

"A"-----During the period between May 1938 and November 1 1939 it was my pleasure to be a silent listener during interviews in which FINANCES became the topic of conversation, between Wm.D. Pelley, his Secretary Miss.A.M.Henderson, Hial Cummings, and others more or less closely connected with the official family (HDQ. Pelley Publishers, and Silver Legion of America, and OWING to the overly suspicious nature of Pelley, I found it only possible to learn of the construction of his organization, personnel & etc., by ASKING NO DIRECT QUESTIONS of him, and very few, if any, from other of his employees, or those in close personal contact to him-----Therefore the following was learned (financial as well as confidential connections) by myself over a period of a year and one half, by working myself into his, and the Hdq. Staff's confidence, as a "research reporter", sometimes without remuneration in any form.

"B"-----Thru the inability of Pelley's Attorney, Harrison Fargo McConnell, to handle large quantities of liquor, I obtained an inkling into the manner in which Pelley "financed himself" (McConnell was decidedly careless in safeguarding confidential communications also) and I found that Pelley PREYED upon certain individuals, usually, however either "having something on them", or first having "sold" them on "essoterics", unto a point where they, the victim, actually thought that Pelley, was super-human ---The leads obtained from McConnell, permitted me to make further investigation, and the following connections were established, to wit; \* Mr. George B. Fisher, of N.Y. City (Also owning property near Toronto Ontario, D. Canana) lately of The Crowell Publishing Co., and operating The "JUST-SO Dress Co., of New York City, and located at 480 Lexington Ave ( residence I believe) Mr. Fisher had given Pelley and Pelley Publishers thousands of dollars for example on Jan 3 rd. '38 he gave Pelley Publishers \$2,000.00; March 17 th '38, gave Pelley 1600.00 and in February of 1939, about the 17 th. gave Pelley another \$2,000.00.

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"A"---10---FINANCIAL CONNECTIONS---continued

"B"---Fisher, to my knowledge has given Pelley a small fortune, and it is my belief, based upon "Pelley's own admission to me, in the matter" That Fisher is financially tied up with Pelley, also Pelley, informed me, as a matter of FACT, that on or about November 1 st. 1939, THAT George B. Fisher was actually going into a partnership with him (Pelley) and was placing about \$150,000.00 at Pelley's disposal----\*\*\*\*\*I was informed to this effect on or about August 23 rd. 1939, by Pelley, while he was a guest at my home at Springfield, Va., at which time he also informed me to the effect that Fisher spends considerable time in Canada, in or near Toronto, owning certain properties there \*\*\*\*\*AND at which place I believe Pelley would find REFUGE in the event of being SOUGHT by U.S. Federal Police, or anyone else...

I also learned that a Mrs. Marie (or Mary) Ogden of New York City, had contributed amounts ranging into thousands of dollars, it being known in Asheville, that she had at least given \$14,000.00----Considerable mystery surrounds this lady---It is believed that she frequently attends meetings of "spiritualist MEDIUMS", of which Pelley has scantily informed me, however having informed me, if several instances of meeting up with financially responsible persons at her address, or that of George B. Fisher-----Further I believe that a close check of Mrs. Ogden's accounts would disclose receipts of monies from Germany, or transactions with Chief of Propaganda, Goebbels, and would furthermore result in definite information, as to the "set up" of German Propaganda Headquarters in New York City, in which H. Wesley K.K.K. Evans--Major General Moseley, George Deatherage, Rev. Winrod, James True, Wm. Dudley Pelley\*Dr. J.R. Brinkley, of Station X.E.R.A., Del Rio, Mexico, lately of Milford Kansas (a heavy Pelley contributor) and others, including Father Coughlin of Royal Oak, Mich

"B"---all of whom would prove a menace to the Peace of The United States, and a constant danger to our Armed Forces, because of sabotage to our Industries (war time) to-gether with espionage activities.

\*\*\*\*Another heavy contributor to Mr. Pelley is Miss. Sarah C. Scott, of Belmont, Mass., who conservatively had given Pelley \$10,000.00.

In March 1939 she mailed him \$1,000.00 in money orders of \$100.00 each.....Miss Scott originally, as I am informed, from Canada, and whose whereabouts at the present is in Canada, a check on this lady, in Boston, shows that she is rated at about \$250,000.00, and is of about sixty years age -----While using money orders in transmitting money to Pelley, via Postal Money Order, she visited several P.O. Sub-Stations in Boston, Mass.-----Her present whereabouts could be ascertained from Asheville, or from discreet interviews in Boston.. Miss. Scott and her Canadian Connections, could also

be the means of furnishing Pelley with shelter while being sought..

\*\*\*\*\*In connection with finances, be it remembered that Pelley's activities, being INTERNATIONAL, ~~xxxxxxx~~ should be investigated, such as connections established on Hamburg- American Steamship Lines, thru which agency Pelley could transmit confidential Data to Germany, and also receive same, to-gether with the possibility of their being a connection in Pelley's set up, related to The Reich Bank of Chicago. It is known that his membership in and about Chicago amounts to a stronghold... Liberation and other Pelley literature distributed in the Chicago area confirms belief... A Dr. Joseph Weber of that address also is believed to be a contributor,,

\*\*\*\*\*A Dr. George Knapp, residing at The Taft Hotel, N.Y. City, is another of Pelley's connections

\*\*\*\*\*Dr. J.R. Brinkley ( from Milford Kansas) owner of Station X.E.R.A. located at Del Rio, Mexico, is another of Pelley's contributors. His

palatial residence valued at about \$100,000.00 is located at Villa Acuna, near Del Rio, Mexico----Dr. John R. Brinkley, has contributed to Pelley on several occasions---Both Pelley and Hial Cummings have visited the Doctor there as well as having made 'phone calls to the Doctor--the Doctor is listed under Del Rio--phone # 625----

\*\*\*\*NOTE\*\*\*\*Pelley has always tried to obtain control of a Radio Station, or to have an interest in one, believing that "when the time arrived for his Silver Legion to go into action" he could better advise his followers, being organized in groups or POSTS (local) and Garrisons (state Hdq.) thru a powerful radio station ----Of recent months Pelley has not claimed much interest as to radio, but did mention a visit made with Cummings to Texas and Mexico early in the summer, also the last of July while on a junket with member of the Dr. Chas. Clark family of the State of Washington, together with his Chief of Legal Staff, Floyd Hatfield..

The advantage if any, in a radio station in Mexico, such as the one owned by Dr. Brinkley would be its use in sending carefully CODED messages to persons (commanders of Garrisons) in U.S.A., when and if Pelley becomes sufficiently organized to instigate military measures, or insurrection\*\*\*\*\*It is believed that The late, Chas. Curtis, V.P. of The U.S. assisted Dr. Brinkley in getting his station O.K'd in Mexico..

\*\*\*Walter Larsen of Portland Oregon, is another (also literature dist)

\*\*\*Dr. D.D. Clark, of Olympia Wash., assists financially

\*\*\* Mr. Hugo Eger, G.A. Bund, of Chicago also assists

\*\*\* A Mr. Harry Jung of Chicago assists in DOCUMENTATION for Liberation

\*\*\* The following distribute literature, are known as silvershirts, and assist financially---L.H. Lobbe, Portland Oregon; Geo. Thieson, Centralia, Wash.; D.O. Towney, Grand Junction, Colorado; Dr. D.D. Clark, Olympia, Wash.; Hans Diebel, Los Angeles, Cal (news Stand); W.E. Western, Seattle, Wash.; Geo. Deatherage, Box 467, St. Albans, Vt.; German American Bund Sectys

A confidential connection with The North German Lloyd and Hamberg American Line, reports directly or thru channels to Pelley..

SLOAT

\*\*\*\*\*Thru several interviews with auditor (in Asheville) concerning receipts (financial) controlled by Talpey, I learned that thousands of dollars, estimated at between thirty and forty thousand, arriving in mail, to Talpey, were unaccounted for MEANING just this \*\*\*\*\*That altho The Skyland Press, the organization which really (on paper) functions, and is taxable, has been the recipient of thirty or forty thousand dollars, which is unaccounted for, however taxable\*\*\*The monies involved, went into the pocket of Pelley or Talpey, and received no official recognition----I also ascertained that Pelley had no system whereby the auditor could possibly keep track of the money he COLLECTED while out on the road and contacting his various sympathetic friends, such in the above, <sup>as</sup> from contributions, received by U.S. Postal M.Os, Express Money Orders, or cash contributions...

\*\*\*\*\*Furthermore there is no accurate accounting of funds received from Silver Shirt Membership----The actual yearly sum derived from each membership is \$5.20 plus voluntary contributions..There being 5,000 Silvershirts on record ( thousands more if files can be found, at present out of the offices at Asheville) and for the purpose of using the 5000 as an example; the ~~entire~~ income from this, which is unaccounted for is \$26,000.00

Mrs. Anne B. Sloan of New York, whose headquarters I believe is on Long Island, and whose acquaintances include Hiram Wesley Evans, K.K.K.; Edward Hunter, Independent Defense League; Donald Shea, White Shirts; Rev. Chas. E. Coughlin, Social Justice, publisher; Wm. Dudley Pelley, Silver Shirt Legion; Geo. E. Deatherage, Knights of the White Camelia; James True, of James True Associates; Brig. General Geo. VanHorn Koseley, U.S. Army, retired; George W. Christians, Crusaders for Economic Liberty; Gerald Winrod, publisher of The Defender; Fritz Kuhn, German American Bund; and Harry A. Junge, the Vigilante Federation (of Chicago)..

It is believed that there is a close personal contact between all of those named in the above, together with certain New Yorkers, such as Mrs. Marie Ogden, and Mr. George Fisher.

Mrs. Sloan is a woman of about 30 years age, and in one instance she corresponded with Chief of German Propaganda, Goebbels, relative to the publishing of a newspaper, known as The National Patriot---Her correspondence included letters to Oscar C. Pfau, of the Fitch-Pfund, a German propaganda organization, located at Hamburg, Germany...

It would be well in this instance to contact a Mr. Richard T. Forbes a young University of Washington student, who has a quantity and quality of information on this subject, together with others in the State of Washington---

The effect of such a publication, as proposed by Mrs. Sloan, would be disastrous to our National Defense, and would tend to incite disrespectful acts, and insurrection..

Never-the-less Pelley has been permitted (by failure of Government agencies) to raise money under false pretense (religious belief in Pelley) using the mails in so doing, and defrauding The Federal Treasury of considerable amounts of money . As in the case of 1934 when the

Pelley diverted approximately \$100,000.00 from Galahad Press funds to his own use (resulting in the insolvency and finally the bankruptcy of the Galahad Press ) and to the account of the Foundation for Christian Economics, in which case creditors suffered a loss., and Pelley according to record ( as result of suit filed by Chas .G.Stott vs Galahad Press Mar.30 th.1934, before Justice of Peace J.H.Bramlet of Buncombe County, N.C. ) in procedure against Pelley at time of his trial in Asheville, N.C., and subsequent indictment, and trial, it was clearly shown that Pelley had diverted \$29,000.00, destroyed records AND FURTHERMORE "that no criminal action was taken against him, for violation of Bankruptcy Act, or misappropriation of funds."--- The trial furthermore showed that The Galahad press paid for the Foundation of Christian Economics, ~~XXXXXXXXXX~~ and the Foundation For Christian Economics paid for The Silver Legion-----Knowing that he was running into "hot water" and subject to TRIAL---Harry F.Sieber ,was Secretary of The Foundation for Christian Economics, received a "wire" from Pelley (California, about to return East) dated Feb 14 th.1934, reading as follows- Ragger to be continued here with coming issue--agree with you regarding Washington, but shall start East to fix in time for February divorce hearings. You were all wrong concerning Weeks. Until here whipping rapidly into shape. Delaware plan excellent. Suggest sample chart. Immediately clean records clean" end wire-signed Bill \*\*\*Records of trial show "That Sieber, and Summerville, another of Pelley's henchmen, and a fellowxby the name of Kellogg, admitted carrying all ( see Federal Court record Vol 1, page 29) correspondence of The Foundation for Christian Economics; the Silver League, and all correspondence of The League of Liberation prior to 1934 had been destroyed in the FURNACE of The Woman's Club on Sunset Drive, Ash. N.C.

#8--"A"-10 Financial Connections & etc..

and in the performance of a criminal act, under Bankruptcy.

\*\*\*\*Talpey at the present moment is the one who is destroying such evidence as may be used against Pelley, and has been dilligently occupied in same over a period of time---All correspondence comes to him, such as contribut<sup>ions</sup>~~ions~~ money orders & etc., and he makes proper (or improper) disposition with same..

\*\*\*\*Another correspondent, perhaps linked up with German Bund activities is Ewald Markfort, Royal Oak, Mich

\*\*\*\*Another connection---The Book Box in Pasadena California

\*\*\*\*Mrs. Roy Zachary and Miss Virginia L. Meyer, at The Aloha Metaphysical Bookshop

\*\*\*\* Also The Germania Book and Specialty Store

\*\*\*\*Aage Larsen of The United Stalwart Americans, Chicago, Ill

\*\*\*\* An influential man in Pittsburgh Pa., is Mr. G.R. Ninness, South Hill Branch, No. 9 Oakhurst Plan, Pittsburgh, Pa., and one whom is close to Pelley, being familiar with confidential movements between Zachary and Pelley and movements generally---Instructions frequently wired to him from Asheville, transmitting messages to Pelley (code name Lloyd--Beecham-Coodale)

\*\*\*\* Another business associate---Clyde J. Wright, 416 Hathaway, Houston Tex.

\*\*\*\* Another business contact--- Fred G. Wilmer, Wilmers Photo Shop, Mount Vernon, Washington (state)



#9 "A"-10---Financial Connections, Method of distributing  
Literature--membership & etc--State of Washington  
Arms & ammunition

In many cases Headquarters of Silver Legion of America has been requested to mail or express "Liberation" and other pamphlet literature to its membership, by mailing or shipping same to a designated person in a locality---Commander of a Post of The Legion or State Garrison Commander, to be in turn distributed by that Post or Garrison Commander or someone designated for that purpose---This is done so that there will be less ~~xxxx~~ danger of exposing the names of Silver Legion members to the public -----Therefore a conservative estimate of Silver Legion Membership in The State of Washington, can be gained ~~xyx~~ thru the following data, procured at The Asheville Plant of Pelley, together with interviews held with Legion Members from The State of Washington--

\*\*\*\*Roy Zachary is The Field Marshall of The Silver shirt Legion of America, and it is he who makes the personal inspection trips of Legion Posts and Garrisons, appoints officers, and in turn receives weekly and monthly reports from his field, or local espionage committee representatives and other officers, including those persons designated by him, or by the Post or Garrison appointed to circulate literature and receive payment for same....

For a considerable time the following persons have handled printed matter such as The Silvershirt Magazine "Liberation".;

W.E. Western -----Seattle, Wash., membership about 2,000 for Seattle and vicinity including King County

George Thieson----Centralia, Wash., membership of about 3,600 for that locality, including Lewis County

J.R. Crowe---Spokane, Wash.---membership about 5,500---in that vicinity

Dr. D.D. Clark, Olympia, Wash.--membership about 500--and vicinity

A most conservative estimate of membership, not including contributors to Liberation or Pelley, in The State of Washington, will be well over

#10 "A"---10----Financial Connections, method of distributing  
Literature---membership & etc---State of Washington--  
ARMS & AMMUNITION

ten thousand..

It having been admitted by Pelley that his membership MUST pay ten cents per week for certain information contained in literature printed by The Skyland Press of Asheville, housed in a building known as Pelley Publishers, amounting to \$5.20 per year, it may be seen that his revenue (gross) from Washington, membership alone, and not counting contributions or PLEDGES made to Pelley, would amount to \$52,000.00

During the past year Pelley has published at least five or six special leaflets, which he retails to his membership at about ten cents each, another investment which the membership MUST NOT ignore, making his income \$6,000.00 additional to the \$52,000.00.

Another financial feature, is the sale of literature at the ALPHA METAPHYSICAL Bookshop, which is operated by Mrs. Roy Zachary and a Miss. Virginia L. Meyer...

From interview with Dr. Clark, and his brother (who both recently visited Washington, D.C., being entertained by Rep. J. Thorkelson, of Montana) as well as Roy Zachary, and Floyd Hatfield, Pelley's Attorney, also from the State of Washington, I gather that Pelley's literature on mental philosophy, and essoterics, shown under EXHIBIT "F" is quite in demand thruout The State of Washington, and it is thru his (Pelley's) contacts <sup>with</sup> elderly neurotics, and others in the financial "register", to whom he sells himself, first thru his publication, and then in person, that much of his finances are derived (and which finances amounting to about 97% are never properly accounted for for the purpose of taxation, or operating expenses of The Skyland Press)

Pelley has sanctioned the purchase of large quantities of arms and ammunition, by Silvershirt Legion members--as advised to this effect

#11- "A"-10---Financial Connections,method of distributing literature  
Membership Eric---State of Washington--Arms&Ammunition.

by a Mr.Clark,brother to Dr.Clark of Olympia Washington,who informed  
me to the effect that they(Silver Legion) had stored a considerable  
quantity of Arms(small) and ammunition on an island located near  
Vancouver,Washington ,confiding to me "That there are thousands of  
Silvershirts on the Coast,from Washington thru California,all of  
which are ready to bear arms in support of Pelley,and The Christian  
Commonwealth,Pelley's objective." On page 12 of Exhibit "C-1; is  
found a paragraph in which The Silvershirt Movement or Legion is  
partially described; as follows "The point at issue here is,that  
Silvershirts,as a vast PURGATIVE BLOC,in this current American  
turmoil,know precisely WHAT THEY WANT TO ACCOMPLISH--how far  
they want to go,AND AT WHAT POINT THEY WANT TO STOP -----THEY are  
CREATED AND CONDITIONED FOR SPECIFIC OBJECTIVES--- \*

\*\*\*\*The leader of the Silvershirts in Washington,and its resident  
Field Marshall is Roy Zachary,of Snoqualmie, Washington,who has  
personally identified himself and his organization with The German  
American Bund in Chicago Ill.,by addressing a German American Bund  
meeting in Chicago Ill (in a Tavern) by his own admission,as contained  
in The Silver Legion's official organ/"Liberation" Vol IX--No.26,  
printed at Asheville N.C on November 28 th.1938,page two,in which  
report he refers to a German American Bund meeting held on or about  
Nov.26 th.. Zachary was severely injured on the night of November  
28 th.1938 while addressing a Silvershirt meeting,which even Pelley  
admits was not strictly Silvershirt.. Both Pelley and Zachary  
have publicly --loudly--denied any connection with the German  
American Bund,however Zachary is assaulted,by provoking riot,for  
which he was arrested in Chicago Ill ( See Exhibit "E"-2) and  
according to Edgar C.Alin,attorney for Zachary,whose office is

File-- "A"--10---Financial Connections, method of distributing  
Literature---Membership & etc---State of Washington---  
Arms & Ammunition

located at 29 S. LaSalle St., Chicago Ill., Zachary forfeited his bond because of his absence ( he fled to Asheville, N.C. or that vicinity, near which his brother Dr. Zachary resides and practices) from court when his case came up for trial---In exhibit "E"-2--Paragraphs, 4-5 & 6--can be seen procedure employed by Zachary's attorney, showing, in fact, "That Zachary's activities, together with his failure to properly appear for trial, forfeiting bonds etc., would serve to BAR HIS ENTRANCE in Chicago, or at least be, in the parlance of police talk, "a club" over his head, which might prove disagreeable in his future visits here (in Chicago) "----The entire matter, meaning that of Zachary's assault, the cooperation (also shown by attorney Hanin in his letter of 12-2-28, shown under Exhibit "E"-2) of K.K.K. officials, particularly that of Col. Stephen Edgar Brown, all prove that Zachary proceeded/illegal in an manner, jumping his bond, becoming a fugitive from State and City Justice, and later employing politics, religious prejudice, and unethical legal methods, in gaining his freedom---

Moreover In The State of Washington, Zachary has a far greater following than in Illinois--his organization is better disciplined and equipped to "incite riots" or insurrection, and I may add that his followers wait only for his, or the Chief's word to "go into action"---His and Peley's financial support comes from places also which are far remote from Washington State, and activities are directed by those who have no civic sense of duty in that State--Their objective being to obtain absolute CONTROL over The Forty-eight States, placing the entire Republic under the administration of The Christian Commonwealth, in which Peley would become, far worse than a DICTATOR---His program for it is such, would remove all those now in authority, who for any reason are unacceptable to him---In Exhibit "C"-1 pages 8 to and

#13---"A"---10---Financial Connections,method of distributing  
Literature---membership& etc---State of Washington  
Arms & Ammunition

and including 13,under III "What the Silvershirts Propose to accomplish]written by Chief Pelley,a convicted criminal,and at present,fugative from justice in N.Carolina--I quote from his 4 th proposal page 9--"I propose to treat personally with John L. Lewis,Robert M.LaFollette and Samuel Dickstein,as three treasonable and surreptitious disruptors of a free Republic,to deal with them as common enemies of Constitutionalism,to arrest them as soon as possible with Silvershirt backing,and after presenting due evidence of their traitorous activities to a Silvershirt jury,to confine them upon conviction in a Federal penitentiary for the remainder of their lives I shall further effect such legislative measures as may automatically confine with them in said penitentaries whosoever shall interest himself in their liberation,or work for their release upon any premise.¶ From this it can be seen that neither Pelley,or Zachary,his second in command or Field Marshall,have any RESPECT for The Constitution of The United States,nor for the duly authorized officers of our courts----They further PROPOSE "To declare it illegal for persons of Jewish extraction to own real property in any city but one in each state--(page 10-paragraph 7) AND to effect the fullest and friendliest understandings and international relationships with all RIGHTIST and Anti-Communistic nations abroad--particularly GERMANY ,Austria,Italy,Spain,and Japan--(paragraph 10-page 10)

By editorial and speech,both Pelley,and Zachary openly praise the activities of Hitler and other foreign leaders,and ridicule our own government,and accuse our National officers as well as state,of Treasonable acts,all of which amounts to a most serious threat to our National peace and security---Contempt of those in Authority will unquestionably lead to breaches of the peace,and thence to insurrection,rebillion,and Civil War----The Silvershirt Legion

having its strongest membership and organization in Washington,  
and south, thru California, constitutes a real menace to National  
Defense and society in general. (see Exhibit " C "-8) It would be  
well for The Citizens of The State of Washington, to properly familiar-  
ize themselves with the character of The Chief (Pelley) of The Silver-  
shirt Legion, and to that end I am quoting the "text of Statement"  
made by (read) Judge Nettles at the time (the judge) issued capias  
for Wm. Dudley Pelley, in Buncombe County, Superior Court, at Asheville,  
N.C., on or about the 19 th. day of October 1929 quote;

"At the February term, 1935, W. D. Pelley was convicted in this court for two distinct felonies, one for violating the Blue Sky Laws, and the other for a crime involving high moral turpitude, namely, that of making fraudulent representations. At that time information came to the attention of the court that Pelley was collecting sums of money from credulous people by playing upon their religious, racial, and social prejudices and fears. It was suggested even at that time that he was being paid for his propaganda by sinister foreign sources. He pleaded for mercy and promised to lead a decent life. Pelley was sentenced for ONE to TWO years in the state's prison on one of these convictions, but on account of these assurances Judge (Wilson) Warlick a humane and just judge, suspended the prison sentence for five years upon payment of a fine of \$1,000 and costs and upon condition that the defendant 'be and remain continuously on good behavior'.

'On the conviction for fraudulent representations, prayer for judgment was continued for five years'.

Since these convictions, this court has been informed Pelley has not only broken the promises which he made the court, but has engaged in practices and propaganda which deserve the severe condemnation of all good American citizens. He has continued to prey upon and collect money from credulous neurotic people to his own enrichment by appealing to their basest religious, moral, racial and social prejudices. He has attempted to reap financial profit by engaging in every possible form of un-American activities. He has leveled disgusting epithets against the office of the President of The United States. He has consorted with known enemies of American institutions. There are many reasons to believe that he is being paid from foreign and un-American sources. He is now said to be conducting his nefarious practices from some secret hiding place; made afraid by his knowledge of his own wicked misdeeds, to face in public his fellow American citizens.

Here is a man enjoying the protection of our laws. He has deliberately violated our laws against crime. He is a felon. Such conduct on his part would in the country he professes to ape, admire, love and respect forfeit his life. He deals in accusations, loud boastings, preens his feathers like a peacock and struts upon the stage of life,

Judge Kettles statement continued--

state of life---falsifying facts and hurling accusations. In his desperation to gain attention and occupy the spotlight, he has even accused our great President of high crimes and misdemeanors. He professes to be a friend of the American people and at the same time advocates class, racial and religious hatred.

It is not these, Mr. Solicitor, from without that we must watch, but those so-called saviours of mankind who are preaching a doctrine deadly to American institutions. This defendant who has been moving in our midst seeking to further the cause of Nazism with himself as the dictator, seeking to destroy justice and liberty and abolish all laws, living under the very protection of that law, he is seeking to overthrow and trying to undermine our system of government. Such a man cannot deserve the blessings of a government like ours. He is a menace to our society. Gratitude is one of the most beautiful attributes of human character. This man smites the hand that feeds him and has the unenviable record and distinction of being a contemptible ingrate.

We do not have to defend our system of government from a character or individual. For three weeks I sat here in this very courtroom and helped unravel a course of crooked dealings, thievery and stealing sufficient to damn any man, much less this contemptible seeker after notoriety, W.D. Pelley, so-called and self-styled leader of the Silver Shirts, convicted felon, not now even a citizen of our country. A Buncombe county jury says he is not, yet he would be our dictator and would tell our country what to do.

We have diffused in this great land of ours well-being among the whole population to an extent without parallel in any other country in the world. We have furthered peace-keeping, peace-loving, among our peoples; we have set a splendid example of the broader religious toleration and freedom, and we have welcomed newcomers from all parts of the earth and have proved that they are fit for political freedom. These are some of the practical things we have accomplished in this great nation of ours. They are the triumphs of reason, enterprise, courage, faith and justice over passion, selfishness, inertness, timidity and distrust.

In these days of trouble and of daily national emergencies, there is a great comfort in the thought and recollection of Washington, Jefferson, Jackson, ~~MMXX~~ Lincoln, Wilson, and hundreds of other great Americans who gave their lives that our country might live. The zeal of Justice, of learning and humanity lies deep in the American Heart. Whenever a man tries to tear down the institutions of this great democracy by boring from within, Mr. Solicitor, then I say that we should be on our guard and get to work. It is well to be a gentleman and a scholar, but after all it is better to be a man ready to do a man's work and face the practical things of life. We have a man's work to do in making democracy work here in this nation of ours; to preserve its institutions, its freedom, its Christianity, is men's work. We must preserve and obey our laws. We must enforce our laws. We must be tolerant. We must be religious. We must do our utmost to carry on where our fathers and mothers left off in order to hand down to our children a better citizenship, but eternal vigilance is the price of liberty.

Judge Nettles Statement continued-

vigilance is---the price of liberty--

W.D.Pelley has set up in our midst a printing press and is sending out to the country at large messages devoted to bigotry, class and racial hatred, religious intolerance, with the end in view of overthrowing our government. He owes a debt to society, Mr. Solicitor, for his criminal conduct, having been heretofore convicted of two felonies in this county. I direct you, Mr. Clerk, to issue a capias for the arrest of this man and have him brought before this court, Mr. Sheriff, to be dealt with under the law and justice. Mr. Sheriff I hope you will make every effort to apprehend this man and bring him before this court in order that he may make a bond in the sum of \$10,000 for his appearance before Judge (J.A.) Rousseau at the November term of this court.

Mr. Solicitor I would not want to embarrass you at all in this matter and on account of your connection with the case, I will request Mr. R.R. Williams and Thomas J. Harkins to present the matter whenever he is brought before the court"-----END QUOTE by Judge Zebulon V. Nettles

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In exhibit "C"-1-a--page 9 is found the following statement, which statement was made, printed and mailed, by W.D. Pelley, advertising his Christian Commonwealth movement, and specifically a book called "No

More Hunger"---Pelley herein states that "Many businessmen of large affairs are now requesting all their employees to read NO MORE HUNGER as a condition of continuing employment with their firms"

If Pelley's assertion in this instance be true (in the above) and manufacturers or businessmen of large affairs, under Pelley's dictatorship, of which he boasts, cause, or order their employees, to order these books called No More Hunger, or to read them, in order that their jobs may be safe, and their employment may continue, They, the employers together with Pelley, are not only guilty of an unAmerican Act, but are in violation of Law under "Involuntary Servitude"

Furthermore a careful review of W.D. Pelley's (1935) case in Buncombe county, N.C., that Pelley has used the U.S. Mails in advertising his various publications; That many thousands of dollars were received by him in Asheville, N.C., thru Postal Money Orders; That he has never made proper returns (tax) on monies received, nor shown by bank deposits or otherwise, any disposition made of thousands of dollars;



That the thousands of dollars, shown to be unaccounted for, were obtained, all or in part, by using The U.S. Mail service in advertising, and that he (Pelley) did scheme with others, in using The Mails, as a means or method both of sending advertising matter, as well as to obtain Money orders (Postal) as a result of advertising--<sup>and did conspire</sup> For the purpose of "defrauding the United States Government", in-as-much as by the use of this method of conducting Pelley's business, it was possible to "cash" certain and thousands of money orders, at the Postal Money order window, without having, at the moment, to make any disposition (on record) of monies received..

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Present method of obtaining money..

On or about the 1st of November, Earnest (HIAL) Cummings and a Miss. F. Evans came thru Springfield, Va., from Asheville, N.C., explaining that (Hial) was heading NORTH---Philadelphia, Hartford, Waterbury & etc.,

for the purpose of obtaining funds for Chief Pelley---At the time Cummings put "the touch on me" for about ten gallons of gas for his Ford Sedan, promising me that he would reimburse me in three days time---Also would keep in touch with me--checking in with me as to progress made & etc...

Keeping contact with Asheville, thru correspondence, I am in receipt of letter with inclosure, with excerpts of letter received by Asheville informant ( see exhibit "A" X1 ) which briefly amounts to the fact that Cummings and his lady friend, Miss Evans, are doing some "promoting" on their own hook---However in the past and at present this system was condoned, and employed by The Chief Pelley himself--  
 \*\*\*\*To the best of my knowledge and belief (having received correspondence from Darien, Conn. from Cummings) Hial Cummings is making his and Miss Evan's headquarters in DARIEN, Conn., and from there are visiting various strongholds of The Silver Legion, in Connecticut and Massachusetts---Correspondence shows that they visited a Miss Ebba Andersen, also Miss Messenger of Waterbury, Conn., that they had already visited Meridan, Conn., and in all 14 other Silver Legion Posts, before visiting Waterbury, having given them (Miss Anderson) the number 15 for the purpose of correspondence, and transmitting money to Asheville-----Miss Anderson mentions the fact that Cummings has in his possession THE NATIONAL MEMBERSHIP LIST of The Silver Legion-----Also that she (Miss Anderson, is directed to transmit money to P.O. Box # 639, Asheville, N.C., to F. Evans-----It appears to me that a discreet check up on that P.O. Box, ascertaining, return addresses & etc., would in this instance be beneficial-----Also a look-out flashed in Connecticut, to "question Hial Cummings on violation of Mann Act" might prove that Cummings becomes loquacious, using the proper approach

Present method--continued--Re; Cummings

\*\*\*\*\*In Miss Ebba Anderson's notes to Brown, she also explains that there are about 500 contacts, meaning, financial, in Waterbury, Conn., but only 400 Silvershirts----However if one enumerates the membership in the several posts thruout Connecticut, it will be found that several thousand silvershirts contribute to Pelley, and in this present case, it is my opinion, THAT PELLEY authorized Cummings to go out on his "promoting" expedition, and that Cummings is supposed to make returns to Pelley, without the knowledge of the Headquarters Staff in Asheville, such as is my informant----It is further known that Mr. Talpey, Auditor--bookkeeper and office manager, and Cummings have enjoyed a grudge against the other for as much as a year, and in this instance, I honestly believe that Cummings is "going a step ahead of Talpey" in order that he may "demonstrate to the Chief that he Cummings is a much superior individual"---I do further personally know; "That anyone who can bring in the money needs not a further guarantee in dealing with Pelley"--Pelley is POWER and MONEY M A D..

\*\* N O T E\*\*\*\*\* Brown, in Asheville, further requests me to pay him a visit-----as shown in exhibit, paragraph-7.----Such a visit might prove beneficial, because Pelley, himself, designated me to act as liaison man, operating between him, in his present "hide-out" and his financial headquarters-----A trip down there might mean much, and on the other hand, might prove to be a total failure, depending on the whereabouts of two individuals---Jesse Kling--National Membership RECORDER, and Miss. A. Marion Henderson, referred to in Brown letter (Exhibit "A"-X1) paragraph-8----

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Headquarters of the Silver Legion in Asheville are now sending out circulars to all membership thruout The United States, and in organized districts such as Washington, Oregon, and California, contacts are made in a direct manner, as in the Connecticut case----The Commander of a Post, or State Garrison Commander, instructs his committee to personally contact each and every member and contributor, for the purpose of raising money.

ANOTHER IMPORTANT PHASE of Pelley's activities is coming to light in a MOST DANGEROUS MANNER-----It is that of the POLICE RESERVES, or his Espionage Committee, which is, thruout the country about to go into action---acting as VIGILANTE ENCAMPMENTS -----As for example one of the West Coast organization \_\_\_\_\_ making his headquarters in the offices of John Meaney (Meaney), an attorney of Washington D.C., in the American Building, located at 1317-F. St., N.W., phone Na-3929, approached me, with regard to assisting him in organizing "The Police Reserve in and for The District of Columbia"---He claimed to have a National Organization---Had the same line of propoganda and objectives as Pelley, claimed to be an investigator & etc., and I later found that he was tied up with Jim True, and others. He has, according to press and other sources of information, met with no little success-----The Minute Men of Revolutionary Fame have been re-organized in the Eastern Atlantic States, and particularly in Massachusetts, and in fact number some thirty thousand, "sharp-shooters" are being "prepared" for "trouble" in that area---The Police Chief's Association of New England meets at Providence R.I., this week, and Police Chief Archie F. Bullock, of Arlington, Mass, who

Present methods---continued---mobilization of Vigilante Encampments

who has already organized a "rifle club" of 100 members, is accredited with having formulated the plan, presenting same at a private session of The Massachusetts Police Chiefs Association, of which he is past President and Secretary-----The F.B.I. it is learned has already sent a representative to that district to investigate-----At least a half dozen Massachusetts communities have adopted the plan established in Arlington, Mass., as in Belmont, Mass., scores of volunteers are in readiness-----In Ayer, Mass., police are planning to use Veterans of The World War, in combating subversive activities...

\*\*\*\*\*Pelley for some time, and to my certain knowledge, has made attempts in ORGANIZING VETERANS of The World War, and particularly those with overseas experience, and experienced in handling troops as well as light artillery and small arms-----It would be to his advantage, after having incited riot somewhere, to be able to call upon his CONTACTS in The Police Departments, who in turn call out their POLICE RESERVE, to Pelley's rescue-----The action would result in insurrection, without doubt-----The local officers (Police) naturally being acquainted with National Guard Personnel, as well as Pelley, in many instances, as well as REGULAR ARMY COMMISSIONED PERSONNEL, and he would have a situation well in hand before Washington, D.C., or the G-2 would actually know the score, as to his procedure.

With arms and ammunition stored in convenient places thruout the United States (as in the case where large amounts were confiscated by Federal Agents in California---recent date) and a personnel, of trained men, and the ability to "diplomatically handle the Corps Area Commander", he could thru propoganda circles, stir up one section of the country at a time, bringing it to a boiling point, and leaving it, under orders to proceed, by remote control, at his command...

The State of Washington, as in The New England States will be handled in this manner-----Pelley has worked for years---FOR POWER---He is NOT ANOTHER HITLER---Hitler with all the crimes accredited to him, is a gentleman, as compared to Wm. Dudley Pelley---Quoting one of his former associates (and present)---"Pelley has deliberately repudiated every man, to my certain knowledge, who has ever been the means of doing "Bill" Pelley a real favor--(Jim True) "

A very innocent appearing, "rifle club" for example may be formed, in a locality--there will be a sufficient number of Veterans associated with it ( as a board of directors) to give it a good name, growing, unnoticed in a county or state--Its membership partially composed of National Guardsmen--reserve officers, and even graced by a few social celebrities, who may really sponsor the club financially. \*\*\*\*\*In the course of their rifle matches, the name of "The Silver Legion may never be mentioned", however the controlling membership are Silver shirts never-the-less-----Some of these men acquire a little authority, by joining The Local Police Reserve, which permits them to carry "concealed weapons" upon their persons-----These "Special or Reserve Police" act as espionage officers in the local Silver Legion Posts, selling themselves, socially or otherwise to "The Regular Departmental Police Officers, attending their Reserve meetings punctually, and finally selling high ranking police officers on the Silver Legion, prejudicing them at the same time against jews in particular, and feeding them thoroughly, with the idea (silver legion doctrine) that in "A time of National Emergency that The Silver Legion

Present methods--continued--Mobilization of Vigilante Encampments

will ARISE to be "all powerful, and that it is their SACRED DUTY to wage a ruthless,merciless war upon The Jew, and upon those who aid him" ---This will be the beginning of THE CHRISTIAN COMMONWEALTH p-Pelley in his written criticism of our Government (p-37 No More Hunger) says-- "The Continental Congress took the place of George III and the Soviet Politbureau took the place of Nicholas II--Whereat both Congress and Soviets let certain blunders and stupidities of Government go on as before----Because the Americans eliminated George III and set up a government and set up a Congress in his place,they fancied they had attained to lasting political freedom. Because the Americans split George III up into two or three hundred (p-38) little GeorgesIII of their own nomination,and named this chopped up kingship the Congress,Americans fancied they had attained to lasting political freedom.

Both are organized on the exploitation basis.That is to say,both apply the hunger lash to make men labor under a system that sets up no real safeguard between the citizenry and the voracious element. A CHRISTIAN COMMONWEALTH SAYS;"Let the people actually be supreme and let their government be their servant!."\*\*\*\*\* end quote by pelley

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If there is any doubt as to whether or not Pelley advocates Insurrection,one should glance at his publication "Liberation" for the following dates---July 28 th.1936 (Shall Texas Secede); January 14 th 1939(Will it take CIVIL WAR to end JEW CONTROL);November 21,1937 (Will The United States Have A Period Of Facism ?) Exhibit--"G"-2