

81 Seized in Canal Zone Spy Roundup; Nazis Stream Toward Channel Ports; Peace Leaflets Rained on Britain

Post 8/2/40

**4 More Destroyers
Bolster Defenses;
Foreigners Lose
Construction Jobs**

Eighty-one foreign agents have been seized at the Canal Zone by Government authorities, following an investigation of all residents of the vital isthmus area, Secretary of War Stimson announced yesterday.

At the same time it was learned that four United States Navy destroyers arrived yesterday at Balboa to reinforce the guard at the entrances to the Canal, and to assist "in further enforcement of neutrality regulations." The four ships will "take over certain duties," the exact nature of which were not disclosed, which formerly were handled by the Army.

The 81 agents, all illegally in the Canal Zone, are being held for deportation at the Zone's immigration station, Stimson said.

From Panama City last night, Leopoldo Arosemena, Panama minister of the interior, was quoted by the Associated Press as saying the 81 were mostly European "refugees."

Aliens Discharged

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In addition, only American engineers and American soldiers, whose citizenship and "affiliations" have been carefully investigated, are permitted to work on installing the new fire-control equipment with which the strategic lifeline is being ringed as a defense measure, the Republican Cabinet member told the press.

Stimson made his disclosure of the unusual precautions taken at the Panama Canal in response to a request for comment on Washington reports that 265 Nazis were working on Canal projects, some of them with vital antiaircraft fire control equipment.

The War Secretary would not say whether any of the agents rounded up at the zone were of German nationality.

Reads Statement Aloud

His statement, which he read aloud, said:

"There are now 81 foreign agents illegally in the Canal Zone. They are being detained at the immigration station awaiting arrangements for deportation or other disposition.

"There are no aliens employed either by the Army or by the Canal Zone other than Panamanians.

"All aliens other than Panamanians formerly employed by either the Army or the Canal Zone have been discharged.

"There are no persons working on fire-control equipment in the Canal Zone other than American soldiers or American engineers. Under the law, these individuals must be American citizens and their citizenship and affiliations have been carefully investigated by military authorities."

20,000 Troops on Duty

Stimson's reference to legal requirements that employees be Americans was to a law signed by President Roosevelt June 24, which provides that by May 1, 1941, all Government jobs in the Canal Zone must be filled either by United States citizens or by Panamanians.

Swift action against foreign agents in the Zone, only short water route between the Atlantic and Pacific, was believed impelled by the fact that the Zone is undergoing the most intensive period of military construction work since the World War.

A third set of locks to speed the movement of naval vessels across the Isthmus is under way and the Army is believed to have more than

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81 Arrested In Canal Zone Spy Round-up

4 More Destroyers Arrive at Balboa To Bolster Defenses

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20,000 soldiers on duty there now.

The drive to catch foreign agents at the Panama Canal recalled the arrest by Army authorities in October, 1938, of four Germans after the group had taken photographs of coastal defenses at Fort Randolph.

Subsequently two of the group, Hans Schackow and Edward Robert Kuhrig, were sentenced to two years at hard labor.

Army on Alert

"I am glad," Secretary Stimson said, "that the situation in Panama is one everyone has his eye on," when correspondents pressed him for details of the spy drive.

"The Army probably realizes the danger there more than anybody else," he said.

Both entrances to the canal are mined, and Army authorities admitted recently that heavy artillery had been moved from one side of the canal to the other, but described the shifts as "routine."

For the last several months the Zone has been under military rule, a step that is taken only in times of emergency.

The investigation leading to the arrests was made by the War Department, it was learned later. The Justice Department's Immigration and Naturalization Service has no primary jurisdiction in the Canal Zone.

Maj. Lemuel B. Schofield, head of the service, said his agency's part in the roundup consisted only in conferring with the War Department officials on what to do with the agents taken into custody.

It has not yet been decided whether to deport the men directly from the Canal Zone or to bring them to the continental United States for proceedings through the Immigration and Naturalization Service.

Jorge Boyd, Panamanian Ambassador, commenting on reports that his government could not seize an alien while he held a job on the Canal Zone, said that Panama has cooperated to the fullest extent with the United States in controlling aliens in the Canal Zone. He said absolute harmony exists between Canal police and Panama officials.

It had been previously reported that officials of the Panamanian government had prepared a secret concentration camp for agents, but that the camp never was used.

Meanwhile there were these other actions yesterday in the alien situation:

Senator King (Democrat), of Utah, after a brief session of a Senate Immigration subcommittee considering a bill to deport Harry Bridges, West Coast labor leader, said the subcommittee would decide Monday whether to hold public hearings on the bill. King said many letters had been received urging prompt Senate approval of the deportation bill.

A Detroit preacher told a Senate Judiciary subcommittee that a bill by Representative Voorhis (Democrat), California, requiring registration of certain organizations with the Justice Department would "destroy the freedom of those who hold different political views from those of the two major parties." The witness, the Rev. Owen Knox, of the National Federation for Constitutional Liberties, testified against a bill to require registration of organizations engaging in political activities which have as a design the overthrow of a government by force or violence, or which are dominated by foreign powers.