from the Berlin papers and other sources.

An Agency of the Reich

Hewitt said his report was sent by radio to America, South Africa and the Far East. Other linguists prepared reports in Spanish, Portuguese and other tongues for South and Central America and for Europe.

Hewitt said he was ordered to get the tone of his reports by the news letters of the German Foreign Office and the Nazi Party. The head of the service told him

"We are an agency of the German Reich. Do not use anything adverse to German interest."

Besides this, said Hewitt, the service every day got and obeyed a sheet of instructions for the day from the Reich propaganda ministry. When Germany and Japan were making up to each other the order was, "Don't mention the Yellow Peril." When Germany and Russia sought an understanding the order was "Stop mentioning the March to the East."

Morosini complained that the slight, boyish American reporter "had assumed the role of a historian" and objected scores of times to his testimony. Federal Judge T. Whitfield Davidson overruled the objections.

Morosini asked for a mistrial when Hewitt mentioned the "beating rooms of the Gestapo," and again when Hewitt said there was no limit to Transocean's financial backing.

Transocean sent its version of what happened in this country to Central and South America. Boehm said Zapp admitted that all outgoing matter had the approval of the Embassy.

Two editors told how Transocean placed its version of world news before readers of German language newspapers in this country. Kurt Schindler, of the Lawrence (Mass.) Anzeiger und Post, and William B. Schnable of the Milwaukee Deutch Zeitung, said they began getting Transocean news six years ago.

The editors said the letters came at least once a day, sometimes twice and occasionally three times a day. The postage on each letter was never less than six cents and some letters had as much as 30 cents in stamps. Yet they paid only \$1 (one dollar) a month for the service. And when they stopped paying, the Transocean letters kept on coming, but they received no bills.

The Massachusetts editor said he paid the German consulate in Boston. Schnable (Milwaukee) identified four checks he sent the German consulate in Chicago. They were admitted into evidence, over the customary vigorous defense protest, and the jurors studied them for some time, wagging their heads gravely as they passed them from one to another.

Morosini said it was his understanding that there was no Transocean branch in America before 1938 and objected to testimony before that year. Special Assistant Attorney General William P. Maloney retorted that he understood there was such a branch and he would identify it, if Morosini desired.

"Go ahead," Morosini invited.

Maloney started to tell the court that before 1938 the Transocean American business was handled by the German Embassy in Washington.

Navy Observer on Hand

Morosini, however, hastily interrupted and said that of course he meant he wanted the information to come from the witness stand.

Donald DeNouff, vice president of Press Wireless, Inc., a communication service, described the Transocean system. His company, he said, set up four beams on which Transocean material was sent four times a day from New York to Buenos Aires, Mexico City and Berlin.

The trial yesterday was closely followed by representatives of foreign press services, several lawyers who took notes but would not say what their interest was and by at least one observer from the American Navy Department.

The trial will resume at 10 a. m. Monday.

Miss Margaret Lingleback, New York, testified that when Dr. Manfred Zapp came to set up a Transocean base here in 1939, she was hired as his secretary. She identified

letters Zapp wrote to the German charge d'affaires in Washington, Dr. Hans Thomsen, and to the German Embassy in South Africa. The letters will be translated and read to the jury later.

Zapp and his aide, Guenther Tonn, were indicted when Transocean was, but the State Department let them go to get four Americans out of German jails. Both would have been liable for prison terms if convicted.

Sidney Boehm, New York Journal American reporter, testified that he had been writing about subversive activities for four years. In his investigation, he said, he talked to Ernst Hepp, a member of the German Embassy in Washington. Pictures of Hitler

Boehm said Hepp told him Transocean was directly responsible to the embassy. "The German Reich is not a part of this trial," Morosini protested, but Judge Davidson allowed the testimony to stand.

Next Boehm went to Zapp, and found him in an office dominated by huge pictures of Hitler and Goering. First Boehm asked:

"Dr. Zapp, is it true you are a German spy?"

Boehm said Zapp jumped out of his chair and turned white, explaining excitedly that he was a respectable newspaperman.

But, said Boehm, Zapp confirmed what the embassy aide said about Transocean, admitting that his agency was under direct orders of the embassy. Zapp told Boehm that Dr. Thomsen sent him to Chicago to see about setting up a Transocean base there, but it was too expensive. Zapp said he made other trips and at the Pan American conference was "so fortunate" as to get a room next to Secretary of State Hull.

Zapp admitted Transocean lost money, spending \$140,000 in 18 months, while collecting only \$6,500 from American customers. Zapp said sometimes it was hard to meet pay rolls, when German funds in America were lacking, and that then he would get funds from consulates, here and in Mexico.

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