

# SILVER LEGION'S PAPER BANKRUPT

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## Actions Against Pelley's Pro-Nazi Organ Begun at Asheville, N. C.

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ASHEVILLE, N. C., April, 20.—

Both receivership and bankruptcy proceedings have befallen Galahad Press, Inc., publishing agency of William Dudley Pelley and his "Silver Shirts," it was revealed here today.

Pelley for the last year or more has been shouting hatred of Jews and lavish praises of Hitler and Nazism throughout this country. He has promoted the Silver Shirts, a semi-secret body with a Fascist flavor, along with the shouting.

The publishing concern has been placed in the hands of W. Bowen Henderson, Asheville accountant, as receiver, in a State Court action.

Following this, bankruptcy proceedings were instituted in Federal Court, reputedly by close associates of Pelley. The bankruptcy suit has not yet been acted upon.

### Ordered on \$111 Claim

The receivership was ordered on a claim for \$111 presented by Charles G. Stott & Co. of Washington.

In the bankruptcy action, the complaining creditors are Robert F. Williams, printshop proprietor, \$2,695; Robert Summerville, managing editor of Pelley's magazine, Liberation, \$130 for salary, and Pelley's "Foundation" for Christian Economics, Inc., \$6,000 for a loan said to be secured by a chattel mortgage on the assets of Galahad Press.

Records of the publishing concern were turned over to Receiver Henderson on the court order. There were no other assets, the authorities are said to have been informed.

### Featured Anti-Semitism

The magazine Liberation has been the official organ of the Silver Shirts, or the "Silver Legion of America," established by Pelley here in January, 1933. Pelley has been its editor.

The weekly has featured violently anti-Semitic articles and attacks on the Roosevelt administration.

The Silver Shirts and the Silver Legion have been linked with American Nazi elements in widespread reports. Pelley and his as-

sociates have claimed a large membership.

### Pelley on Coast

The records of Galahad Press were said today to show a subscription list of only 9,000 for Liberation however. The subscription price is \$5 a year and is said to be included in the \$10 membership fee of the Silver Legion.

Pelley was away from his Asheville headquarters when the court action was launched and has not returned. He was said to be in California endeavoring to settle a rift in Silver Legion ranks over alleged Nazi activities within the order.

Pelley had been a Vermont newspaper man, later a fiction writer and finally an exponent of psychic beliefs and spiritualism before he came here to establish his headquarters two years ago.

He previously had promoted the "League for Liberation," and in New York City had published the New Liberator.

His launching of the Silver Legion and Silver Shirts movements, pretending to be Fascist in character but with a strange admixture of clairvoyance, coincided with Hitler's accession to power in Germany on January 31, 1933.

Pelley has pointed to Hitler, on occasion, as his "inspiration." He has praised Hitler and Hitlerism extravagantly in his writings.

### Psychic Courses

The so-called Foundation for Christian Economics has been carried on by Pelley in connection with "Galahad College," which was announced ambitiously as an institution to teach spiritualism.

Through one or the other of these agencies Pelley has marketed correspondence courses in psychic and spiritualistic studies. The courses are said to have found ready buyers.

Little information as to financial returns of these various enterprises came from the records of Galahad Press after the receivership.

### No Record of Receipts

The records show that prior to August, 1933, virtually all funds coming to the concern were regularly transferred to the Foundation. The records show no receipts whatever since August.

Stock in Galahad Press was recorded as being owned by approximately 200 persons, living in various States. One issue, in \$10 shares, brought about \$14,000, it was learned.

What effect the receivership and bankruptcy cases will have on further publication of Liberation remained uncertain today. The magazine for a time was supposed to be

only for the eyes of Silver Legionnaires. More recently, however, it has been sold freely at newstands.

Pelley likes to speak of President "Rosenfeld" in the magazine. Last year he wrote of Bernard Baruch being "acting President" while Roosevelt was on vacation.

The Federal Reserve System is a favorite target of his anti-Jewish onslaughts. He pictures the Jews as the authors of virtually all the world's evil and forecasts a dire fate for the world unless all Jews are eliminated.

"Complete Sovietization" is in store for the United States under the NRA, he declared many times.

In a "confidential official dispatch" to Silver Shirt subordinates and posts it was said:

"In America there are hundreds of men who see nothing extraordinary that Senator Morrow 'happened' to be stricken fatally the day after his attendance at a Jewish banquet."

A statement from Pelley as to the future of Liberation is expected as soon as he returns to his Asheville offices and learns full details of the court proceedings here.

Some of the more fantastic phases of the rise of the "Silver Shirts" will be described in another article tomorrow.