

18 Jul 1940

July 18, 1940

"FOR OFFICIAL USE ONLY"

My dear Mr. Hemingway:

I have had your letter made the subject of careful inquiry, and my advice from the Naval Intelligence Department is that the Department now has what it regards as sufficient coverage for the area you described in your letter.

I am sorry, but I do not think it would be wise for me to intervene further in the matter.

Yours sincerely,

18/104 Frank Knox

Mr. Leicester C. Hemingway,
57 West 12th St.,
New York City.

DECLASSIFIED
Authority NND 803073

(50) A8-5/EF30

CLASS OF SERVICE

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BY DIRECT WIDE AREA

WESTERN
UNION

1223

SYMBOLS

DL=Day Letter
NT=Overnight Telegram
LC=Deferred Cable
NLT=Cable Night Letter
Ship Radiogram

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

The following address and day letter is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

WAC30 19 6 EXTRA=FJ BROOKLYN NY 17 842A 1940 JUL 17

COL FRANK KNOX:

SECRETARY OF NAVY NAVY DEPARTMENT WASHDC=

WHAT IS YOUR DECISION ON HEMINGWAY CARIBBEAN REPORT WANT
FORMAL NAVAL INTELLIGENCE POST=

← LES HEMINGWAY →

57 WEST 12 ST AND PM.

.911A

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Authority NND803073

In reply refer to No.
Op-16-F

NAVY DEPARTMENT
Office of Chief of Naval Operations
OFFICE OF NAVAL INTELLIGENCE
WASHINGTON

Jul 17 1940

17 July 1940

MEMORANDUM FOR THE SECRETARY OF THE NAVY:

SUBJECT: HEMINGWAY, Leicester Clarence - Employment of
in Naval Intelligence

Reference: (a) Mr. Hemingway's letter of 14 July 1940, and
report submitted therewith

(b) Report of Intelligence Officer, Fifteenth
Naval District, A9-16, dated 8 July 1940

1. Neither Mr. Hemingway's letter nor the report enclosed therewith contains information of importance or important matters in general upon which the Division of Naval Intelligence was not informed. Sufficient coverage of the area proposed by Mr. Hemingway can be made more adequately, satisfactorily and expeditiously by other means available to the Division of Naval Intelligence.

W S Anderson

W. S. Anderson

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Authority NND803073

Finished *[Signature]* File

NAVY DEPARTMENT
OFFICE OF NAVAL INTELLIGENCE
WASHINGTON

In reply refer to No.

Op-16-F-7

A8-5/EF30/QH9

CONFIDENTIAL

17 July, 1940.

MEMORANDUM FOR DIRECTOR

Subject: Report of Nazi Activities along Western Caribbean Sea Coast, 1940, Submitted to Secretary of Navy with Letter dated 14 July, 1940, by Mr. L. C. Hemingway.

1. The basis of this paper is a report received in Office of Naval Intelligence from British Naval Attaché in Washington, D. C., on 31 May, 1940, O.N.I. File A8-5/EF30/QH9. The British Naval Attaché's covering letter observed that the informant sometimes produced useful information and that the original had been sent to the British Intelligence Office for the Caribbean area. On May 17, 1940, the informant visited the Intelligence Officer, 15th Naval District, and communicated the substance of the same report, with certain minor discrepancies. On 29 May the informant called at the Navy Department, and interviewed several officers, promising at that time a full account of Nazi activities in the Caribbean. Some correspondence ensued between the informant and O.N.I., and the informant was interviewed by a representative of the Intelligence Officer, 3d Naval District, on June 28. The paper above referred to, forwarded directly to the Secretary of the Navy, dated July 14, 1940, appears to be the full account which was promised.

2. The material includes some data of hydrographic character, prohibitively vague, and of doubtful authenticity. It has been checked with material now on file, and contains no new information.

3. It contains data on alleged Nazi fuel supplies and supply arrangements, which are not convincing. For example, it asserts that one Regnier, a German, set up a radio transmitter on Old Providence Island in 1934--the source of the information is: two native boys, who state that six years ago they carried up for Regnier boxes containing radio parts.

4. It contains factual descriptive notes on a number of individuals of assorted nationalities in the west Caribbean area. Among these are people known personally to officers in this Section--and the data is, in these cases, generally accurate, but not important.

5. To sum up: the informant's observations are of little value to Naval Intelligence. They indicate energy and curiosity, but he does not know where to look or what to look for. His viewpoint is that of a magazine writer collecting material--which, in fact, he is.

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CONFIDENTIAL

Finished

File

John W. Thomason, Jr.
J. W. Thomason, Jr.

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PM

BY DIRECT WIRE FROM

WESTERN UNION

1223

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Ship Radiogram

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

WAC27 73 NT=NJA NEWYORK NY JUL 10 1940 JUL 11 12 53
igin. Time of receipt is STANDARD TIME at point of destination

COL FRANK KNOX:

=NAVY DEPARTMENT=

SENDING COPY OF COMPLETE REPORT NAZI ACTIVITIES FUEL STORAGE IN WESTERN CARIBBEAN. HAVE GIVEN MANY FACTS TO COMMANDER SCHILLING, NAVAL INTELLIGENCE CANAL ZONE. REPORT BASIS ENTIRE WINTER IN SMALL BOAT SPECIFICALLY HUNTING WHAT I FOUND. SUGGEST FURTHER INTELLIGENCE ON FORMAL BASIS. YOU KNOW MY RECORD FOR ACCURACY. TWO YEARS UNDER CARL KESLER ON NEIGHBORHOOD NEWS. THEN YOUNGEST MAGAZINE EXECUTIVE IN COUNTRY SUCCESSFUL AS PICTURE EDITOR COUNTRY HOME, NOW REWRITE FOR RALPH INGERSOLL, PM=

LEICESTER CLARENCE HEIMINGWAY.

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DECLASSIFIED

Authority NND803073

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Sunday, July 14, 1940.
57 West 12 St., New York City.

JUL 15 1940

Col. Frank Knox
The Honorable Secretary of Navy
Navy Department
Washington, D.C.



Office of the
Secretary of the Navy
RECEIVED

Dear Colonel Knox:

Here's the complete report of my winter's work. I covered the Western Caribbean looking for Nazi activities, and what I found pleased Commander Schelling, head of Naval Intelligence in the Canal Zone. He urged me to write out this complete report, commended me for the work done and said he wanted very much to have me go on with intelligence work either in the Galapagos Islands and along the Pacific coast of Central America, or along the North coast of South America; because I got valuable facts and had an ingenious system of getting information without revealing myself.

I want to do Naval Intelligence on a formal basis. You know my record for accuracy, my two years' reporting on The Chicago Daily News working under Carl Kesler who drilled me with the importance of facts, and their relation to each other; my work as the successful young picture Editor of The Country Home Magazine, of the Crowell-Collier Publishing Company, and my work at present as re-write man on FM, Ralph Ingersoll's newspaper. You know my family background in Oak Park, Illinois, my brother Ernest Hemingway's work as a writer who set a family tradition for accuracy and truth.

For this Caribbean trip, I sailed as my own captain aboard my schooner Blue Stream, with Sir Anthony Jenkinson as sole crew. He was looking for the same thing I was, and was reporting to Commander Turner of British Naval Intelligence in Kingston, Jamaica. He had previously done a fine piece of naval intelligence in the Mediterranean, was in America to start on a tour of South America for Reuters, but couldn't resist the prospect of sailing quietly around and perhaps digging up the biggest news story of the year.

I went because I wanted a legitimate historical piece for a book I had been wanting to do, but when Sir Anthony and I got together, I left my wife and young son in Key West.

We knew what a whale of a story we might find, knew there was a chance to see a sub and get pictures and that if we got back to land we would have something big.

This has all been voluntary
Read this report and you will know, as a newspaperman, the story I have now. You will know what it has taken to keep from breaking it. I have not broken it because I want to do formal Naval Intelligence with the U.S. Navy. I have a perfectly swell position right now but can look ahead far enough to know that I don't want to be in the propaganda ministry when I can be far more useful afloat in a small sailing vessel, getting in where the big ones can't, and learning what is important about ports and people.

Will you please give me an immediate reply? Thanks, and best of luck with the Big Job.

Ernest Hemingway

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A Report of NAZI ACTIVITIES along the Western Caribbean
Seacoast, 1940

Enlarged beyond notes given to Naval Intelligence
Commander John M. Schelling, Balboa, C.Z.

By

Leicester Clarence Hemingway,
Master of the American Schooner
"Blue Stream", of Key West, Fla.

At the request of

Court DuBois, Consul General at
Havana, Cuba, and of Commander
Schelling, in Balboa, Canal Zone.

July 14, 1940
57 West 12 St. New York City.

1. Hemingway Caribbean report

GENERAL

A survey of the Atlantic seaboard of Central America together with the outlying islands, indicates that the Nazis have made preparations for extensive marine and air activities in the Caribbean. All indications point to submarine activities, rather than armed raider work.

Principal features of these preparations are:

(a) Shuttle Service. Stocks of diesel fuel oil, food, are being placed at various points so that the submarine or its supply ships, can shuttle to and fro between one or another as conditions warrant.

(b) Remote Islands. The places chosen are invariably remote islands where steamships do not call and danger of gossip is at a minimum.

(c) Flexibility. The system being prepared is highly flexible. The submarine itself can vary its widely separated supply depots and alternatively, supply ships (local schooners or small trading vessels) can be brought from various points to meet the submarine at a given rendezvous.

With this flexibility the submarine might well operate for weeks without being observed - since the area involved is huge, and aerial observation is difficult both because of atmospheric reasons and because specific objects are lacking as landmarks in many instances. In some cases the craft might both hide out and refuel at island depots; in others it might hide out at an outlying cove and there be met by schooners from one of the depots.

(d) Location of Depots. The depots are located so as to give the submarine easy access to the important Gulf of Mexico and Panama Canal steamer lanes.

(e) Airfields. In every case, the same spots that have apparently been designated as fuel and supply bases for marine work, have plans or work in progress for the completion of landing fields which could be used either for defense of the bases, after discovery, or to facilitate operations during the useful lives of the base locations.

(f) Private Citizens. The system is based on cooperation between the Nazis and private citizens. In no case does the government of any Latin-American Republic seem involved. Local officials, who because of poor communications and transportation, are mainly responsible to themselves, are useful both because of greed and political naivete. The whole Latin philosophy of welcoming any change that may bring riches, vengeance on rivals, and inability to look beyond the immediate future, has been used by Nazis to sell their doctrine, saving much money in early bribes.

Because private citizens and remote, small officials can be used for Nazi ends, the threat is more serious and depots may be set up even in a country like Costa Rica, democratic and friendly to the Allies.

(more)

2. Hemingway Caribbean report

YUCATAN, MEXICO.

Cozumel Island has apparently been chosen as the Yucatan supply base.

The entire north coast of Yucatan is unsuitable because of its (a) exposure to northerly gales (b) shoal water and (c) complete absence of harbors. Mujeres Island, first possible point of operations, is unsuited because it has lately become a Mexican Naval Base. Patrol gunboat G24 is stationed there and a Naval Commandant and 40 sailors are the normal complement for the station. A German diesel plant supplies electricity, a radio station is maintained, fuel oil is stored, a flying field with bi-weekly service of the Francisco Serabia line is maintained, and a 130-foot government freight and passenger boat stops by every three weeks on a run from Chetumal to Merida. Both the commandant and port officials are friendly to the Nazis in the war, but do have other government officials visiting occasionally, and so would be handicapped in any great efforts at assistance, unless quickly performed.

Cozumel Island however, is an entirely different situation. Points are:

(a) Oscar Caldwell. The chief merchant and most influential man on Cozumel Island is 30-year-old Oscar Caldwell, whose father died in the last year, leaving him great family resources. He is known to be pro-Nazi. A former radio operator on United Fruit boats, he was educated in the U.S., has great ambition, is unmarried, has complete access to the Cozumel radio station, located on his property.

Caldwell owns the largest general store in the town of San Miguel, keeps it well equipped with marine hardware and foods. Ample storage space. Back of the store he has accumulated more than 200 drums of diesel oil. In a concrete storehouse on the waterfront but at the northern end of town away from houses and docks, he has more than 500 drums of diesel oil.

Caldwell purchased the 90-ton diesel schooner "Beloit" in March, 1940, from French Harbor, Roatan Island, Honduras, but stored fuel before buying the schooner, and according to plans to run the schooner in trade, would buy fuel for its operation in Belize, and Merida.

(b) Good Anchorage. The entire western coast of Cozumel is deep, steep-to, and has good holding ground for any vessel running up under its lee. Off the town of San Miguel more than normal shelter is to be had by coming in close to the island. Deep, clear water. The "Beloit" or any other schooner can come right in to Caldwell's concrete storehouse to load fuel, food and water. Loading can take place similarly right from ship - to - shore along most of the western side of the island.

(c) Water. There is a good water supply on the island, yet it is extremely remote, being visited by no steamers, no tourists, no commercial travelers. The Key West U.S. Neutrality Patrol does not cover it. The 130-foot Mexican Govt. freight boat that visits Mujeres is the only official, dependable communication, every three weeks.

(d) Airfield. The Mexican Francisco Serabia line flies to the island twice a week, in good weather, but has erratic schedules, with land planes overloaded, flying over water. The landing field is very small, running NE -SW, though plans are for great enlargement, immediately, "to accomodate tri-motored planes".

3. Hemingway Caribbean report

(e) The power plant at San Miguel, Cozumel, is adequate for the municipal lighting and operation of the radio transmitter. It has a diesel oil store of more than 50 drums.

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(f) Lagoon. A small, almost completely land-locked lagoon affords shelter for schooner-draft craft two miles south of San Miguel on the west coast of Cozumel. This is the only break in the otherwise uniform coastline on the inhabited side of the island. The Mexican Govt. used this lagoon as the base from which to operate patrol gunboat G24, and though the entrance is only 30 feet across, it is deep enough to be useful for craft more than a hundred feet long. Two large fuel tanks, capacity of several thousand gallons, stand at the southern edge of the lagoon, are said to be empty now, since the Mexican Navy changed its base. If entrance is blasted wider, lagoon would make a fine hidden anchorage, is good enough as is for refueling.

(g) Refugees. Two "anti-Hitler" Jewish refugees of German descent are now staying in San Miguel with no visible means of support. They are said to be cooperating with Caldwell in storing diesel fuel. Caldwell is definitely able to control port officials. When Pan-American Airways used a small lagoon at the north end of the island up to three years ago as an emergency stop on the run from the north down to Belize, Caldwell had a hand in arrangements. This service has been discontinued, making the island more remote than ever.

OUTER KEYS, BRITISH HONDURAS

All the outer keys, from Chinchorro reef on down through Turneffe and Lighthouse reef and the southern string of keys down to the Sapodilla group, only 20 miles north of Guatemala, are ideal temporary places to lie in the lee of, for refueling. But only on the Sapodilla keys, notorious in the days of prohibition and still used as a rendezvous for narcotics and alien running, is there said to be any sound possibility of Nazi activity now. A lighthouse recently turned over to the British Honduran government by the United Fruit Company, has been enlarged, making it easier for small boats to get bearings in the region. A German-built tug carried officials down for the formal commissioning of the light, and Germans in both British and Spanish Honduras knew all about the light as soon as it was completed. Coasting craft do pass every few days, making the keys useful only for temporary shelter, not the storage of any great supplies of food or fuel.

BAY ISLANDS, SPANISH HONDURAS

The population of Roatan, Utila and Bonacca, is almost entirely English-speaking and of British - American descent. This blood tie, and almost continuous contact with Belize, British Honduras through small trading vessels, make Nazi activities unlikely.

Points to be noted are:

(a) Bootleggers. Bay islanders were the most successful and daring bootleggers during the prohibition era of U.S. history. They now find themselves with diminishing resources through legitimate trade, and are looking for a new way in which they can make money with their boats. The boating people are not pro-Nazi, they are simply looking for real money, and so must be considered as potential fuel supply men for Nazi submarines, having had a taste of easy money in prohibition days.

4. Hemingway Caribbean report

(b) Bonacca. The people of Bonacca differ from those of Roatan and Utila in that they are more Spanish in their sympathies than English, are more remote than the other two islands, and feel resentment toward the people of the other two main islands of the group.

A leading German storekeeper in the town of Bonacca is the particular friend of the Commandant of the island. Another storekeeper whose last name is Pedro has Nazi propaganda openly on his store-counters, is loudly pro-Nazi.

Family feuds and open shootings are commonplace on Bonacca, as much so as to be compared with the comic-newspaper-section interpretation of mountain feuding in the U.S. This type of mentality lends itself to underhand work when controlled by any determined, thinking people, and Bonacca would be the most logical point from which to operate if Nazis need area of north coast of Honduras.

(c) Airfields. Roatan Island already has an airfield at Coxen Hole, for the exclusive use of the National Guard. Six planes are based there, but do very little flying. Multi-motored planes of TACA have flown over from the mainland on political occasions, but the field is not equipped for mass usage. The people of Bonacca have no formal field, but have had land planes stop on improvised clearings and the Commercial population is now lobbying for a definite landing field and an extension of commercial flying to include the Bay Islands. The main Nazi strength in Honduras is on the mainland and exists principally in the capitol, though pro-Nazi residents boast a membership of 5,000 on the seacoast near the Bay Islands. The U.S. Neutrality patrol does not come within several hundred miles of the islands, and there is no U.S. consular representative on any of them. Each has a radio station but does not carry out any patrol activity, allowing smuggling to flourish.

THE NORTH COAST OF HONDURAS

Nazi colonies have been established in Tela, La Ceiba and Trujillo, but lack of money keeps them inactive. Individual Germans have scouted the coast and become established in river-mouth settlements however. Two curiously named Hardie and Gregory maintain a banana plantation a short way up the Patuca river. They ship fruit with diesel-power barges into Brewers Lagoon, and are in a position to use their business as a cover for refueling or other activities. Other individuals have been reported "timber-prospecting" at the mouth of the Carataska Lagoon.

EAST COAST OF NICARAGUA

(a) The Cape. Puerto Cabo Gracias a Dios, the small town at the north-eastern tip of Nicaragua, is a political community valuable only as a boundary outpost and listening post for the Nicaraguan government. Shoal water near the harbor makes steamer loading difficult, but supplies could be trans-shipped. As a port, it apparently has not been chosen for Nazi activity in the direct sense, because intensely-patriotic Cayman islanders visit frequently aboard their turtle schooners, is such a logical geographical spot that it comes in for more than its fair share of watching. There is, however, a German living in town with no visible means of support.

(b) Miskito Cays. These outlying keys, apparently ideal for Nazi use, are unlikely to be used because:

1. Extremely shoal water, dangerous currents, difficulty of getting bearings, likelihood of being wrecked or stranded in approach at night or in foul weather.

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and
wages*

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5. Hemingway Caribbean report

2. Cayman schooners regularly visit the Mosquito or Miskito cays.

(c) Puerto Cabezas. In the days of the boom, when 15 years ago the Bragman's Bluff Lumber Company was shipping millions of board feet of lumber out of the east coast of Nicaragua, Puerto Cabezas was a boom town. Now it is a skeleton, with a few hundred natives and less than 50 whites. The only activity is a small banana export and that is all trans-shipment. No lumber is shipped from the port now, though the great sawmill is still set up. The facilities of a far more populated port exist, but there are no people to fill the houses. The port itself is an open roadstead with but one pier that doesn't cut down the swell and gives no shelter from the easterly prevailing wind. The points worth noting however, are:

1. A German named Lehman is merchandise manager for the Bragman's Bluff Lumber Company, has charge of supply purchase, the fuel oil tanks near the pier, and is regarded by other Nazi intriguers (see section on CORN ISLANDS) as a middleman supplying diesel oil.

2. Puerto Cabezas does have the deepest water available in its port facilities on the whole east coast of Nicaragua. It's airfield is one of the best, having recently been enlarged by TACA. The terrain for miles around is suitable for land plane operations already, however, having been cleared by repeated fires, and drained because of its few hundred feet of altitude and clay topsoil. TACA operates from Puerto Cabezas mainly for revenues from three good mines being worked inland. This town otherwise would not justify any air activity.

3. The Company's radio operator at Puerto Cabezas is an American of German parentage named Krog. He is dissatisfied with company treatment, is full of stories and theories on Nazi pre-fabricated submarines being built in Caribbean and German "shark-fishing expeditions" that carried elaborate sonic and other scientific equipment for hydrographic work, but could not be pinned down to specific names or instances. Probably does cooperate with Lehman, has enough ability and weak enough character to be used by anyone who would have him. Other individuals have vaguely corroborated his report on a group of Germans who did sounding and charting in the Caribbean two years ago, but you undoubtedly have data on this in your files.

(d) Bluefields. Largest port on east coast of Nicaragua, nearer Panama Canal, and practically all American interests have pulled out because of politics, banana disease, economic conditions. Chief points are:

1. Port has a fine new government wharf of concrete, but shipping still centers around small coastal craft instead of steamers. These small vessels are the type best suited to Nazi activities.

2. The acting Collector of Customs is a Nicaraguan of German parentage named Adolpho Peters. He is vehemently pro-Nazi, has a detachment of the Nicaraguan National Guard out at the customs house on the Bluff, and has charge of radio and small boat communication. His superior, an American named Lindberg, is away much of the time, in ill health and has had much of normal port routine taken from him by Peters.

3. A leading merchant, Zacarias Rodriguez, who has a reputation for doing anything for money, owns several small, diesel-powered vessels and a 100-ft. auxiliary schooner. Warehouses on his wharf contain diesel oil almost entirely, and warehouses have great capacity. Has two Germans working for him. His schooner called in at Great Corn Island when bound for Colon, and delivered several diesel drums to a boatowner named Nicholson. There is no legitimate reason for taking fuel oil to Great Corn island. (see CORN ISLANDS section).

6. Hemingway Caribbean report

4. Early in the present European war the German firm of Niehaus & Co. in Puerto Limon, Costa Rica, shipped 200 drums of diesel oil to Bluefields Bluff in its 70-ft. vessel "Santa Helena". The authorities at Bluefields say that this oil was subsequently shipped back to Limon by Niehaus. Limon authorities, however, say this oil never returned, but was rather supposed to have stayed in Bluefields.

ST. ANDREWS AND OLD PROVIDENCE ISLANDS (COLOMBIA)

These islands are as strategically important in the attack or defense of the western Caribbean today as they were in the days when Sir Henry Morgan used them as a base of operations on Kingston, Cartagena and Porto Bello. They lie half way between Cristobal and Kingston, squarely on the New York-Havana-Panama and Gulf of Mexico-Panama trade routes. Because of their position, officials of the Colombian government say the U.S. will take them over if the canal is attacked.

However, at the present time it is the Germans that are taking notice of the islands, not the Americans. Only one 80-year-old blind, isolated American lives on St. Andrews, and one 13-year-old American boy from Louisiana lives on Old Providence, and he is visiting. American vessels have never visited them commercially, though President Roosevelt stopped by Old Providence three years ago (but didn't go ashore).

There are few Germans on the islands, but they are extremely active. They have the lead in trade and society. During the World War Germany set up a direct trans-atlantic radio station on the islands, and it took a little while to find it. Apparently in preparation for the coming action, they set up another transmitter on Old Providence during 1935-37, and have only been kept from further activity by circumstances beyond their control. (see Bernhard Regnier below)

The Colombian Government has recently taken an interest in the islands and a destroyer visits St. Andrews about every month, but does not necessarily visit Old Providence or the out-lying cays. A garrison of 32 soldiers commanded by a lieutenant is kept on St. Andrews, armed with rifles and light machine guns, but the lieutenant and his men are only a moral force, without the ability to defend the islands. ~~They are there for training purposes only.~~ They are there for training purposes only.

St. Andrews Island

(a) Radio. The Colombian government maintains a powerful radio transmitter at the North end of the island. It has a good range, and serves for both islands in communication with the mainland. The Old Providence Island station can transmit only through St. Andrews, government officials claim.

(b) Airfield. The local merchants and government men propose to build an airfield at the North end of the island, though there is no conceivable business for any commercial line, nor justification for an airport in time of peace. No planes are based at the island now though there are several available fields for emergency landings near beaches at both ends of the island.

(c) Government. The seat of government for both islands is at St. Andrews. The Governor is appointed directly by the president of the Republic in Bogota. The islands have no representation in the government, but may have soon.

(d) Harbors. The eastern side of the island, though exposed to the steady trade wind, has a large shallow harbor with depths of four fathoms for large craft near the entrance. The off-shore reef protects it and it is always smooth. It would be ideal for seaplane operations. On the West side, Southwest Cove provides a fine, secluded anchorage, but it is not large.

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7. Hemingway Caribbean report

(e) Communications. The only vessels visiting the islands, except for the government destroyer which averages a monthly visit, are sailing schooners and auxiliaries, small yawls and occasional schooners from Grand Cayman. Mail is brought by the available schooner making a trip over from Cartagena, closest to the end of the week, is sometimes delayed more than a week.

(f) Language. Though the islands have been ruled by Spain and Colombia for 300 years, the original colonists were Puritans and the entire population speaks English. St. Andrews has more than 4,000 inhabitants, inbred, Baptist, peacable, and unaware of their own position in world events. Old Providence has 2,000, more Negro blood, more isolation.

(g) Nazi Activities. These center around a German merchant, Bernhard Regnier. Has lived in Colombia since 1921 but only applied for Colombian citizenship in the last year, since the outbreak of the current European war. During the last World War he was in the German army, later, air force. A loyal German, though he claims to be anti-Hitler. His chief activities are:

1. In 1934 he went to Old Providence with two other Germans, leased property at peak of highest mountain (1100 feet) in order to set up a "Cahune-nut farm", and there set up a ~~KUBARK~~ radio transmitter. In 1937 one of the two other Germans died, the radio station was dismantled and he left the island and came to St. Andrews. The other remaining German is now on the Colombian mainland, working on a government "agricultural project".
 2. Regnier has become in three years one of the most influential men in St. Andrews, is co-owner of the biggest commissary, with two branches. He is a man of great energy and shrewdness, has let the people think he has had great luck, that his friends alone have made him a success.
 3. Owns two garages. Outside one, close to the waterfront commissary, he has set up a gasoline pump with underground tanks. There are only 50 cars on the island and owners insist on getting gas from cans so they can see and feel what they are getting. Regnier is now building a small concrete storehouse next to the gas pump, for storing fuel.
 4. Owns bar adjoining store which is the meeting place of the Governor, the Captain of Police and other leading citizens. Regnier probably encourages their friendship in order to cover himself and keep all information at his finger tips.
- Cotes
5. Regnier has a partner named Gonzales/who stays in Barinquilla. They get supplies through the Curacao Trading Company - a "Dutch" concern in Curacao that has a branch in Barinquilla. This company owns a large three-masted trading schooner named "Urios". Regnier gets his supplies via this boat, she makes many trips apparently without cargo enough to justify sailing, could also bring in fuel oil at will.
 6. Regnier is married to the sister of James Rankin (see Old Providence section). Rankin owns schooner "Resolute" which Regnier could also use.
 7. It is apparent that Regnier's duties are to set up fuel and supply depots at stores on the islands, and act as clearing house for information. There is no mail censorship at St. Andrews, and small vessels coming out from Cristobal and Colon may bring uncensored U.S. mail. The Neutrality Patrol does not touch either of the islands, or any of the surrounding reefs and cays.

8. Hemingway Caribbean report

Old Providence Island

(a) Harbors. Its three harbors - Catalina, Southwest Bay and Freshwater Bay, are as good today as they were in Morgan's time.

(b) Elevation. From its hills all passing shipping can be seen.

(c) Population. The 2,000 people on the island are more isolated than those of St. Andrews. All English-speaking, they would like to be taken over by the U.S., as a group, but fear for their status because of the anti-Negro prejudice in the Southern United States.

(d) Religion. Most of the people of both islands are protestants, but the Catholics claim 25 percent of the population, actually have 10 percent, and apparently have a great interest in world events, the progress of the war, its possible effects on the islands, and the advantages of having Germany gain a foothold in latin-America, so that discipline can be restored to the lives of the inhabitants and they will return to the mother church. The church maintains branches on each of the islands.

(e) War scares. People at both ends of Old Providence claim to have seen two German warships off the island - one of which launched a plane. They are scared Germans will invade island, though who built this up in their minds is still unknown. They are at the moment unable to see Nazi activity going on under their noses.

(f) James Rankin. This 30-year-old native is the spearhead of Nazi activity. A shrewd, daring, ambitious man, he last year married a St. Andrews girl who is "half-Chinese", but appears to be definitely Japanese, and who may have taught him a few things about world politics and where money is to be made. She is most ambitious and as a pair, they are determined to get money and position in any way possible. Until his marriage, Rankin was his own captain aboard his schooner "Resolute", a fast, able 110-ft. hull. Now he uses a big, black buck named Hawkins, as captain for the schooner, and Rankin himself stays ashore and runs a large general store with two branches on other parts of the island.

Rankin's activities now are:

1. Smuggling. He recently forfeited a \$60,000 contraband cargo when caught by police who fired on him at Cartagena, but continues to smuggle. Profits are enormous, and he'd made enough from previous trips to buy his schooner back when it was later put up for public auction.

2. Fuel oil storage. This is done on Old Providence this way: When the "Resolute" arrives, Captain Hawkins sends his "water drums" ashore to be refilled. These drums are diesel oil drums, full of oil. They are rolled into storage sheds, store rooms.

There is no justification for smuggling fuel oil or gasoline into the island - other than for Nazi purposes - because there are only two motors on the island. One is owned by a Chinese storekeeper who has his own boat and supply, and the other by the government and the government supplies its own tractorine for its motor power plant, landing it on the windward side of the island where the plant is located. Rankin has a large cayuca - hollowed log boat - and can transport fuel and supplies to various points on the island with this, leaving the schooner at anchor.

Rankin is loudly pro-British-American in talk, but actually works closely with his brother-in-law, Bernhard Regnier, whom he leased land to.

9. Hemingway Caribbean report

CORN ISLANDS, NICARAGUA.

Though the 1916 treaty between Nicaragua and the U.S. gives the U.S. a 99 year option on construction of the Nicaraguan Canal and a naval base at Great Corn Island, it has never been taken up and today there are no Americans on this or Little Corn Island, seven miles away. The two form an important outer defense for the southeast coast of Nicaragua, forty miles away. There is no U.S. representative on the islands, and the neutrality patrol apparently avoids the islands. No plane has flown over, much less landed, for years.

Though the Corn Islands are only 40 miles from the Nicaraguan coast, they are comparatively isolated. Schooners from Bluefields call occasionally, but there are no large boats owned on the islands, no craft of more than 40 feet.

English is the language spoken on the islands. The people are also descendants of Puritans who settled in 1641, mixed with Cayman islanders, seafaring negroes, and some few Nicaraguan natives. All are Nicaraguan citizens, and as a group, are pro-Ally.

Great Corn Island.

Main features are:

(a) Harbors. Two good harbors, with depths of more than 5 fathoms at Brig Bay and Southwest Bay on the West side.

(b) Underdeveloped. No roads, no electricity, no power plant. The local citizens are now lobbying in Managua for an appropriation of \$60,000 with which to 1. build an airfield; 2. build a road; 3. Establish a light plant; 4. build a wharf at Brig Bay out into deep water.

None of these things are necessary, only the light plant would be of any use, legitimately. Roads are not needed since there are no autos, there are trails everywhere, distances are short, there are no steep grades and there are plenty of horses. A wharf would go unused because there is no commerce, there is no custom house and not enough business could be developed to warrant it, all the boats of the island are shallow draft and can come in to within a stone's throw of the beach, and the only trade there is in coconut oil, is most economically carried on by shipping in abandoned fuel oil drums on small boats.

An airfield an only mean one thing. There are no passengers, no mails to be speeded, no military value in the estimation of the present government, and there is not even an airline or planes available for flights. Its only value would be to foreign aircraft basing there temporarily, either for refueling in connection with Canal attacks, or protection for submarines temporarily basing there.

(c) Radio. The local commandant, a sub-lieutenant, has the use of a small battery transmitter which uses 6 dry cells, can be counted on to be put out of action without any fuss, is often off the air for weeks while new batteries are being shipped, would not cause any alarm by being off the air for some length of time.

10. Hemingway Caribbean report

(d) Trade. Chief trade is in cocoanut oil, exported to the mainland at Bluefields. More than 200 drums a month are taken in small boats, and natives are thus used to seeing fuel oil drums being loaded and unloaded at various points throughout the island. The islands are not entirely used for cocoanut production, and fertility of soil accounts for the great yields on small acreage.

(e) Nazi activities. The sub-lieutenant who is in command of the Nicaraguan National Guard detachment on the islands (combination police and army) and who in practice is the military governor - is an ardently pro-Nazi youth named Kruger. His father was German, his mother Nicaraguan. He has a large picture of Hitler on his living room wall, was delighted at the Nazi invasion of Norway, is a typical example of what pep talks can do.

Head man.

The leading merchant and planter on the island, and most powerful man, is Carl Jackson. He has put his brother, Sam Jackson, in as mayor. Jackson is a self-made man, a pirate, a smuggler, a good politician, and in his small way, a Captain of Industry. He has built his fortune and power by smuggling, but operates a legitimate cocoanut oil business successfully, has a family, many relatives. He is daring and resourceful.

When I had been on Great Corn Island a while Jackson propositioned me on straight smuggling, then switched and said he really wanted to use the boat to obtain fuel oil and supplies for German submarines. This was his plan:

He could get any amount of fuel-oil, he said, through Lehman of the Bragman's Bluff Lumber Company at Puerto Cabezas (about 120 miles to the north) (see section on EAST COAST OF NICARAGUA)

The oil would be brought in drums to Great Corn. There it could be unloaded at night at Southwest Bay, where Jackson himself has extensive properties or on the south side of the island, where he also has land. He would build sheds and store the oil in them. The sheds wouldn't attract attention because:

- a. Jackson already has several.
- b. He's a big cocoanut oil exporter and everyone is accustomed to seeing fuel oil drums sitting around, being handled, stored.

Jackson's plan, apparently based on information he has already received from Colon, was for a U-boat to lie off Southwest Bay, my schooner Blue Stream to help ferry drums out aboard her. Jackson could get supplies of food from his general store, which he keeps extensively stocked.

Avoiding suspicion, in case anyone should find sheds suddenly empty, Jackson plans to fill the emptied drums with salt water and replace them in the sheds. When new drums came in from Puerto Cabezas, the drums full of salt water could be sunk in the swamps that encircle the island.

Jackson didn't say he was already in touch with the Nazis, but said I would be approached a short time after anchoring in Cristobal. He did know about Lehman at Puerto Cabezas, and he did know about Bernhard Regnier at St. Andrews and his efforts to establish a radio transmitter on Old Providence, indicating that he actually was in touch with them

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11. Hemingway Caribbean report

Jackson had confidence in this plan because, he said, he regularly smuggles ordinary trade goods in this way, and the arrangements have proved practical as far as meeting a boat off the Bay and ferrying material in is concerned.

He says he has the complete cooperation of sub-lieutenant Kruger.

A local boat-owner named Nicholson is rebuilding his 40-foot hull on Great Corn Island, and though it will not be ready until late this summer or fall, it is being rebuilt with very shallow draft, more capable of running the shallows of Bluefields bay and also the entrances to lagoons and river mouths for a hundred miles up and down the coast. It was he who radioed Zacarias in Bluefields in May to bring "two more diesel oil drums" to Great Corn, on a Colon-bound schooner. Nicholson's boat is not in commission, there are no motors on the island burning diesel oil. Nicholson may be cooperating with Jackson, certainly could be forced to if Jackson wants to use him or his boat for any reason.

Jackson asked me to send any letters or messages to him from Colon by the hand of Captain Brian of the schooner "Passajero", an Old Providence Island boat that makes a circuit of St. Andrews and Old Providence, Great Corn Island, Bluefields, and Colon, on a fairly regular monthly schedule. Capt. Brian is not dangerous himself as a smuggler or fuel oil runner, but is under the hand of Jackson completely.

Jackson is not pro-Nazi; just greedy, and as a smart smuggler, knows that the real money for any risks taken lies in refueling raiders or U-boats rather than in running bolts of silk, occasional chinamen and members of the government opposition. He assured me that I would be paid in advance, that the interior of the boat wouldn't have to be ripped out since for a short haul it could all be deck cargo, and that the boat could operate under her present registry. He is of course dead wrong, but showed sound thinking and was perfectly serious about the whole offer. Might have had an ulterior motive, but went about it realistically. I went shooting iguanas with him to talk about it, with him carrying the gun. He could have shot me, said it was an accident, gotten possession of the boat for himself if that was all he wanted. So the seriousness of his proposition can be measured.

Little Corn Island.

Few people live permanently on Little Corn Island, because of the loneliness of the place. Though it is very fertile, has many shade trees and animals and a very healthful climate, the natives would rather band together on Great Corn Island and use the smaller of the two to raise crops and animals, visiting it for but a few weeks every year. Less than twenty people live on the island, one Swedish family, a few blacks and Nicaraguans from the mainland.

The main features are:

(a) Exiles. The Nicaraguan government has exiled seven members of the political opposition. They were sent to Little Corn Island last March for the crime of working against the Somoza regime. Chester Lacayo, 21, educated in U.S., President of the Student Union of Nicaragua, is leader. Others are conservatives, independents, "communists". They hope to escape and actually believe that a Nazi submarine will take them off the island, though with what foundation of fact could not be learned.

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A storekeeper named Sherman arrived on Little Corn Island about the time the exiles did. He came from Cabo Gracias a Dios, where he had a store, which he said burnt down. He set up a store on Little Corn Island, but did no business as people on the island were completely used to fending for themselves. The store collapsed, yet he continues to stay on the island, with no prospect of making a living. No man in his right mind would try and do business on Little Corn Island unless he had an ulterior motive. Sherman is friendly with Chester Lacayo, joked with him in my presence about "the U-boat that would come in", is conceivably trying to take Lacayo and any combination of fellow exiles to the mainland, or even shake their relatives down with promises of rescue, but would be of far more value to any landing party who would want to store fuel oil, supplies, or munitions. Sherman knew the German now living in Cape Gracias (see EAST COAST OF NICARAGUA).

(b) Harbor. The best harbor on Little Corn Island is Pelican Bay, on the Southwest side of the island, and only seven miles from Great Corn Island. The water around the Corn Islands is unbelievably clear, and there is much good holding ground for any anchorage in five fathoms, sheltered from the prevailing winds.

(c) Light. Little Corn Island has the only off-shore light for more than a hundred miles in each direction, is easy to pick up at night and come inshore on bearings. The light is tended by a U.S. Lighthouse Dept. tender once a year. Visits late in the spring, end of April, and only stays two days. The tender does not visit Great Corn Island, is thus easy to avoid. There is no light tender, it is automatic and unwatched. There is no communication with the mainland, not so much as a radio receiver, much less transmitter.

(d) Isolated. Little Corn Island is much more isolated than is Great Corn. It has no boats of its own large enough to make the 40-mile trip to the Mainland. Last October, shortly after the outbreak of the current European war, the Italian Yacht Cyprus visited Little Corn, anchored overnight but did not visit Great Corn where she would have been reported and visited by the commandant. Her millionaire owner circled the island in a runabout and landed, but did not leave or take anything, or talk with many of the people.

(e) Garrison. A sergeant and four men, armed with rifles and a pistol, guard the exiles. This detachment is directly under the sub-lieutenant on Great Corn but he does not visit them, nor ~~do they~~ do they see him. During calm weather small, 18-foot, hollowed-out cayucas are sailed over and back with messages, produce, and occasional stock owners visiting their animals.

THE ATLANTIC COAST OF COSTA RICA.

Costa Rica is a comparatively democratic country. Nazis are unpopular as a group, but in isolated instances, are known to have worked up great popularity. In Puerto Limon however, at the opening of the current European war, the Italian battleship "Duca d' Aosta" called in on a "goodwill trip" through the area, and was made so pointedly to feel unwelcome that it was obliged to leave two days after arrival, instead of staying a week.

The seacoast has many small streams but no real shelter for visiting small boats. They must either lie off the land in exposed positions on a lee shore, or wait for calm weather. There is much small-time smuggling in boats.

13. Hemingway Caribbean report

Limon, the only harbor with any protection, is sheltered by Grape Cay, and it is from here that any large-scale operations must be carried on. During the First World War Limon had a good deal of German activity, and there is evidence that it has not been passed by in the current Nazi drive for commercial and military success in Central America.

Nazi Activities:

(a) Niehaus & Co. The largest commercial establishment in Limon, with the exception of the United Fruit Company, is owned by a German named Niehaus. The firm recently discharged all its employees who were not sufficiently German, now has nothing but blond Party members anywhere around. The firm owns two diesel cargo vessels, the "Santa Helena", a 70-foot schooner with her mainmast missing, that has an extraordinary turn of speed, and the "Traco", a diesel motor vessel with an American engineer aboard, who is counted on to report the vessel's activities. Normal activities are the shipment of live loggerhead and green turtles up and down the coast. No one can report on the activities of the "Santa Helena" however, and she is the most dangerous of the two. Her activities in recent months have been:

1. Carrying 200 drums of diesel oil to Bluefields Bluff, where they were landed, left for a few days, and then, according to Bluefields customs authorities, they were shipped by Niehaus back to Limon. Limon authorities deny that the drums or their contents ever returned to Limon.

2. Brought in drums of diesel oil at night to the Limon warehouses of Niehaus & Co. They are stored in an old warehouse behind the "Pension Costa Rica", not connected at all with the big regular warehouses of the firm. It is connected with the street by a 150-foot narrow-gauge railway that runs across the pavement and down the alley. A "No Smoking" sign has been put on the entrance. Neither the American Vice-Consul nor United Fruit officials knew that this warehouse was being used.

(b) German businessmen. These are numerous, some openly pro-Nazi. A photographer named Wimmer has a radio sales store in connection with his photographic shop, has a large amount of equipment about. Catholic bishop and priests in Limon are Germans, are building extensively in the town.

(c) Ruprecht.

The American Vice-Consul regularly stationed in Limon is a man of German parentage named Ruprecht. Mr. Walker, vice-consul filling in while Ruprecht was away temporarily, said he distrusted Ruprecht, that he was shunned by Americans in town, was often seen with Germans.

CONCLUSION

Nazi preparations for submarine warfare and aerial activity in the Caribbean are based on a shuttle service between small, remote islands. Curacao is intended as a depot, with perhaps Tampico or Vera Cruz as alternates, but the small islands, almost none of which are well known, are the basis.

The Nazis are either biding their time, so that the system can be used to distract the United States if it enters the European war, or are waiting for a land blitzkrieg on the South American continent so that U-boats and planes can work on the Canal and speed up a northern advance.