

APPROPRIATE ACTIVITIES  
AND FILED OFFICE  
ADVISED BY ROUT

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1  
THIS CASE ORIGINATED AT **LOS ANGELES**

FILE No. 100-15732

Mr. Tolson	.....
Mr. Clegg	.....
Mr. Glavin	.....
Mr. Ladd	.....
Mr. Rosen	.....
Mr. Tracy	.....
Mr. Clegg	..... MCW
Mr. Glavin	..... MLC
Mr. Mohr	..... MGR
Mr. Pennington	.....
Mr. Quinn Tamm	.....
Mr. Nease	.....
Miss Gandy	.....

REPORT MADE AT <b>LOS ANGELES</b>	DATE WHEN MADE 1-18-49	PERIOD FOR WHICH MADE 1-13-49	REPORT MADE BY <b>MARCUS M. BRIGHT</b>
TITLE <b>Communist Infiltration in Motion Picture Industry</b>			CHARACTER OF CASE <b>INTERNAL SECURITY</b>

**SYNOPSIS OF FACTS:** The Society of Independent Motion Picture Producers have issued a statement denying a "blacklist" so far as the "Hollywood 10" are concerned and was granted dismissal as defendant in court action brought by these persons against the producers. Film writer **LESTER COLE** won his re-instatement suit against MGM, and informant quotes **JOHN HOWARD LAWSON** as characterizing it as a great victory which they expect to make the most of. **COLE** designated by **LAWSON** and A.S.P. Council of Hollywood to make several speeches before meetings in east. Major film producers intend to fight the suits through appellate courts in spite of **COLE'S** victory and the S.I.M.P.P. statement. Communist elements in the studio labor ranks appear to be on defensive at present time. Information as to forthcoming film productions having possible Communist propoganda content set out, as well as those considered anti-Communist. Current activities of the "Hollywood 10" largely revolves around fund raising efforts of the A.S.P. Council. They are also in some demand as speakers before Civil Rights Congress and Progressive Party functions. Investigation fails to verify to date the report that "The 10" are writing under assumed names. **ACTORS' LABORATORY** and **HOLLYWOOD ARTS, SCIENCES and PROFESSIONAL COUNCIL** continue to be the most important and thoroughly Communist dominated organizations in Hollywood. The A.S.P. Council in particular is also cooperating more fully with **CIVIL RIGHTS CONGRESS**, the most active Communist "front" at the present time. At a membership conference in Hollywood on December 12 last, A.S.P. Council outlined its plans and activity for the coming year. Its main objectives are to abolish the House Un-American Activities Committee, defend the "Hollywood 10," prevent a "blacklist," and rescind Executive Loyalty Order. Investigation indicates **SIDNEY BENSON**, **MORTIMER OFFNER**, **LEONA CHAMBERLIN**, **LYNDA WHITNEY** and **MARGARET MAITZ** may constitute current C.P. "cultural commission" for Hollywood.

REFERENCE: Bureau File 100-138754-405,173  
 DETAILS: This is the joint report of SA'S **MARCUS M. BRIGHT**, **FRED G. DUPUIS**, **MORRIS C. MCGAUGHEY**, **BERNARD M. PTAOREK** and **LESLIE F. WARREN**

APPROVED AND FORWARDED: <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
DECLASSIFIED BY 1/19/96	COPIES OF THIS REPORT - Bureau - New York (Info.) - Los Angeles	100-138754-503 JAN 24 1949 INDEXED 82 50

58 APR 25 1949

**CONFIDENTIAL** Ronald Reagan-3998

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED EXCEPT  
WHERE SHOWN OTHERWISE

D/2/3/2

~~CONFIDENTIAL~~  
~~CONFIDENTIAL~~  
GENERAL SITUATION

16875

Since the submission of the last report, dated October 22, 1948, the trade press has carried frequent stories concerning a motion picture studio to be erected in the new State of Israel. The Hollywood "Variety" of October 11, 1948 carried a story that 31 Hollywood producers, directors, writers and technicians had banded together to help Israel set up its first studio which had been capitalized at \$800,000.00 and the studio was to be located near Tel Aviv. The individuals from Hollywood who are to act in advisory capacities include, among others, ARMAND DEUTSCH (assistant to DORIS SCHARY at M.G.M.), JOHN HUSTON, LEWIS MILESTONE, EDWARD G. ROBINSON, MILTON SPERLING, CHARLES VIDOR, BILLY WILDER, WILLIAM WYLER, etc. Some of the individuals named above have been active in Communist fronts in the Los Angeles area recently.

JOHN STAPP, Organizer for the Hollywood Section of the Communist Party, speaking for the last Communist Party State Convention, was reported by [T-9] to have said that the entertainment industry represents a fringe industry under capitalism, but is of value in exposing the doubts into which capitalism is now being plunged. He dwelt on the inefficient methods of production in the motion picture industry, the competition for foreign markets, the overhead costs of approximately 40 per cent which he stated went into salaries for the first, second, third, fourth and fifth vice-presidents. He went on about the existence of great unemployment in the industry and the utilization of speedups and loyalty oaths as terrorist methods, finally talking about the use of the industry by monopoly as the opening wedge in the smashing of trade unions everywhere. STAPP proposed to the convention a resolution in support of the "Hollywood 10" and in opposition to any kind of thought control in that or any industry.

It has been reported previously in this case that many of the Communists who have infiltrated the motion picture industry got their start in the entertainment world in the New York area.

[T-10] presently in New York, reported to [T-19] some information concerning Communists in the theater in New York who in turn furnished it to this office. [T-10] stated that in her opinion ELIA KAZAN and his "group of actors are all Communists, his play Sundown Beach which I saw... was all propaganda." (It will be recalled that ELIA KAZAN was the producer of "Gentlemen's Agreement," a recent 20th Century Fox release.) The informant continued, "KAZAN is an important member of the Communist Party, ROBERT LEWIS and LEE STRASBERG, SANFORD MEISNER, TENNESSEE WILLIAMS... and all the casts of "Streetcar Named Desire." Informant, speaking of the above persons, "They have a summer stock company where they all go called Green Mansions in Pennsylvania. The Theater Guild is a red nest. The American Academy here, PHIL LOEB, RITA ROMILLY, all members, probably not citizens, teaching new standards, what a crime. WALTER HUSTON and his son, JOHN, all Communists. Really... the theater here is a network of them, the Actors' Lab and the Circle Players are all members..it has to be cleaned up." (It should be noted the above is the personal opinion of [T-10])

CONFIDENTIAL

ECM:CMC  
LA 100-15732

~~CONFIDENTIAL~~

16875

~~CONFIDENTIAL~~

In spite of the LESTER COLE decision (which will be covered in a later section of this report), the motion picture producers intend to abide by the ban on hiring known Communists. An article in the Hollywood Reporter dated November 17, 1948, bearing a New York dateline, stated that the major company heads had decided to stick by the ban and would defend any suits brought by the "10" who were fired because of their refusal to answer whether or not they were Communists. The Examiner on November 22, 1948 carried a story that major Hollywood producers are being sued for sixty million dollars for defamation of character and contract breaking and that the producers had turned down a proposal to settle suit out of court.

Along these lines, [T-11] stated that a meeting was held in New York in November 1948 of the presidents of the various companies, such as BARNEY BALABAN of Paramount, NED DEPINET of R.K.O., HARRY WARNER of Warner Brothers, and NICK SCHENK of Loew's, among others. Present at this meeting was ERIC JOHNSTON, head of the Motion Picture Producers Association. At this meeting it was pointed out by the attorneys that those individuals suing the studios in connection with the so-called ban, had agreed to settle their suit out of court if the producers would pay the costs incurred to date, which approximated \$200,000.00. All outstanding suits would be dropped and an impartial arbiter such as OWEN ROBERTS, a Justice of the Supreme Court, would be appointed, if satisfactory to all parties, to hear the facts involved to date, and render a decision which would be acceptable to, and binding upon, the producers as well as the plaintiffs. The studio heads mulled this proposition over and ERIC JOHNSTON recommended that the proposal be accepted, pointing out that his job was to steer the industry along public relations lines and that in his opinion settling the suits would be smart public relations. At this point, according to informant, Y. FRANK FREEMAN, Executive Vice-President of Paramount, took the floor and stated that while he had no official reason for being at the meeting except as the personal guest of BARNEY BALABAN and therefore had no right to speak, he felt that he would have to make some remarks at this time. FREEMAN continued that as a stockholder of Paramount, as well as one of the defendants in several suits having been personally named by the plaintiffs, he would not agree to settling any of the claims if it could be done for five cents. He continued that as far as he was concerned the legal proceedings would go on clear to the Supreme Court. According to informant, this threw the meeting into an uproar and it was decided to adjourn until the next morning at 11. As the meeting took up the next day the presidents of the companies voted unanimously in favor of continuing the legal fight and against any settlement whatever. Upon leaving the original meeting at which the discussion took place, the presidents of the various corporations called meetings of their boards of directors and the directors of each corporation voted against any settlement whatever or any compromise with the persons who had been discharged for failing to answer whether or not they were Communists. This decision made headlines in the

~~CONFIDENTIAL~~

Ronald Reagan-4000

~~CONFIDENTIAL~~



ECM:CMC  
LA 100-15732

~~CONFIDENTIAL~~

discussing this suit [T-16 stated] that Judge KAUFMAN of New York had ruled out on testimony taken before the House Un-American Activities Committee, as well as that pertaining to screen credits and had virtually ruled out the complaint of the Guild, but had left it open for re-drafting. According to a letter received from THURMAN ARNOLD, the Screen Writers Guild would have to draft a new resolution, which it is in the process of doing, because its basic premise has not been ruled out by KAUFMAN'S decision.

The Hollywood "Variety" in its issue of December 7th carried an article entitled "No Hollywood Red Hunt Seen for Next Year." The article said that "the plans for doing away with the Committee on Un-American Activities had been changed due to disclosures of the Committee recently," however, the article said "it is still unlikely that the Committee will go further into the HR (Hollywood reds) situation in 1949." Along these lines [T-12 stated] that from his discussions in the industry he felt there would be no further hearings on Communism in the motion picture business now that RANKIN was no longer on the committee. Informant stated that the obvious reluctance on the part of members of Congress to serve on this committee indicated that the committee would have a hard time functioning in the coming session.

It will be recalled that in the 1946 studio strikes several persons were arrested by the Los Angeles Police Department at Columbia Studios in Hollywood for violating a court ban on mass picketing at the time the Conference of Studio Unions had called its strike which was Communist led and dominated. [according to T-13] the case involving the persons arrested has been in the courts continuously since that time and the Hollywood "Reporter" in its issue of December 1, 1948 stated that 35 studio pickets would appear in court for re-sentencing, their appeals having been turned down by the United States Supreme Court. One person was sentenced to a year in jail, 5 were given 6 month sentences, and fines for the others totaled \$9650.00, inasmuch as these individuals were found guilty of violating a court ban on mass picketing.

An article in the Hollywood "Reporter," dated November 11, 1948, stated that the Labor League of Hollywood Voters had been formed to block Communist penetration of motion pictures, that RONALD REAGAN was Chairman and ROY BREWER, Vice-Chairman. The article continued that the Labor League of Hollywood Voters had endorsed candidates in the recent election who were anti-Communists. In discussing the organization with [T-14] he stated that this was mainly an A.F. of L. organization and had been formed to bring pressure on various A.F. of L. organizations to get rid of Communists and to cease sponsoring candidates endorsed by Communists. In the local election the group opposed ELLIS PITTEKSON, NED HEALY and PHYLLIS ZIFFREN

~~CONFIDENTIAL~~ ~~CONFIDENTIAL~~

ECM:CMC  
LA 100-15732

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

and succeeded in getting the other A. F. of L. organizations in Los Angeles to do the same. In discussing the situation as far as studio labor is concerned, T-14 expressed a nervous attitude saying that the current unemployment in the industry is furnishing fertile grounds for the Communists. and he is of the opinion that as the unemployment and depressed production situation continues the Communists will make more inroads into Hollywood labor, or at least succeed in stirring up difficulty. However, up to the present time informant feels that the anti-Communist leadership has succeeded in putting the Communists on the defensive throughout the entire Hollywood labor picture.

THE LESTER COLE SUIT AGAINST M.G.M.

As has been reported previously, LESTER COLE brought suit against Metro-Goldwyn-Mayer for reinstatement under the terms of his contract, claiming that the producers had entered into a blacklist. This case came to trial in the court of Federal Judge LEON R. YANKWICH in Los Angeles. On December 1, 1948 the judge specifically stated, "I want it understood that we are not trying the Communist Party, its membership or its doctrine." The trial made headlines in the local press and was written up on a daily basis. The Hollywood "Citizen News" on December 9th stated that L. B. MAYER of M.G.M. had testified. The article said in discussing MAYER "he said the movie industry had been motivated to clean house by threat of action on the part of the Congressional Un-American Activities Committee, advocates of federal censorship and the public." "Variety," on December 9th, quoted MAYER in relation to COLE'S suspension as stating that it had been ordered by the officers of Loews, Incorporated, New York, who felt something should be done about the men who wouldn't answer "questions put to them by the Un-American Activities Committee." The paper quoted MAYER as saying, "they ordered us to do it. We had it done." The article continued that MAYER had said prior to the New York meeting of the producers, which he described as "two days of wrangling," that he had held very strong views against firing or suspending anyone because of his political views. However, this was before the contempt charges had been made against COLE. MAYER said that earlier he had refused to fire COLE at the request of two investigators for the House Un-American Activities Committee, H. A. SMITH and A. B. LECKIE. A deposition taken from E. J. MANNIX, Vice-President and General Manager of M.G.M. was introduced by COLE'S lawyers, ROBERT W. KENNY, CHARLES KATZ and BEN MARGOLIS. (Both MARGOLIS and KATZ are communists, according to T-1.) The deposition was quoted in the press, as far as MANNIX is concerned, as follows:

"My stand on this was that I was not in a witch hunt and I wasn't out to find Communists or to hurt Communists as long as I was able to protect material on the screen and as long as the screen was free of any Communistic propaganda."

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~ ~~CONFIDENTIAL~~

The deposition continued: "I didn't think the industry was wrong and I thought that this was just a shoddy way of getting publicity. They asked about LESTER COLE and DALTON TRUMBO and I said I don't give a damn whether they are Communists or not. All I am interested in is getting people to write scripts for me and my responsibility if he is a Communist, a Democrat or a Republican is that the ideology is not put on the screen."

"Variety" on December 10, 1948 again quoted <sup>LOUIS B.</sup> MAYER on his stand in which he expressed fear of federal censorship being raised and said, "I felt that the public wouldn't be appeased unless something was done. The industry belongs to the people, like baseball." MAYER said that he had talked to COLE when the two returned on the train from the Washington hearings, saying that "I told him if he belonged to the Communist Party the FBI had a record of it—that it was no crime to belong to the Communist Party. I told him he should have answered no, I'm not a Communist, or yes, I am a Communist. I told him then you are in the clear." To this COLE replied, "well I had to stick with the gang, I couldn't break with them." MAYER denied saying the THOMAS hearings were unfair, but admitted MANNIX had felt that way. In describing ERIC JOHNSTON'S attitude, L. B. MAYER said, "If I'm not mistaken he said it both ways, one it was, one it wasn't."

The judge gave the following four questions to the jury, according to the Los Angeles "Times" of December 18, 1948:

- "1. Did the plaintiff, LESTER COLE, by his statements and conduct before the House Committee in connection with its hearing into Communist infiltration into the film industry 'bring himself or tend to bring himself into public hatred, contempt, scorn or ridicule?'
2. Did the plaintiff by his conduct before the committee tend to shock, insult or offend the community?
3. Did the plaintiff, by his statements and conduct before the committee, prejudice the defendant, MGM, his employer or the motion-picture industry generally?
4. Did the defendant studio by its conduct toward COLE subsequent to the Washington hearing waive the right to take action against him by suspending him?"

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

In upholding the findings of the jury giving LESTER COLE a victory in the case Judge YANKWICH, according to an article in "Variety" dated December 21, 1948 captioned "YANKWICH in Tirade at JOHNSTON," delivered "one of the most scathing attacks ever heard from the federal bench upon ERIC JOHNSTON, President of the Motion Picture Association of America." The article says, "In his dissection of JOHNSTON'S character Judge YANKWICH first reviewed the major steps taken in the action by the producers-against COLE and others of the 'Unfriendly 10'." The article continued that YANKWICH said the action was not something done by Metro but was "a policy ERIC JOHNSTON sought to have adopted at a meeting in July 1947, at which he was not successful...." The article continues to quote the judge. "LOUIS B. ~~MAYER~~ stated his opposition. He again repeated his opposition and E. J. MANNIX also stated his when agents of the House Committee on Un-American Activities sought to have them achieve that objective and insisted that certain writers, naming COLE by name, should be discharged." The papers quoted the judge again, "JOHNSTON indicated that his high pressure methods resulted in the adoption of this policy. I was surprised that a man employed should have talked so contemptuously of his employers as he did when he testified. He said he was tired of dealing with people so vacillating and I was surprised he thought it his duty to express his contempt and disdain." The article continued that YANKWICH said "the statutes provided no one should be deprived of his property without due process of law, and that COLE'S contract was his property." The judge stated, "even though ERIC JOHNSTON envisaged the possibility of some legal difficulty in urging this policy he was willing to brush it all aside and leave M.G.M. to shift for itself in trying to find a legal excuse for breaching the contract. That type of mind has existed in the United States for a long time. In the past it has been confined to some parts of the clergy but ERIC JOHNSTON demonstrated to me that it has reached the sacred precincts of business and business men and that they can take as dogmatic a view as OLIVER CROMWELL did when he almost gloated over the massacre at Drogheda in 1649."

"LESTER COLE was made to suffer a penalty not for what his employer thought about him, but for a dogmatic attitude on the part of JOHNSTON who insisted his doxy was orthodoxy and everybody else's was heterodoxy." According to the article, Judge YANKWICH said, "COLE owes a debt of gratitude to LEWIS B. ~~MAYER~~. By his testimony, ~~MAYER~~ won the case for COLE even before COLE took the witness stand."

Various members of the Producers Association took issue with YANKWICH, particularly SPYROS P. ~~SKOURAS~~ of 20th Century Fox, who stated, "I wish to state publicly that neither I nor my company was high-pressured by Mr. JOHNSTON or anyone else. The action in regard to the so-called Hollywood 10 was taken by the directors of 20th Century independently and on their own initiative." Ronald Reagan-4005

~~CONFIDENTIAL~~ ~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

ERIC JOHNSTON took issue with YANKWICH in an article appearing in the Hollywood "Reporter" of December 22, 1948 which quoted JOHNSTON as saying, "What actually happened is that I presented the producers with two alternatives. Either they could employ persons thought by the public to be Communists and defend their employment, or they could dismiss them. The decision was up to the producers and I told them it was up to them to fish or cut bait. The decision was entirely theirs. They made it unanimously." The article continued stating JOHNSTON said he also wanted to comment on the court's charge he is "dogmatic, doctrinaire and absolutest." He said, I would not employ a known Communist in a responsible position" adding that if that stand made him those things he would plead guilty.

T-17 reported that Communists in the industry took heart at the COLE decision, the statement being made that "now people won't be afraid to stand up and be counted." (w)

[T-11] said that the decision was not unexpected, that the producers intend to appeal it and the case will go to the Supreme Court. He feels that the stand of the producers will be upheld in the appellate court and that the decision alters in no way the determination of the majors to go ahead with the suit.

The Hollywood "Reporter" of December 22, 1948 carries an editorial by W. R. WILKERSON saying "that the red element and the left wingers.... are whooping it up as a result of the jury's decision in LESTER COLE'S suit against M.G.M." The article continues that a suit will now be entered for DALTON TRUMBO against M.G.M., pointing out that ROBERT KENNY believes he has an even stronger case than he had with COLE in that TRUMBO had no morality clause in his contract, and that when the contract was presented for his signature he told M.G.M. "If you want me, take that clause out," and they did. It will be recalled that [T-11] had stated the TRUMBO case represented a clear liability to M.G.M. because the contract contained no morality clause. (w)

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

