

## Witness Declares Kelly Was 'Front Man' for Franco

The trial today in District Court of ~~John E. Kelly~~ of San Francisco and New York, on a charge of failing to register as an agent of a foreign principal, in violation of the Foreign Agent's Registration Act, centered around the testimony of a Mobile (Ala.) shipbuilder.

The witness, Windham Phinny, said to have been formerly associated with Mr. Kelly in the Commercial International Corp., an organization described as designed to unblock frozen funds in those countries where currency was frozen, declared Mr. Kelly had told him at one time that he was a "front man" for the Franco regime of Spain. The witness also testified Mr. Kelly had made a trip to Germany in 1937 and that the defendant was well acquainted with German officials.

Mr. Phinny testified also that Mr. Kelly had attended the American Legion national convention in 1938 to prevent the Legion from passing a resolution in favor of repealing the arms embargo against shipments of arms to Spain.

The Government, represented by Attorneys Isiah Matlack and Irving Hill of the Justice Department, maintains that Mr. Kelly was an employe of the Spanish Library of Information in New York, an organization claimed to be subsidized by the Spanish government. As such, the Government holds, he should have registered.

The defense, however, claims that the Library was an "individual" and that, therefore, Mr. Kelly was not required to register. Mr. Kelly is represented by Attorneys James V. Hayes and Robert H. Wall.