

Ex-Franco Agent Kelly Loses U. S.

PM Action Costs Him Passport to Spain

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WASHINGTON, Jan. 14.—As a result of a PM inquiry (John Eoghan Kelly) recently convicted and fined \$500 in Washington for acting as an unregistered agent of the Franco government, will not go to Spain as a purchasing agent for the U. S. Government.

Hired by minor officials at the recommendation of William H. Butterworth, Jr., first secretary at the U. S. Embassies at Lisbon and Madrid, the convicted foreign agent was preparing to go to Spain to buy metals for the Foreign Economic Administration, when higher officers of the FEA heard what was in the wind as a result of PM's inquiry and ordered Kelly fired.

First news that Kelly was to be employed in Spain came to PM through a telephone call from an anonymous man in New York who thought "we'd be interested." We were. He said that the passport had already been issued and that Kelly was to leave for Spain shortly.

Not Issued

Actually the passport has not yet been issued and FEA isn't going to ask for it. However, Mrs. Ruth B. Shipley, head of the passport division of the State Dept. had approved it and was prepared to issue it on the strength of Butterworth's recommendation when the stop order came through.

The State Dept. refused flatly to discuss the case on the grounds that passport information is confidential. All the Department would say is that Kelly does not have a valid passport. It would not discuss what kind of investigation was made preliminary to approving the passport or what it thought of the wisdom of sending to Spain as an official U. S. purchasing agent a man convicted in the Federal District Court of failing to register as an agent for the Spanish government.

Of course, this is not the kind of case that officials like to talk about either at the State Dept. or FEA or anywhere else for that matter. But here is the story as gathered together from a variety of sources.

Whether Kelly applied for the job or whether it was offered to him has not been revealed. But he was taken on about a month ago by the U. S. Commercial Corp., the agency through which FEA does its buying. He was to go to Spain to take the place of Bernard Bram-

son who had been there about two years in the metals division. Although the USCC has had its contracts reviewed by the FEA for some months, it was only this year that it was transferred to the FEA payroll. Consequently upper bracket officials of FEA didn't know what had been done. They



John Eoghan Kelly

Purchasing Job

moved promptly once they found out.

Investigation Begun

An investigation now is in progress to determine what system of checking employees is in use by the USCC.

Whether the State Dept. is investigating the method of checking in the passport division is not known.

Butterworth was in the U. S. A. about a month ago and is known to have conferred with numerous officials here. Whether it was at this time that the Kelly recommendation was made has not been revealed. Butterworth has been with the Department since 1928, serving in Singapore, Ottawa, and London. For a time he was assigned to the Lend-Lease administration. He became second secretary at Lisbon and Madrid in 1941 and a year later was promoted to first secretary.

In the event that he was not aware of Kelly's background, here it is:

Kelly was an associate of Christian Fronters, and of members of all kinds of crackpot pro-Fascist organizations which were particularly active on behalf of Hitler and of Fascist Franco during the Spanish Civil War.

In Franco Pay

As an American "patriot" boasting of his former connections with U. S. Army military intelligence,

he went around the country making speeches on behalf of Franco and bitterly attacking the Spanish Republicans as "Reds."

He organized mass meetings at which Hitler and Coughlin were cheered, and was instrumental in exhibiting a film of the Spanish Civil War which had been imported from Nazi Germany.

For many of these activities, and for extensive writings in the magazine *Spain*, official publication of Franco's Fascist Party in this country—the Falange—Kelly was paid regular sums by the Spanish Library of Information, the center of Franco's propaganda machine in the U. S. A.

Kelly made several trips to Spain and Germany between 1936 and 1939, acting as a sort of intermediary between respectable pro-Franco apologists such as Merwin K. Hart, then head of the New York State Economic Council, and street-fighting Christian Fronters.

Kelly's writings followed the Hitler line, full of Red-baiting and

America First-type propaganda. His close association with Hart, who once derided democracy, was spread on the court record during the trial which preceded his conviction as an unregistered agent of Franco.

Almost two years before his indictment, Kelly's role in the prewar pro-Fascist front was exposed by PM on June 12, 1941. The following year, PM presented documentary evidence showing Kelly's employment by Franco's propagandists.