Attached are photostatic copies of an anonymous communication dated November 7, 1950, at Rochester, New York which was directed to the Bureau. Enclosed with this communication was a portion of a letter, photostatic copies of which are also attached.

Copies of this communication have been disseminated to the Intelligence Divisions of the Army, Navy and Air Force.

Bureau files have not been searched for information concerning captioned individual and they will not be searched in the absence of a specific request.

This is for your information.

Attachment

cc - Albany Attach

52 DEC 16 1950
Federal Bureau of Investigation

An anonymous letter I found in a hotel lobby which I believe merits an investigation.

Enclosure attached

[Handwritten text and numbers]

RECORDED - 78

DEC 5 1950
The first husband of Evelyn, Macy's girlfriend, Joe Daniels, has become fast friends with me. He is the only real genius I have ever met. The U.S. government rates him 12th in the field of electrical engineering. When he wants to work, he can make up to a hundred dollars an hour, and has. He recently went up to Maine to construct, with Wilhelm Reich, a motor that runs on orgone energy alone, and he was about 90 per cent successful. He himself has invented an electronic refrigerator based on orgone energy that will be the most revolutionary invention since electricity, for cooling and heating units will be able to be had for less than $25.00 apiece. However, he is in a dilemma; he cannot go back to work for GE or GM or any RCA because they know of his invention, and it will not belong to him as soon as he sets one foot in their laboratories. (It was for this reason that he smashed a model he created while in GM, for they wanted it). He could give it to the Army and keep us all out of the draft (yes, Macy & I are in on it too), but Macy and I have prevented him from doing it, because the Army would use it murderously (i.e. for cooling guided missiles). Therefore he has spent the last year using up adding machines in devising (of all things!) a scientific system for beating the horse race game. It does not depend on the horses at all, but on the betting, that is, on the sickness of the people at the track. It is a complicated kind of progressive betting system. The theory behind progressive betting, in case you don't know (1) is simple. If I bet one dollar & lose, then bet two & lose, then 4, then 8, then 16, still losing, the chances keep increasing that eventually I must win. Every gambler knows this, but he also knows (1.) that he has a limited amount of capital—- if he does this over 25 times without winning, he will have expended millions of dollars and (2) that as the bets he places go up, the odds on the horses he bets on go down, for his own money betted becomes so huge as to influence the whole track's odds (the final pay-off odds depend on how much money is placed on each horse.)
November 26, 1950

Assistant Chief of Staff, G-2
Department of the Army
The Pentagon
Washington 25, D. C.

Attention: Chief, Security and Training Group

From: John Edgar Hoover, Director
Federal Bureau of Investigation

Subject: J. E. DAVIS
INFORMATION CONCERNING Wilhem Reich

As of possible interest to your Agency, there are being forwarded herewith photostatic copies of a communication dated November 7, 1950 at Rochester, New York. Enclosed with this communication was page three of an unidentified letter, photostatic copies of which are also attached.

This is for your information and whatever action you deem appropriate.

Enclosure

cc - Director of Naval Intelligence - Enclosure
Department of the Navy
The Pentagon
Washington, D. C.

cc - Director of Special Investigations (I. G.) - Enclosure
Department of the Air Force
The Pentagon
Washington, D. C.

Cc: Joe B. J. (in code)

NOV 29 1950

B J JAN 3 1951