

CHAPTER XI

Two Drug Laws—And Two Wars

ON DECEMBER 3, 1942, the Federal Circuit Court of Appeals in New York handed down a decision which if it had been sustained would have substantially ended all possibility of successful prosecution of corporation officials and employes for violation of the new Food, Drug and Cosmetic Act, sometimes known as the Copeland law.

With that decision the court put its judicial interpretation on the result of long years of effort through which Senator Royal S. Copeland, with the assistance of the Sterling-Farben drug lobby, and various public officials, extracted the teeth from the Harvey Wiley Food and Drugs Act, and had enacted in its place a legalistic monstrosity so full of jokers and ambiguities as to afford no protection whatsoever against influential violators.

The case in which the decision was handed down involved a shipment of adulterated and misbranded digitalis, and the appeal from conviction of the president of the corporation which had shipped it. The learned appeal judges reversed the conviction, and stated that it would be "extremely harsh" to charge a corporation official with a criminal offense—regardless of his actions, or inaction—unless he was an officer of a very small cor-

poration. The new law was as cock-eyed as that! Or so the appeal court held. (Later the Supreme Court reversed the findings of the Appeal Court, in a close decision with four of the high court Justices upholding the appellate decision.)

Under the old Wiley law, officers of corporations could be, and were at times, prosecuted, convicted, and sent to jail. Unhappily, the old law was seldom invoked against important offenders, but it did authorize and, in fact, require such prosecutions.

It can easily be imagined how disastrous it would have been to the Farben plans had Herman Metz, or Doctor Weiss, or Earl McClintock, or Dr. Hiemenz, or any of the other Sterling-Winthrop-Bayer executives been held criminally responsible for some of the vicious violations of the Food and Drug Law practiced by their companies—some of which will be discussed in just a moment. And it has long been my contention that the frantic demands of Copeland and his clients for a new law were to prevent that very possibility.

Be that as it may, in June 1933, it was to Senator Copeland that the task of putting through the new law was entrusted.

Professor Rexford Guy Tugwell was alleged to be the author of the first bill submitted to the Senate by Dr. Copeland. This bill was bad enough—it omitted all traces of mandatory enforcement. In the second bill, drafted by Ole Salthe, the Copeland business manager, no misunderstanding was possible—a clause was inserted which actually instructed the enforcement official never to take to court any "minor violation" when he "believed" that the public interest would be served by a "suitable written notice or warning."

As the phrase minor violation is not defined anywhere in the law, it is obviously meaningless in a legal sense. In the administration of the law it means whatever the enforcement official chuses to believe it means. And, in August 1935, before a subcommittee of Congress I challenged Representative Virgil Chapman, chairman, to define the word "minor" as used in the Copeland bill, saying:

If anyone can define the word "minor" as used in this bill, I will withdraw my objection I have been asking everyone I have been able to talk to here to define the word minor.

"Don't make me laugh," they answer. The whole purpose of this legislation is to get rid of the mandate in Harvey Wiley's law for criminal prosecution, and to replace it with a law which puts in the hands of an enforcement official the power to do absolutely as he pleases on each individual offense.

Representative Chapman refrained from accepting my challenge, and instead contented himself with constant heckling, and demands that I discontinue my testimony.

The final version of the many Copeland bills was passed by the House and Senate on June 13, 1938, and became law by the President's signature two weeks later, a few days after the sudden and unexpected death of its sponsor, Senator Copeland.

In the long and bitter struggle over this legislation, one of the numerous protests was a brief prepared by Dr. Norman W. Burritt, as representative of the Medical Society of New Jersey. Dr. Burritt's brief contained the following:

Let it be thoroughly understood that the Wiley Act is a mandatory criminal statute on which have been based a large mass of district, appellate, and supreme court opinion. This mass of judicial interpretations would be entirely obliterated if the Wiley Act is repealed This is so important in itself as to be the basis for summary rejection (of the Copeland bill).

Some of the story of the Food and Drugs law has been told in a book* published by my wife and myself in 1935. Dr. Harry Elmer Barnes concluded a review of that book with the comment that his column was

. . . . not the place to pass any verdict upon the charges preferred by Mr. Ambruster, but it is evident that they cannot be overlooked. Either he should be prosecuted for criminal libel, or those whom he denounces should be relentlessly exposed and properly punished.

Being in complete agreement with Dr. Barnes, I wrote to the three individuals who were principally denounced in my book,

* "Why Not Enforce the Laws We Already Have?"

and requested them to prosecute me for criminal libel should any of them feel that my accusations were false and unjustified. The three were Dr. Morris Fishbein, editor of the *Journal of the American Medical Association*; Walter G. Campbell, Chief of the Food and Drug Administration, and Dr. Royal S. Copeland, United States Senator.

It would take another volume as large, or larger, than this one to tell the full story of the legislative battle to repeal the Wiley law. However, it is only necessary here to outline briefly those parts of the fight which bear directly upon the immunity accorded Farben's drug and patent medicine affiliates.

When the campaign for a new law was getting under way, there was a strange unanimity in the expressed opinions of the principals involved—men whose interests should have been as far apart as the poles. Professor Tugwell, the Assistant Secretary of Agriculture, Frank Blair, Sterling's president of the Proprietary Association, and Dr. Morris Fishbein, all agreed that the poor old Wiley law was no good. Said Tugwell: "Dr. Wiley's law is obsolete." Said Mr. Blair: "It has been an effective statute but it does not go far enough." Said Dr. Fishbein: "The Food and Drugs Act of 1906 failed largely of its purpose." Somehow they all forgot to mention that the real trouble—and the only trouble—with the Wiley law was lax enforcement.

One of the problems which confronted those directing the fight to get rid of the Wiley law, was the remarkable record which that law had made whenever it was invoked in the courts. The record showed that out of over 31,000 cases taken to court in the thirty-three years of its existence, less than 175 were lost by the Government, or a bare half of one percent. According to several informed public officials with whom I have discussed the subject, no other federal statute has ever made anything like such a record. For example, the F.B.I., with its fine record, is said to have lost a higher percentage than this of its court cases.

To justify the repeal of the Wiley law, a list of thirty-four allegations was prepared, and, believe it or not, each and every one of those allegations was either directly false or based upon a mistruth. This list made its appearance early in the fight and kept on reappearing in committee reports, and on the floor of the House and

Senate until the Copeland bill became law. Among those who issued the list as an official paper, or, at least, as officially sanctioned, was one Paul Appleby, at that time assistant to Secretary of Agriculture Henry A. Wallace. Mr. Appleby posed as an authority on the subject of both the Wiley law and the pending legislation. He was neither.

In 1936 he sent this list, as proof of the superiority of the Copeland bill, to a prominent educator who had suggested that the Department might benefit from discussing the Food and Drug law situation with me. Mr. Appleby's response to that suggestion was to say that:

I will not join in a recommendation that more of this Department's time be wasted on Ambruster; I shall oppose it emphatically in defense of good administration and proper use of time.

One of the thirty-four alleged improvements of Copeland's bill over the Wiley law was that the new bill forbade traffic in confectionery containing metallic trinkets and other inedible substances and the old bill did not. Another, that the bill pending provided for food standards. The fact was that court cases were then on record in which the government was successful in securing the condemnation of candy-coated trinkets as adulterated under the Wiley law; while food standards covering everything edible from soup to nuts had been issued by the Food and Drug Administration for use in enforcing the Wiley law from the time it was passed.

Senator Copeland made frequent use of this list in the Senate and in public. He was especially fond of the one about the candy trinkets because it gave him an opportunity to emote on the sacredness of childhood, and the grave danger of trinket-swallowing. In an exchange with Senator A. Harry Moore, of New Jersey, when these two ornaments of our highest legislative body staged their mock debate on amendments proposed by the Medical Society of New Jersey, Senator Copeland ended his speech with:

If we were to accept the substitute presented by the Senator from New Jersey, there would be no such prohibition

as is contemplated by the pending bill. I know that Senator's kind heart and that he would not wish this to be the case.

Both Senators seem to have been terribly anxious that day to have it appear that serious consideration was being given to the Medical Society's amendments to the Wiley act which Senator Moore had introduced. For three-quarters of an hour they staged what appears on the record to have been a valiant fight. Yet, in the entire exchange, not one of the proposals made, or the facts submitted, by the New Jersey doctors, was accurately stated or truthfully debated.

In addition to Dr. Burritt's brief, Senator Moore also inserted in the record a statement which had been prepared for him, explaining the amendments. Within an hour and of course long before the record was printed, the amendments proposed by the Medical Society were rejected by a snap vote on which the yeas and nays were not taken.

It so happens that under the rules of the Senate the bill proposed by the Medical Society should have gone directly to the committee in charge of such legislation, where it could have had a hearing and have been studied by the members of the committee before it was presented on the floor. Senator Moore, however, chose a questionable alternative when he introduced it as an amendment to the Copeland bill, then threw it into the debate at the last moment.

It was by such tactics that the stage was set for the court decision some years later which so discouraged criminal prosecutions of the executives of corporations, like Standard Oil and Sterling, which firms, it so happens, were clients of Copeland Service, Inc.

Representative Frank W. Towey, of New Jersey, made a real fight on the floor of the House of Representatives against the ambiguities and impotence of the Copeland bill as pointed out by the Medical Society of his State. Congressman Towey was partially successful in limiting the most vicious provision of the bill, the "minor violation" joker, with a restriction which forbade the enforcement official to give more than one warning to any one offender before instituting court proceedings. The House version

of the Copeland bill was passed with Mr. Towey's amendment in it; the bill then went to a Conference Committee headed by Doctor Copeland where, by a very simple legislative operation the limitation on the number of warnings was quietly snipped off and deposited in the waste basket. This action thus served notice on all concerned (including any judge who may become intrigued about "minor" violations) that its administrator is instructed to continue in perpetuity to issue warnings "please not to do it again"—to the same offender for the same offense no matter how dangerous to the lives and health of the public that offense might be.

Possibly the crowning use of the false allegations about the improved protection afforded the public by the Copeland law was made by Senator Alben W. Barkley, majority leader of the Senate. On July 5, 1938, Senator Barkley indicated that Copeland's law was better than Wiley's because food standards were not amenable to control under the old law. At this distance it is difficult to judge whether Senator Barkley did not know, or did not care, what he was talking about.

No bets were overlooked, and no methods were too low for those who emasculated the food and drug law for the benefit of Farben's American drug front. In the final stages of the fight, the New Jersey Medical Society asked for a public hearing to present and discuss its objections to the Copeland bill. At the same time, the drug lobby, headed by Sterling's Frank Blair, requested a private hearing. The drug lobby got its private hearing—from Clarence Lea, chairman of the House of Representatives Committee. The Medical Society was refused any hearing whatsoever.

When the Copeland bill finally became law, the job of establishing suitable regulations for its enforcement arose. And it began to dawn on those most concerned that as no one had the slightest idea of what many of its provisions meant, and as enforcement officials were now possessed of heretofore unheard of discretionary powers, there was danger that the new law would turn out to be a boomerang. So Commissioner Campbell was persuaded to appoint, as his "technical consultant," the man who had drafted the bill for Senator Copeland, Mr. Ole Salthe; he, at least, ought

to know what it meant. Mr. Salthe, by now operating his own commercial consulting business as a successor to the late Senator Copeland, took the job and then proceeded to seek clients by advertising his services as an official of the Food and Drug Administration. And please don't say he couldn't do that—he did!

Under the language of the Copeland law all new drugs would surely be safe because they would have to be inspected and approved by the Food and Drug Administration before they were put on the market.

So early in December 1940, the Farben-Sterling subsidiary, Winthrop, shipped some 400,000 tablets of a newly developed drug labeled Sulfathiazole, which at that time was the most recent modification of the original sulfa germ destroyer, Sulfanilamide.

Sulfathiazole Winthrop had been approved by the food and drug official in charge of new drugs, one Dr. J. J. Durrett, who some years previously had called on one of the foremost physicians of his generation and threatened him with dire consequences should he testify before a Senate committee about the lax enforcement of the Wiley law.

However, as it was later revealed, Dr. Durrett's approval did not mention the "inadequacy of controls" which existed in the Winthrop factory. The 400,000 tablets labeled Sulfathiazole were a mixture of the germ-destroying sulfa drug and the remedy called Luminal, which puts people to sleep. Some of these tablets contained more than five grains of Luminal, the usual safe dosage of which is one grain. So, during the next three months, numerous patients to whom the Winthrop tablets were administered did go to sleep—and never woke up!

Whether any of the Winthrop staff actually knew that the tablets were adulterated when they were shipped—or whether someone mixed the ingredients deliberately as sabotage—has never been revealed. The fact is admitted, however, that the Winthrop management knew about the adulteration very shortly after the shipments went out—when complaints came in from physicians in Louisville, Ky., and analysis revealed the admixture of Luminal.

Yet the Sterling-Winthrop executives did not issue any public warning to the pharmacists and physicians who were dispensing and administering these deadly tablets. Instead they instructed

their personnel to repossess the tablets, giving as the utterly false reason that, "they do not disintegrate properly."

Then began a publicity campaign to push the sale and use of Winthrop Sulfathiazole—a campaign which had the cooperation of Dr. Morris Fishbein, in the *Journal of the American Medical Association*—a procedure completely unbelievable, if the record did not prove it. On January 25, 1941, the *Journal* announced that "Sulfathiazole-Winthrop, U. S. Patent applied for" had been accepted by its Council on Pharmacy and Chemistry for inclusion in its official volume of New and Nonofficial Remedies. (Possibly it should be stated here that a vast majority of members of the medical profession regard this "acceptance" of a new remedy as a solemn guarantee to them by the officers of their national organization that an investigation has been made and that the product could be relied upon for quality and efficacy.)

For good measure, and in that same issue of the *Journal*, there appeared a scientific treatise on Sulfathiazole, with a footnote indicating that its authors were research workers for Winthrop, and were advising the drug authorities at Washington on the subject. And finally, as though to make certain that no reader would miss the good news, the *Journal* carried a full-page advertisement: "Sulfathiazole Winthrop Now Accepted." Included was the shield of the council, and the added legend, "Winthrop Chemical Co., Pharmaceuticals of Merit for the Physician." On February 1, and March 15, this advertisement of Sulfathiazole was repeated.

In any event, it was not until April 3, 1941, that the Winthrop Chemical Co. issued its first warning to the public and the medical profession that some of its Sulfathiazole tablets were not safe to use because they were "accidentally contaminated." The return of any tablets which were still outstanding was requested and, to indicate a suitable appreciation of its public responsibility, the company also expressed its profound regret at the occurrence.

The Winthrop warning was an anticlimax. The real warning had come a week earlier, on March 28th, when state health and pharmacy departments, and local police authorities all over the United States, began sending out notices to hospitals and druggists not to dispense any more Sulfathiazole.

Meanwhile, in March, and shortly before the Sulfathiazole story broke, Dr. Durrett transferred his services to the Federal Trade Commission to become its authority on medical advertising. According to *Drug Trade News*, the industry highly approved the way he had handled new-drug applications under the Copeland law.

Dr. Durrett's work as new-drug supervisor was taken over by Dr. Theodore G. Klumpp, head of the division which inspected, sampled, and tested all drugs. Dr. Klumpp's inspectors do not appear to have done much inspection, sampling, and testing on the Winthrop shipments. Seventeen deaths were reported by physicians as apparently due to administration of these tablets during the three months of the concealment, no computation was possible of those who were injured but stayed alive.

In April, when the various official state and federal agencies completed their search of drug stores and hospitals, a hundred thousand tablets, or 25 percent of the December shipments were still missing, and unaccounted for—except by the deaths.

Food and Drug Commissioner Campbell issued a statement. He declared that the actions of the Winthrop Chemical Company, after it discovered that the tablets were in circulation, "had not been satisfactory." "The company," said Mr. Campbell, "had known of the situation in December, but the government was not informed until March 20th. The failure of the responsible officials of the Winthrop Chemical Company to notify the Food and Drug Administration immediately of this incident, has as yet not been satisfactorily explained." Apparently an explanation that satisfied Mr. Campbell was made later, because he never took any action to hold the Sterling-Winthrop executives responsible in court, either for having filed a false application for a new drug, or for having permitted adulterated tablets to be manufactured and shipped; or for conspiring among themselves and with others to conceal the adulteration while they were advertising to the medical profession the alleged guarantee of Dr. Fishbein's Council on Pharmacy and Chemistry.

However, as we have seen, the Copeland law does not require the administrator to ask for an explanation; it merely authorizes him to do what he thinks desirable. And, if he should decide that

a deliberate silence which resulted in seventeen deaths was a minor violation, he might also decide, lawfully, that a letter of warning was sufficient.

Again, we have to consider that Circuit Court decision of December 1942 which held that under the Copeland law executives and employes of a corporation like Sterling could not be prosecuted, no matter what they did. Perhaps Mr. Campbell saw that decision coming, or perhaps Mr. Ole Salthe, his technical consultant, advised him that it would be useless to try those responsible. Whatever the reason, the executives were never taken to court. The Winthrop Company, however, was prosecuted for some of the shipments, and, after pleading guilty, was fined \$15,800; which sum about equaled the selling price of the 400,000 tablets.

Strangely enough, at the very time when the gentle action against Winthrop was filed in December 1941, a little-known consultant for a new skin remedy was indicted in Washington on a charge of falsifying the application he had filed with the Food and Drug Administration. When this individual failed to make bail, he was arrested and lodged in jail. Evidently Mr. Campbell did not believe that that particular violation was a minor one—the remedy was said to have damaged the livers of animals used in experiments with it.

Commissioner Campbell also rejected the thought that such crimes as leaving too many cherry pits in a can of cherries should be classed as minor violations of the Copeland law. In a bulletin issued just at the time of the Sulfathiazole exposé, there were notices of successful court actions against canned cherries because they had more than one pit per 20 oz. tin; canned peas because they were not immature, canned tomatoes because the pieces were too small, and canned apricots because they were not uniform in size.

Perhaps this is an appropriate time to point out that the Copeland law is so powerful an instrument for the public health that certain of its sections also forbid, and permit severe punishment for, adulterating horseshoe nails, and misbranding ladies' brassiers; and if Mr. Campbell or his successor Dr. Paul Dunbar, really got het up about it he could prosecute a dealer in pigs nose-rings because the premises where the rings were stored were unsanitary

(Doubters please see sections 201 (h); 301 (a) (b); and 501 (a) (1) and (2), Federal Food, Drug and Cosmetic Act of 1938).

On April 22, 1941, Winthrop's license to ship Sulfathiazole was revoked. Three months later it was restored, and the company promptly reduced its prices on Sulfathiazole Winthrop, with the announcement that the tablets were again for sale as "Pharmaceuticals of Merit for the Physician."

Dr. Klumpp, by this time, had moved onward and upward. He had accepted a position awarded him by Dr. Fishbein and become Director of the A. M. A. division on food and drugs and secretary of its Council on Pharmacy and Chemistry (the same council that had "accepted" Winthrop's Sulfathiazole and approved its advertising). And Dr. Klumpp kept moving. Not long thereafter, Edward S. Rogers, chairman of the Board of Sterling Products, announced that Dr. Klumpp had been elected president of Winthrop.

One aftermath of the Sulfathiazole affair belongs in this story. The first exposé came just when the Antitrust Division of the Justice Department was starting its grand jury investigation of Sterling and Winthrop. When I mentioned the adulteration and its concealment to one of the staff he advised me to "keep my shirt on," as drastic action was on the way. This was before he and his colleagues had felt the full weight of the Corcoran big toe.

Time went on and there was no indication that the Justice Department would act, so I placed the matter squarely up to Federal Security Administrator Paul V. McNutt, to whose authority the Food and Drug Administration had been transferred in 1940. He advised me that an information had been filed against Winthrop and that he considered further discussion unnecessary, as I had already been in correspondence with the Justice Department about it. McNutt indicated full approval of Commissioner Campbell, and was just not interested in the Farben-Sterling conspiracy angle.

Later, in July 1942, a forthright member of the Justice Department staff indicated his agreement with my conclusions about the guilt of those involved in the concealment of the adulterated tablets and in my presence gave instructions that the case should be reopened on the basis of the statute which covers conspiracy

against the United States. At his request, I submitted a brief outlining all the circumstances involved. The brief cited several conspiracy actions in which jail sentences had resulted for such crimes as conspiring to ship oleomargarine as butter and mixing olive oil with a cheaper product.

A few weeks later that particular member of the justice staff was no longer holding down that particular job. I was told that he had resigned. That Winthrop case was not reopened.

In February 1944, long after an alleged "housecleaning," Winthrop was again in serious trouble with the Food and Drug Administration when the latter seized and destroyed several thousand cartons of Winthrop ampules labeled as containing "Atabrine Dihydrochloride" and "Sterile Distilled Water," but which were found to be adulterated. These ampules were to be used by physicians for hypodermic injections.

Three months later Winthrop was again prosecuted criminally, charged with shipping adulterated ampules as above noted, and others containing "Neoarsphenamine" and "Dextrose" (the latter being used respectively for treatment of syphilis and as a diluent for "Pontocain," for spinal anesthesia).

When this prosecution was filed in the New York Federal Court the United States Attorney in charge announced that batches of the ampules had been picked up in navy hospitals and army bases; that more than 90,000 ampules and other packages had been recalled; that the damage apparently was due to lax control and failure at the Winthrop, Rensselaer, N. Y. plant to keep the apparatus clean, and that the situation had been uncovered when seven persons—one of whom died—showed unusual symptoms after receiving spinal anesthetics containing a Winthrop solution. Other hospital patients were adversely affected, said the prosecutor, and he concluded that the possible fines in the case could total \$120,000, if the company were found guilty.

Winthrop's Dr. Klumpp immediately denied the charges in vehement public statements, then a few months later the company changed its plea to "Guilty" and took a fine—nicely marked down—of \$18,000. Shipments of these adulterated ampules were found in numerous states as far west as California in 1943 and

1944. And during the period of these seizures, but before the criminal prosecution resulted in publication of the affair in the lay press, Dr. Fishbein's *Journal of the A. M. A.* was repeatedly publishing full page advertisements featuring Winthrop products—including "Winthrop" Atabrine Dihydrochloride, winner of the Army and Navy "E" flags; with which

competent medical officers responsible for the health of our armed forces have seen to it that every soldier, sailor and marine will have the fullest protection against malaria that modern methods can afford.

In appraising these two Winthrop cases, as the design may appear to fit into the pattern of Farben, the reader is now asked to look back. This time the story returns to an earlier war, when the Kaiser's armies were fighting in Europe, and the German espionage and propaganda machine in the United States was under the direction of Bayer's Dr. Hugo Schweitzer. It was then, in 1915, that the United States was also faced with an immediate internal peril because imports of the supply of another important new drug, Salvarsan, had been cut off along with other medicinals and dyestuffs.

Salvarsan, the Hoechst trademark for the product arsphenamine, or arsenobenzol as it was then known, had been one of a number of important medical products imported by Herman Metz. As the only known remedy for syphilis, it was indispensable in this country for the public health and for the efficiency of our armed forces.

In June 1917, after this country had entered the war, Dr. George Walker of the Council on National Defense appeared before the Senate Patents Committee to urge that Salvarsan patents be abrogated. Metz, after threatening patent suits against new makers, was finally compelled to renounce his German friends' determination that his country should "starve to death" for vital drugs—to use his own expression—and began to produce Salvarsan himself, through the Metz Laboratories. He also was compelled to permit several other concerns to begin commercial manufacture. However, the shortage was not relieved until after the Federal Trade

Commission and the Alien Property Custodian had seized all of the Hoechst patents, and granted licenses to several concerns to manufacture arsphenamine.

While the design may vary with the times, the Farben pattern never changes and so we find that the adulterated Sulfathiazole of World War II had its counterpart in World War I—when adulterated arsphenamine made its appearance in the United States, and Metz cabled Hoechst: "Spurious and infringing products simply flooding market." At that time, too, there was no direct proof that the adulteration was deliberate.

Another important U. S. patent owned by Hoechst covered the local anesthetic, procaine, protected under the Hoechst trademark as Novocain. Other patents covered antipyrine, the first coal-tar headache cure; and phenacetin, the shortage of which for treatment of influenza had also caused much unnecessary suffering.

Two of the other Big Six German dye companies held numerous U. S. Patents on important medicinals. One of these was Kalle which controlled the remedies known as Bismon, Formicin, and Menthol Iodol. Bayer controlled Aspirin (until 1917 when the U. S. patent on acetylsalicylic acid expired) Luminal and Veronal. The last two were also made in the American Bayer plant.

When World War I broke out, all of the above and many others, were among the "accepted" new and nonofficial remedies of the A. M. A. Council on Pharmacy and Chemistry. At that time the real boss of the A. M. A., and chairman of its Council was "Doctor" George H. Simmons, the charlatan whose name remained on the masthead of the *Journal of the American Medical Association* until he died in 1937.

When Simmons withdrew from the limelight in 1924, and Dr. Fishbein took his place, the German I.G. Dyes owned the Big Six and its drug fronts here had been Americanized under the names of Sterling, Winthrop and the Bayer Co. of New York. The names, but not the pattern, had changed.

There is no implication here that some of the German dye-trust medicinals thus "accepted" by the A. M. A. Council are not useful in the relief of human sufferings. The most objectionable feature of these acceptances is that they made it possible to charge excessive prices, and that the resulting tremendous profits were

used to help finance subversive activities in the United States before and during two World Wars.

Also, the A. M. A. guarantees served as a cover for violations of the food and drug laws, and the false advertising laws long before the Sulfathiazole affair. Many of these violations by Farben affiliates remain concealed in official files where they were placed by Mr. Campbell, in "permanent abeyance," and without court action. However, some did reach the light of day.

For example, in 1928, shortly after the Cook Laboratories came into the Farben-Sterling-Metz family, a prosecution was started against that company for having shipped a long list of so-called ethical and official remedies which were adulterated and misbranded under the Wiley law. For years this case was shelved, and ignored by all concerned. Then, in 1932, something slipped. Cook Laboratories pleaded guilty, and was fined \$750. The penalties, under the Wiley law, could have been more than \$5,000 and a good many years in jail for some of the executives. Meanwhile, Cook Laboratories' remedies remained in the New and Nonofficial list as "accepted."

In 1936, in California, a criminal prosecution was brought under the Wiley law for shipments of adulterated Amidopyrine tablets, Novocain ampules, and another medicinal by a local company which pleaded guilty and was fined. The Novocain ampules were identified as the Metz Laboratories' brand, and the charge was that the ampules contained a greater quantity of Novocain than the label stated (i.e., an overdose). Why the prosecution was brought against the shipper instead of Metz or Winthrop was not explained.

It seems preposterous that the U. S. Patent Laws could have been utilized to injure the public health and the health of our armed forces before and during World War I. Even more outrageous it is that precisely the same thing has been allowed to happen in this war—when the Farben-Sterling ownership of Winthrop used its patents on Atabrine to restrict the production of that remedy for malaria after Japan had cut off our supply of quinine from the Dutch East Indies.

The history of the drug called Atabrine goes back to the experiments of the young English chemist Perkin almost a century

ago, as mentioned in Chapter I, when the attempt to make synthetic quinine from coal tar resulted in the discovery of coal-tar dyes.

It was in 1927 that Farben chemists first thought they had perfected quinine synthesis from a coal tar base. However, this product, called Plasmochin, was only partially efficient for malaria control; it did kill the germs but it did not cure the disease. So the research continued and Quinacrine Hydrochloride, now sold as Atabrine, was discovered some five years later. In the early thirties Atabrine was introduced in the United States as a Winthrop product. But it was made by Farben—all Winthrop did was to put it in ampules or to compress it into tablets and distribute the new remedy under its own label as made in America.

It should be unnecessary here to go into the history of malaria from the time when its epidemics played a part in the destruction of Athens and Rome, to its present ravages upon the health and lives of a large percentage of the world's population.

According to the National Institute of Health it is estimated that under normal, or pre-war conditions, not less than 500,000,000 persons suffer yearly from malaria. Others estimate that one-third of the population of the globe is afflicted with this disease.

As illustrative of its importance to the national defense, the annual report of the Surgeon General of the United States Army in 1941 indicates that hospitalization of enlisted men for malaria in Panama and the Philippines has been well over 100 for each 1000 stationed there. Under these conditions the grave danger to the health and efficiency of thousands of men in the Army and Navy, many of whom were never previously exposed to malaria, is obvious.

It may be added that this story is not the place to present or argue the merits of Atabrine as compared with quinine. It is necessary, however, in appraising its place in the Farben pattern, to record the fact that a wide discrepancy in medical opinion has been revealed regarding the merits of Atabrine as a malaria remedy. Possibly the highest point in the controversy is to be found in a voluminous treatise on the subject by Dr. Aubrey H. Hamilton, Lieutenant Commander in the United States Navy, who returned to Washington when the war started, after twenty years of clinical observations of the incidence and treatment of malaria

in the tropics. The treatise was prepared and published under the auspices of the Board of Economic Warfare and the Department of Commerce. In it Dr. Hamilton left no doubt as to his own findings, and those of numerous other medical men, that Atabrine, as it was then made, presented no advantages over quinine in the treatment of malaria, and had certain toxic properties which had to be eliminated through change in its formula before its final acceptance as anything but an emergency substitute for the older remedy.

Back in 1935, when Atabrine was first being tried out in the United States on a large scale, medical authorities reported that mental disturbances followed its use. The public relations experts of Sterling neither conceded this fault possible nor mentioned it. They contented themselves with statements issued either directly or through sources not readily identified as friendly which enlarged upon the tremendous expansion made in Winthrop's production of Atabrine for national defense purposes, and the reduction in selling price to a figure less than one-tenth of that which was charged before the war (and before the subversive tie-up of Winthrop with Farben was officially exposed).

One notable example of this kind of publicity was a full-page Winthrop advertisement in the daily press and various lay journals in December 1942 and January 1943 proclaiming the receipt of the Army and Navy "E." One Joseph Jacobs, head of an advertising organization, then sent out full size reprints of this advertisement to professional men. Mr. Jacobs also made similar distribution of copies of a letter addressed to him by Edward S. Rogers, Sterling's Chairman of the Board, in which the latter dwelt upon the foresight of Winthrop in starting to make Atabrine in October 1940 out of domestic raw materials (when they no longer were obtainable from Farben) and in increasing the production (when the government so instructed).

The Rogers' letter, nine long pages, proved the case for Winthrop by references to praises which had been heaped upon its performances by various individuals, including Dr. Morris Fishbein, who was to preside at the Army-Navy "E" ceremony and by Dr. Paul de Kruif, the author, who had just published an article in

Readers' Digest which lauded Winthrop's Atabrine as a major victory for the United Nations.

By something of a coincidence the Rogers reference to the Readers' Digest article was being circulated among anti-Farben professional men at the very time that I was in correspondence with de Kruif about that same article. I had written him on December 24, 1942, to ask whether his source of data was the Sterling-Winthrop press agent, one Mermey of the firm of Baldwin, Beech and Mermey (of whom more later). I also asked Dr. de Kruif whether he was familiar with the official record of Winthrop's lack of manufacturing integrity as illustrated by the Sulfathiazole horror; or of the relations of Dr. Fishbein with Winthrop; or of the pro-Nazi interests of the Sterling-Winthrop personnel.

To my surprise and gratification, de Kruif replied on December 31, 1942 that he had sent my serious charges to his friend Dr. T. G. Klumpp, President of Winthrop:

I shall forward his reply to you when it comes. I am asking him to answer your charges one by one and in detail.

For the moment I thought I had drawn a bit of blood. However, something, or somebody, caused Dr. de Kruif to change his mind. In a later letter he intimated that I was being influenced by the Dutch quinine syndicate (which was a rather absurd assumption), and he resolutely declined to advise me what reply Dr. Klumpp had made to him relative to my accusations about the integrity of Winthrop, its manufacturing record, its officers and its employees.

Later it was recalled to me that Dr. de Kruif had been an early propagandist for Winthrop and Farben's Atabrine, back in 1938, when he published an article in the Saturday Evening Post which boasted of the triumph of the German dye trust in producing a new medicine so much better than quinine that it was no longer a question, "whether we can wipe malaria out of the United States," but, "will we?" (It appears that either we could not or we would not).

Meanwhile a battle in official circles to force open the Farben

patent on Atabrine had resulted in bitter clashes between the administration officials of the highest rank at Washington, and efforts in the Senate and the House of Representatives to conduct an investigation of the matter had resulted in threats and other types of coercion to prevent exposing the fact that the supply of this important medicinal was not all that it should have been.

Senator Bone, Chairman of the Senate Committee on Patents, announced to the press on April 12, 1942 that the hearings which were to begin next day into restrictions on the use of Farben-owned patents would include the subject of synthetic quinine. But Senator Bone was in error. He was never permitted to open up his hearings of any feature of the Farben tie-ups with Sterling or Winthrop. His hands were tied although his committee subpoena reached into the Anti-Trust Division of the Justice Department and seized over twenty-five thousand documents from the Sterling files and elsewhere, which revealed the details relative to Atabrine, as well as other facts which had been pigeonholed in September 1941 when Mr. Thomas Corcoran succeeded in choking off the Justice proceedings against Sterling.

In August, over the vigorous protest of Senator Bone, five other members of the Patents Committee voted not to permit its Chairman, and its two-fisted incorruptible counsel, Creekmore Fath, to produce a single witness, or document, relating to Sterling and Winthrop at a public hearing.

Having been requested to assist the staff which was assembling the evidence, I watched with indignation these efforts to strangle the hearings. The five members of the committee who yielded to the persuasions of those who were determined not to have the Sterling-Winthrop situation disclosed, were Claude Pepper of Florida; D. Worth Clark of Idaho; Scott W. Lucas, of Illinois; Wallace H. White, Jr., of Maine; and John A. Danaher of Connecticut.

One of these five, Senator Pepper, prior to the vote which tied the hands of Senator Bone, received an appeal from the Non-Sectarian Anti-Nazi League to continue the hearings of the Patents Committee on the "patent and cartel connection between American concerns and Axis interests until all pertinent facts have been uncovered." Senator Pepper replied:

Appreciate your message and am sure that investigation will be all-inclusive before it is finished. Regards.

The Senator, according to Thomas L. Stokes in the *World-Telegram* of August 6, 1942, was a friend of Mr. Thomas Corcoran and the latter

. . . . is proudly wearing another feather in his cap as a super lobbyist. He who once started Congressional investigations has now stopped one—one that was due to produce sensational revelations about a corporation with former German connections, which he has been protecting from the government.

The Stokes article went on to describe two turbulent sessions of the committee in which Thurman Arnold, who had been so hot after other German cartel affiliates, took a very different position as regards Sterling Products, and favored dropping the investigation. Said Mr. Stokes:

So did Undersecretary of War Patterson who sat with the Committee, along with Leo Crowley, Alien Property Custodian Suppression of the Sterling investigation climaxes one of the most amazing examples of "inside baseball" ever seen here. Suspicions were aroused that high administration officials were trying to duck the inquiry when Mr. Crowley was asked to testify about Sterling with particular reference to the synthetic quinine monopoly which one of its subsidiaries, the Winthrop Co.—still owned 50% by I.G. Farbenindustrie—possess by virtue of its control of German patents—Mr. Crowley kept postponing his appearance. Despite earlier assurances that he was going to take over the substitute quinine patents and release them generally he never did Questions in a public hearing might have proved embarrassing. So he never did appear.

Another short-lived effort to force out the facts about the Atabrine supply was begun by Republican Congressman Bertrand W. Gearhart of California who made a brave start to accomplish this purpose in the House of Representatives on August 13, 1942,

with a ringing speech on the Atabrine production in which he criticised what he called the dark curtain of mystery which had hung over the subject. Gearhart minced no words and ended his remarks with several queries:

Therefore, Mr. Speaker, I ask what is being done to meet this critical situation? What is our supply? Has the free flow of this indispensable medicine—quinine and its substitutes—been interfered with ? Is it true that our soldiers, sailors and marines are today threatened with disablement because of a scarcity of this indispensable medicine? What are our war leaders doing about this all-important problem? The American people are entitled to know and to know right now.

The Congressman stated to me, and to others, that he proposed to continue the fight until an investigation should result, but the subject of Sterling and Winthrop and Atabrine was from then on definitely *verboten* in the House and Senate of the United States.

Perhaps the most inexplicable aspect of the throttling of these Sterling-Winthrop investigations was the part played by Mr. Arnold in his official capacity, as compared with his caustic remarks in private, and, on one occasion, in public. In the *Atlantic Monthly* for August 1942, Mr. Arnold published an article relative to reform of the patent law which he considered necessary and in this he discussed the control of the Atabrine patent by I.G. Farben as:

The spectacle of the production of this essential drug, left so long to the secret manipulation of a German-American combination during a period when Germany was preparing for war against us, is too shocking to need elaboration.

Shortly after Mr. Arnold had made this vigorous statement he was himself sitting in with the hush-hush Senators in the Patents Committee.

About this time I was taken to the office of the Alien Property Custodian by a member of the Justice Department staff, and requested to give them such assistance as my knowledge of the Farben situation might permit. I was informed that the Custodian had seized 50 percent of the stock of Winthrop but had 100 per-

cent control over its Atabrine patent. Also, that a contract which had been given to Merck to make Atabrine constituted a license (which it did not), and that no further licenses would be given because there was no necessity for them. Several other rather peculiar allegations were made to me on that visit.

Six months later, after rather extended and unproductive correspondence with the members of the Custodian's staff I paid another call at that office. And as the acute shortage in the supply of Atabrine had by then reached a critical stage, I asked what they proposed to do about it. I was informed curtly that there was no shortage; that Winthrop was producing all the Atabrine that was needed; and that anyone who made such a statement was, in plain language, a liar.

However, at that time it was common knowledge in Washington that a shortage did exist, and that allotments of this vital drug for the Army and Navy, and for the extension of malaria control in Latin America, had been necessarily reduced.

Several months previously then Surgeon General of the Navy, Rear Admiral Ross T. McIntyre, issued an urgent appeal to the pharmacists of the United States asking them to collect and donate all available supplies of quinine which they might have in reserve stocks in their dispensaries. In that appeal Admiral McIntyre made this statement:

Although Atabrine is a very valuable antimalaria drug, there are many individuals in whom quinine is still the drug of choice and in certain cases it is life-saving and cannot be replaced by synthetic drugs the need for more quinine is becoming increasingly urgent as the number of men fighting in malarial regions increases and the stock pile dwindles.

Under these circumstances something had to give way, even though the most serious aspects of the shortage were given no official publicity. Beginning in January 1943, long after the shortage had become acute, arrangements were made quietly by which ten other manufacturers were instructed by the government to begin at once the production of Quinacrine Hydrochloride: some to make the base material; others to process it through the inter-

mediate steps; and others to put it into tablets for distribution to the armed forces, and as Lend-Lease supplies for Latin America.

The new Atabrine mess rescue squad now included, in addition to Merck, the following: Abbott Laboratories, American Home Products Co.; Hilton Davis Co.; Eli Lilly & Co.; William S. Merrell & Co.; National Aniline & Chemical Co.; Pharma Chemical Corp.; Sharpless Chemicals Co.; E. R. Squibb & Sons, and Frederick Stearns & Co.

None of these were given licenses permitting sale to the public. This monopoly was still reserved to Winthrop. The newcomers were merely given contracts to contribute to the huge government requirements for Atabrine which Winthrop had failed so tragically to supply. It is of interest here that among those thus invited to participate in the official Atabrine pie were concerns which allegedly have had relations with I.G. Farben or with Sterling.

Next to Sterling, American Home Products was the largest patent medicine and cosmetic combination in the country, the Weiss and the Diebold families have been among the largest stockholders. The Merrell company is owned outright by Vick Chemical, one of the Farben-Sterling affiliates in Drug Inc. Abbott and Squibb were reported to have had negotiations with Farben during the Drug, Inc., period; while National Aniline & Chemical, with its owner, Allied Chemical and Dye, were both among those indicted in 1942 for conspiracy with I.G. Farben in the dyestuff industry.

And the hush-hush continued. One F. J. Stock, a division chief of the War Production Board, who handled the Atabrine expansion program, felt the strange necessity of keeping the whole affair an official secret.

After several letters on the subject, Mr. Stock finally replied. On May 31, 1943, he wrote me that:

A number of the most reputable drug companies are producing Atabrine. We do not, however, normally make available names of producers of critical items Supplies are sufficient to meet Army, Navy and Lend-Lease requirements, as well as export and domestic civilian use.

While the shy Mr. Stock refused to name his "most reputable drug companies," their identity was known throughout the trade; as was the undercover row which had been stirred up by the Alien Property Custodian's endeavor to protect Winthrop's monopoly on the quinine substitute, regardless of the needs of the Army and Navy.

The War Production Board was not the only official agency which appeared reluctant to reply to queries about the Atabrine mess. Among others who declined to comment were the Federal Security Administration assistant, Mary Switzer, who, as ruler over the Public Health Service, had discussed the subject with me back in July 1940. At that time she told me the medical men in Public Health Service were expressing alarm because of the exclusive control the Atabrine patent by the Farben-Sterling-Winthrop management. Three years later, when the alarm had been vindicated, Miss Switzer chose not to discuss the subject.

The National Research Council, which might be considered an official and, therefore, disinterested party to the Atabrine controversy, also refused to express an opinion or even to admit having one. Herr Goebbels himself could not have improved upon the way someone—perhaps Mr. Corcoran—enforced the *verboten* order on all public mention of how Winthrop had failed to make good.

As an aftermath of Vice President Henry Wallace's fights with Jesse Jones on the quinine shortage and with Leo Crowley on the Atabrine shortage Wallace was vindicated on both scores—and then was fired from his job as Chairman of the Board of Economic Warfare after the row between the Vice President and Jesse Jones resulted in the President being persuaded to turn the whole mess over to Leo Crowley in July 1943. Why Mr. Wallace, the official who was right on Atabrine was made the victim of Mr. Crowley the official who was wrong on Atabrine is one of those things yet to be explained.

The humiliating record shows Sterling-Winthrop executives, while boasting publicly of Atabrine as better than quinine, and of their huge production as saving the nation, were still entrenched behind the Farben patent and secretly refusing to permit others to utilize ample facilities for production and research, which

Winthrop lacked, to supply the quantities needed and to correct admitted defects in the formula.

The record likewise shows high government officials, charged with the duty to provide Atabrine to our armed forces, instead were secretly permitting this gross misuse of our patent law and defending Winthrop against all comers, while publicly they covered up the facts—and the disaster that resulted.

The horrors of war are usually remote to those who remain at home. However, to the soldier or sailor whose life may have hung in the balance there could be nothing remote or abstract in the story of Atabrine.

To those who may feel it difficult to appraise properly the significance of these facts about Atabrine it is suggested that they project themselves, in thought, to a hospital cot, or a fox-hole, in the jungles of Asia or the South Pacific; racked with malaria and near death—as result of a wartime shortage of quinine or an insufficient supply of the only quinine substitute; which deficiency may have been caused by some one at the nation's capital who was aiding in the protection of alleged patent rights of I.G. Farben and its allies.

Perhaps, some day, as one result of the part played in the last war by Farben, and by Farben's allies, will come a demand for new definitions of the words "enemy" and "treason."

CHAPTER XII

*Patent Medicines—And Freedom
of the Press*

IN MARCH, 1938

the Council on Pharmacy and Chemistry of the American Medical Association announced that it was going to enforce a rule which provided that the Council should not "accept" products of a concern which was more largely engaged in selling patent medicines than in distributing ethical preparations. The rule had existed for many years, but had never been applied to the Winthrop, Alba, Metz and Cook subsidiaries of Sterling—not even after the ghastly Sulfathiazole affair. Yet no firm had as many nationally advertised patent medicines as Sterling, and it may appear that no firm had made more dangerous false advertising claims than they.

An interesting light on the attitude of this company appears in its first report to the stockholders, after its purchase of the Bayer company. This read, in part:

Bayer aspirin was introduced throughout the United States by the medical fraternity, and it is the object of Sterling Products to popularize this product to the laity by means

of newspaper advertising and other mediums of publicity. Sterling Products is the largest advertiser in the world. We believe we know more about proprietary advertising than anyone else, and as far as aspirin is concerned, we know that the field has been merely scratched on the surface We intend to develop Bayer aspirin not only in this country but all over the world we estimate that the earnings of these two companies will be at least \$2,000,000 per year, and we know that the future of the business is a bright one.

Mr. Weiss either underestimated his own capabilities or else he had not begun to realize how far he would go with Farben's help. In the next twenty years the gross profit was to increase to more than seven times that estimate. And in those two decades Sterling spent many millions of dollars to popularize the name Bayer, and to hold the price at a level which showed at least 1,000 percent spread between the cost of acetylsalicylic acid and the price that the consumer paid when he specified Bayer.

As the Sterling position grew stronger, fantastic advertising claims were made about the cure-all properties of Bayer aspirin. Salesmen for the company alleged that their employers had ample medical opinion to support their advertising, but somehow, those opinions were not broadcast with the identifications of the physicians who allegedly gave them.

Throughout this period, the *Journal of the American Medical Association*, and its Council on Pharmacy and Chemistry, were strangely silent. And the A. M. A.'s widely heralded reform campaign contended itself mainly with exposing little-known fake nostrums in which few of the public and none of the physicians could have had any possible interest. The fact that the Bayer claims went uncontradicted by the spokesmen for the medical profession was the strongest argument in Sterling's favor, at least in the minds of the public; and many professional men justified their own silence by that of the A. M. A.

It was in this period that purchasers of the tablets were handed the little tin box, or the bottle, enclosed in an envelope on which the utterly false claim, "Genuine Bayer Aspirin Does Not Harm The Heart" appeared in conspicuous lettering. This use of a false

legend on an enclosure, or circular accompanying the package, was criminal misbranding under the Wiley law. And while Mr. Campbell of the Food and Drug Administration steadfastly refrained from taking any action to restrain Bayer, another maker of aspirin—a small concern in Little Rock, Ark., was taken into court in 1933 for precisely that offense—for claiming that his aspirin would not depress the heart.

The Bayer advertising was national advertising on a huge scale, and it served a double purpose; it sold enormous quantities of aspirin at a tremendous profit, and it served to legitimize a huge subsidy to the press of the United States at a time when the friendship of the publishers was highly essential to the purpose of Farben. Such leading newspapers as *The New York Times* held their noses, and accepted the account.

The following are a few examples of the countless indecencies published as legitimate advertising by American publications:

Bayer Aspirin quick complete relief—and no harm done no effect on the heart; nothing in a Bayer tablet could hurt any one it can head-off the pain altogether; even those pains many women have thought must be endured.

Hearst's Cosmopolitan, Jan. 1929.

The fastest possible relief the sure safe way is to see that the name Bayer is on any tablet that you take carry in mind too that Genuine Bayer Aspirin Does Not Harm the Heart.

Collier's, Sept. 24, 1929.

Headaches come at the most inconvenient times often it's the time of the month why wait Bayer Aspirin can't harm you because there is nothing harmful in it.
N. Y. Daily News, Nov. 11, 1930.

Sick headache the modern woman feels a headache coming on systematic pains Bayer won't fail you and can't harm you. They don't depress the heart and take enough to stop the pain.

N. Y. Journal, Nov. 5, 1931.

They don't depress the heart and may be taken freely.
That is medical opinion.

N. Y. Sun, Oct. 15, 1931.

Genuine Bayer Aspirin will not harm you. Your doctor will tell you it does not harm the heart.

Saturday Evening Post, Nov. 26, 1932.

Don't take chances with "cold killers" and nostrums the quickest, safest, surest way get the real Bayer Aspirin tablets.

Capper's Weekly, Dec. 24, 1932.

Quicker relief the fastest, safe results, it is said, ever known to pain Genuine Bayer Aspirin does not harm the heart.

McCall's, Nov. 1933.

Of course the Bayer advertising was not the only instance of false claims by Sterling; it was merely the most extensive and the most obvious. At the same time, because of its utter disregard for truth and legality, it appeared to be the most vulnerable point of attack upon Farben's American-drug front.

Accordingly, in 1929, I decided to force the matter to an issue. Sterling, I knew, was wide open under both the Federal Trade Commission Act, and state laws. My campaign got under way with an open letter to Dr. Fishbein, which included the following queries:

Why is it that in your "exposure" of fake influenza cures (*A. M. A. Journal*, Jan. 19, 1929, page 253) you failed to mention any of the products of the one large group of brands and trademarks under a single unified financial control, despite the fact that this group was among the most flagrant violators of all the canons of medical ethics in the advertising it published at that time?

Was this suppression because this same unified patent-medicine group, unbeknown to the rank and file of the medical profession, also controls about one out of every five retail pharmacies in the country along with a number of the largest

and supposedly most ethical pharmaceutical manufacturers, whose constant advertising in the A. M. A. publications must be very profitable financially?

Will you or will you not list the brands, trademarks and company names of this gigantic monopolistic group or "corner" of patent and ethical medicines and pharmacies, and indicate which are financial supporters of the A. M. A. *Journal* and of *Hygeia* together with the extent of their existing control of the medicine industry and of its advertising expenditures?

As an ethical medical question, what is your opinion of patent and proprietary-medicine advertising which teaches materia medica, self-medication and home treatments by the legends on the bottles, and glowing advertisements in the lay and popular press?

Then in 1930, before a Senate Committee on the enforcement of the Wiley Food and Drugs Act, I took the opportunity afforded by a rebuttal statement to force the issue of the Bayer advertising into the official records of the Senate. One of my statements in these hearings was as follows:

To those of your committee who may now say that I am going far afield from the enforcement of the Federal Food and Drugs law permit me to point out that a situation such as I have attempted to disclose has always two general motives greed and power.

So in this presentation I deem it my duty to point in one direction where your committee may, if it follows through, discover a part of the responsibility for the flooding of this country with impure drugs; and—far more important and menacing—a long arm reaching out in an attempt to control by devious ways not only our health but some of our vital resources for national defense and our channels of public information and editorial opinion.

I repeated this same statement several times over the air—in the fall of 1930, when for a few short weeks I was given broadcasting privileges by a small station owned by a brother of Bernard Baruch. Then one evening the engineer in charge of the

station greeted me with, "Better give 'em hell tonight, mister, this is your last chance."

"How come?" I asked, "My time isn't up."

"Your time may not be," was the answer, "but the station's is."

"I just got my orders to tear 'er down, and down she comes tomorrow."

So ended that! I might add here that when I asked permission to speak on the subject over the National Broadcasting Company chain, I was informed that it would not be ethical, and that the management feared that what I had to say might alarm some of its audience. There was much truth in that latter conclusion.

Not long after the 1930 Senate hearings appeared in print, and my broadcasting had met its sudden demise, I wrote to the presidents of all the state medical societies calling their attention to the abominable character of the Bayer aspirin broadcasting and advertising as:

. . . . absolutely contrary to the truth as regards legitimate medical opinion, and a distinct menace to the public health
. . . . I am writing you this letter to ask what the medical profession, and the organization of which you are the head, proposes to do about this.

For good measure, I added this postscript:

. . . . as I stated over the air last fall, the man who wrote this aspirin advertising, and the executives of Drug Inc., responsible for it, ought to be in jail.

Copies of this letter were sent to various publishers; one went to the late Louis Wiley, business manager of *The New York Times*; and to my gratification Mr. Wiley replied promptly, as follows:

Dear Mr. Ambruster:

We acknowledge your letter of November 17th, and a copy of your letter concerning the advertising of a medical preparation.

The New York Times regularly takes up with various scientific authorities any advertising which is offered to us.

We have recently been looking into this specific statement

concerning which you write. Originally the statement was made to us by more than one physician that this preparation did not depress the heart. Our physicians now inform us that in certain cardiac cases there may be a depressive effect.

We have already taken up the matter with the advertiser.

Very truly yours

Louis Wiley.

And for a period the *Times* did not carry Bayer aspirin advertising. Then it backslid. I had several heated discussions with that paper's advertising censor, who described himself as a high churchman, although what that had to do with false advertising I did not entirely comprehend. He never appeared to get my point of view, and I confess I never got his.

However, immediately after receipt of Mr. Wiley's encouraging letter, I put the matter up to the Federal Trade Commission by sending them copies of the correspondence with Mr. Wiley, with a statement that I assumed the Commission would immediately institute proceedings to stop that kind of advertising. I also offered to submit additional data. My assumption of immediate action was incorrect. All that the Commission instituted, so far as Bayer was concerned, was two-and-a-half years of procrastination and evasion.

Meanwhile my letters to the state medical societies had brought a few responses. In one of them, a president of the Kansas Medical Society, Dr. L. F. Barney, assured me that he was wholly in accord with my reference to criminal advertising, and that due to such advertising, far too much aspirin was being taken.

Another state society president, Dr. Arthur S. Fort, of Atlanta, Ga., advised me that there were regularly organized agencies of the Government, and the American Medical Association, to handle such matters and that he would await their instructions before acting. Apparently these agencies instructed the good doctor to forget it.

In December 1931, I began needling the National Broadcasting Company stations that carried the Bayer Program, and, for good measure, threw in some pointed comments about Dr. Fishbein and Dr. Copeland. The latter at that time was on the air for Sterling's

Milk of Magnesia which was sold to the public as Phillips, the name of its original producer. My first letters to the stations concluded with the following:

Won't you also advise me whether you are handling the N.B.C. hookup for the women in the week-day morning hours when that Senatorial medical faker, Royal S. Copeland, is handing out propoganda for this same Drug, Inc., concealed under the title "Health Clinics"?

You are at liberty to read this letter over your station if you so desire.

Those stations that did not reply promptly to my first letter received a follow up which repeated my challenge to Drug, Inc., to produce a single reputable member of the medical profession who would publicly defend the allegations made on behalf of Bayer.

With the first of these letters the fun began in earnest, with the honors undoubtedly going to one Clarence G. Cosby of Station KWK, St. Louis, Mo., who headed his letter:

Re Criminal Aspirin Broadcasting

This station does not broadcast the Bayer aspirin account or Senatorial medical faker, Royal S. Copeland.

One other station, KGA, of Spokane, Wash., indicated that the matter had been taken up with NBC and, for the time being, Bayer advertising was not being released over that station.

Others, however, were critical or querulous of my intrusion, and my motive in the matter gave them more concern than the falsehoods they were sponsoring. Some of the replies were intriguing, and a few are worthy of brief note here:

The Secretary of the Maine Medical Association (advises) that your claim as regards the ethics of aspirin advertising from a medical standpoint, do not hold in this territory at least. *Eastland Station, Portland, Me.*

See nothing criminal about either the aspirin or the programs in which Copeland is featured. *WEBC, Superior, Wis.*

Suggest that you take the matter up with the proper medical authorities Until you do something about what you plainly call a criminal situation, I doubt that I'll have time to conduct any more correspondence. *WDAY, Fargo, N. D.*

The Bayer's Aspirin program and Dr. Royal S. Copeland's Health Clinic program are very well received and we regard them as praiseworthy. *WJDX, Jackson, Miss.*

. . . . interested to know just what your connection is which would make these programs so objectionable to you. *WKY, Oklahoma City, Okla.*

I cannot see anything in the credit lines of the Bayer's aspirin copy that could be considered harmful. *WMAQ, Chicago, Ill.*

We do not hesitate to accept any program which the N.B.C. send us We feel that the complaint you make is their problem, not ours. *WRVA, Richmond, Va.*

I continued to badger the stations as long as any of them would reply. Only one answered more than two letters, and apparently all that any of them did, save those at St. Louis and Spokane, was to pass the buck to NBC or to Dr. Fishbein.

When the Crosley stations WLW and WSAI of Cincinnati demanded to know my identity and business connections I sent them the information, and added a suggestion that they notify NBC that they would discontinue broadcasting the Bayer program unless NBC and Drug, Inc., brought immediate criminal action against me for libel. That ended the correspondence with Crosley.

KOMO, of Seattle, Wash., sent me a copy of a letter signed by the executive secretary of the Public Health League of Washington which stated that from a purely health standpoint the Bayer advertising was not objectionable. My correspondence with the Public Health League brought no response except a rebuke for my reference to Dr. Fishbein which, they wrote, "seems entirely unjustifiable." Apparently, the members of the league were indifferent to positive proof of injury to the public health. But they went all out to defend the professional standing of the medical

editor whose prolonged silence on the subject was the one chief reason why Sterling was able to avoid prosecution for the false and dangerous claims.

Another set of letters went to more publishers, and W. L. Chenery, Editor of *Collier's*, responded in one instance with the emphatic statement that "*Collier's* does not publish patent-medicine advertising." I wrote back asking how he classified Bayer aspirin. And that ended that.

Throughout this one-man campaign, governors and attorney generals were receiving my demands that they prosecute the Bayer company under their rigid state laws. The Governors usually stalled or referred the matter to their health officials. In not one instance was any action taken, but some amusing replies were received.

Governor Pinchot's Deputy Attorney General naïvely referred to the Bayer broadcasting as originating not in Pennsylvania but in New York, and wrote that he would be pleased to hear from me as to what action, if any, New York State had taken in connection with the alleged misrepresentation. My reply called attention to the fact that several NBC stations in Pennsylvania carried the Bayer advertising, and that newspapers circulated in his state did likewise.

The Governor of New York, Franklin D. Roosevelt, referred the Bayer hot potato to John J. Bennett, the State Attorney General. And Mr. Bennett, through a subordinate, advised me that his "unofficial answer" was that the matter was one for the local district attorneys.

Governor John G. Pollard of Virginia wrote me graciously if plaintively, that:

It is a national question, and there is no legislation in Virginia that will allow us to deal with the question adequately.

I replied quoting chapter and verse of the Virginia statute which penalizes false advertising, and reminded the governor of the ancient and honorable doctrine of States Rights. No response.

The Indiana State Board of Health also had a good excuse; its secretary advised me that that Board "is not charged with

the responsibility of enforcing any statute either specific or general on this subject."

Governor Albert C. Ritchie of Maryland, referred me to the State's Attorney at Baltimore, one Herbert P. O'Coner, who in 1939 was also to begin a long career as Governor. Mr. O'Coner advised me that no action condemning the Bayer advertising had been taken by either state or city medical organizations, and that:

..... if criminal action is to be taken it should be as a result of some action taken by the American Medical Association.

So here again the evidence of criminal advertising, which was broadcast to millions over the air, and circulated in millions of printed pages, was officially weighed in the balance against the silence of Dr. Fishbein; and as usual the silence won.

Finally, in April 1933, John A. Renoe, an able and earnest attorney for the Federal Trade Commission, paid me a visit, and informed me very frankly that more than sufficient evidence was available to sustain a complaint against Bayer, which he said would be filed very soon. Mr. Renoe evidently meant business, and I rejoiced—but too soon. Several weeks later I called at the New York office of the Federal Trade Commission and was advised that Mr. Renoe had been transferred to another "highly important" investigation. His successor on the Bayer case indicated that the subject bored him, and demanded to know what my motive was in persisting in the matter. The "highly important" investigation to which Mr. Renoe had been transferred I was later informed, concerned the possible injurious effect of the iodine content of seaweed, when used as cattle feed, upon the digestive processes of cows!

About that time a shakeup took place in the Federal Trade Commission. Former chairman W. E. Humphrey was booted out by the President, and a new Commissioner, former Congressman Ewin L. Davis of Tennessee, came in. Judge Davis was one of the very few members of the House of Representatives who had acknowledged receipt of my chart and proposed resolution and, as Chairman of the House Committee in charge of Radio legislation he proposed to do something about it.

He did what was probably the most useful thing a man of his high character could do; he accepted the appointment to the Federal Trade Commission, and, in 1934, forced through a complaint against Bayer, and compelled Sterling to accept a cease and desist order, without defense, and thus admit on the official record of the case that every single therapeutic claim they had made for the safety, and curative powers of Bayer Aspirin, was false, misleading, and illegal; and would not be repeated. The complaint also required that Bayer cease to claim that only Bayer was true aspirin, and that competitive brands were spurious.

However, Sterling did not give in immediately or graciously, and for some time the illegal advertising continued. It must have been impossible for the Sterling-Farben régime to believe that such an affront to its power and prestige could persist. Finally, one Sunday evening, my wife and I were listening to the radio to find out if Howard Clancy would repeat his unctuous statement, "It cannot harm the heart." The program ended, and Mrs. Ambruster turned to me with, "Daddy, he didn't say it. You've actually done it at last!" But it was Judge Ewin L. Davis who had done it. For once Farben and Sterling had met their match.

The significance of this Bayer aspirin story, as it serves to illuminate the Farben pattern, is twofold; the criminal violations of the law were publicly committed over a long period of years and, as these facts reveal, hundreds of respectable citizens, many of them prominent, were involved directly or indirectly. Some of them knew that such advertising was dangerously false and illegal, yet would make no move to help put a stop to it. Call it fear, call it corruption, call it indifference—this long period of inaction by so many goes right to the crux of the pattern of Farben's intrusion on the affairs of the American people.

In March 1935, nine months after the Federal Trade Commission had started its proceedings against Bayer, and members of the Medical Society of New Jersey were publicly criticising the advertising policies of the *A. M. A. Journal*, the Council on Pharmacy and Chemistry issued its first report on the Commission's action, and Dr. Fishbein, in an editorial, made the first comment on Bayer aspirin that had appeared in the *Journal* since May 14, 1921, save for praise of Sterling advertising.

At this late date, the Council and Dr. Fishbein approved the action of the Federal Trade Commission, and summarized the voluminous medical data long available which proved the falsity and the danger to public health of the various Bayer claims. The final paragraph of the Council's 1935 report included the following:

The indiscriminate use of Bayer aspirin, as urged in the advertising, is inimical to public and individual health, both directly and indirectly. Aspirin (acetylsalicylic acid) is potentially a dangerous drug and its unqualified use as a home remedy should be undertaken, originally in any case, under the guidance of the family physician, whose knowledge of the personal characteristics of the individual patient can alone render such use safe and advisable.

It is of course impossible even to estimate how many individuals in the United States were injured by the unwise use of aspirin in those years of silence on the part of the A. M. A. It is quite possible, however, to reach the very definite conclusion that that silence contributed in several ways to the consummation of Farben's plans for the present war.

After its squelching by the Federal Trade Commission, Sterling continued to advertise Bayer aspirin on a lavish scale, but did not repeat the forbidden claims. Its revised appeal rested upon the fact that the aspirin dissolved quickly in a glass of water; price reductions also received constant mention. The ads did not explain that the quick dissolving was due to the addition of corn-starch or some other harmless ingredient.

More recently Sterling started a new series of full-page advertisements depicting famous discoveries of serums and medical remedies (with which Sterling has no connection). Only the lower section of the page mentions Bayer—"The Famous Name in Aspirin." In view of the history of the company the choice of the word, "famous," seems an unfortunate one. Bayer would hardly appear a name to brag about—in the United States.

Finally resorting to claims, in radio advertising, that the druggists of America were sponsoring a national advertising campaign for "Bayer" aspirin, and that the price had "recently" been reduced to fifteen cents per dozen; the Federal Trade Commission

again jumped on Sterling, in June 1946, charging that the druggists were not sponsoring and the price had been fifteen cents for years.

Then, shortly after this unfortunate incident Harvey M. Manss, Sterling's Vice President in charge of Bayer, was announced as the new Chairman of the Proprietary Association Committee on Advertising, to set up rules for decency in advertising copy.

The period of time required to induce action against Bayer, overlapped the span of existence of Drug, Inc., which had planned to continue its expansion and become the American counterpart of Farben as a drug and patent-medicine cartel. Among those tied in with Sterling in Drug, Inc., it will be recalled, was The Bristol Myers Company.

The Bristol Myers advertising presented a number of fine targets for the Federal Trade Commission sharpshooters. Much of it was so fat with absurdity and glamorous untruth that, when the Commission finally went to work on it, it was like shooting ducks in a barrel. Five of the best-known products of the firm were brought down with cease and desist orders; another has been shot at, but is still on the wing as this is written.

Those to feel the corrective action of the Commission's stopping orders were, Sal Hepatica, Ingram's Shave Cream, Ingram's Milkweed Cream, Minit-Rub and Vitalis. Action against the claims for Ipana Toothpaste was still pending over three years after it was started.

Early in 1931, before the start of the all-out fight on Bayer aspirin, Sterling had started an advertising campaign for its Phillips' Milk of Magnesia in which mothers were warned of children having been made ill by "bad" milk of magnesia. Therefore only Genuine Phillips' should be specified, etc. The resentment of competing manufacturers, and threats of retaliation, finally caused Sterling to withdraw this type of copy.

Some years later, Phillips started advertising two milk of magnesia cosmetic creams with the fantastic claim that they would overcome a disease called "acid skin" (which is non-existent). Again the Federal Trade Commission called a halt. And in 1946 another action was begun on claims for Phillips Milk of Magnesia facial creams.

One of the earliest Sterling remedies was Cascarets, long advertised as safe for children. The advertising, and the label, displayed claims that the preparation was essentially a harmless candy, and that physicians declare cascara (a botanical drug) an ideal laxative. However, it finally leaked out that a habit-forming coal-tar derivative, phenolphthalein, was being added to the pills without any change in the label or warning that cascarets were no longer harmless.

In 1933, various uncontested actions resulted in condemnation of these new-style Cascarets, and, two years later, criminal prosecution was begun (after complaints of lax-enforcement of the Wiley law). This was the first time that Sterling Products had ever been taken into court in a prosecution of this kind. However, it caused Sterling only slight inconvenience; their attorneys alleged that the complaint was so vague they could not answer the charges intelligently. A West Virginia judge appeared to agree with them, and dismissed the case. Why the government never amended the complaint so as to remove the alleged vagueness does not appear on the record.

Another patent medicine of a Sterling subsidiary on which the formula was changed, and which got into serious trouble, was Midol, sold originally by the General Drug Co. Midol was extensively advertised as a harmless remedy for the ills of women: "Midol is the discovery of specialists"; "Midol means complete comfort for women"; "No need to suffer, no need to be inactive"; "It is not a narcotic"; "It is safe," etc., etc. These statements were grossly false. The label did not say so, but Midol was a powerful compound containing aminopyrine (or amidopyrine).

In 1936 and 1937, Mr. Campbell seized shipments of Midol in several states, alleging that it was misbranded as a safe remedy for women. In all of these cases Sterling chose not to enter any denial of the accusations of dangerous fraud. As these proceedings were libels directed merely at this highly dangerous nostrum itself and not against the maker, the responsibility of the Sterling-General Drug people for it was never explored in a court action. Mr. Campbell chose not to prosecute.

Some interesting inside information about the Midol affair was uncovered in the material assembled from Sterling's files in prep-

aration for the 1942 hearings before the Senate Patents Committee. A record of the minutes of a conference held at Leverkusen in 1935 between Dr. Weiss, his son, and Farben officials, stated that the 1934 turnover on Midol had been \$629,000 with sales increasing in 1935.

The amidopyrine scare has therefore not had any effect on this preparation, as its composition is not made known popularly.

The minutes went on to indicate that Midol was being sold in the Argentine as Evanol.

Another memorandum, which was represented as prepared in Mr. McClintock's office in 1936, referred to the fact that amidopyrine had been placed on the poison list in England. And, on September 2, 1937, according to a file copy, the Weiss Secretary wrote to Mr. McClintock:

I have just received from Mr. Weiss your telegram of August 31st (re Midol seizures), on which he has made the following notation, for your attention: "this is serious; can you use your influence in Washington to get this settled?"

A strange request to make to one of the financial pillars of the Democratic National Committee which was appealing for the support of the feminine voters of the nation.

The upshot of the impasse on Midol, according to these records, was a determination to salvage the stock already made up by shipping it out of the United States. One memorandum indicated that Mr. McClintock would discuss with Mr. Wojahn, his export manager, the possibility of getting rid of the nasty stuff in the Argentine and Cuba. Another indicated that Argentine health authorities were already aware of the dangerous ingredient in Evanol, and objected to its sale; so the McClintock influence was again called for. This time McClintock was instructed by Weiss to

. . . . use every possible means to get pressure from Washington which will allow us to import these old Midol stocks into Argentine. Please keep me informed.

That kind of international team play might be called the Bad Neighbor policy of Sterling—under Farben direction.

And at the very time all this was going on, Sterling's Frank Blair made a speech about overseas drug markets before the Export Managers Club. Said Mr. Blair:

... a single racketeering concocter of a fake cure can bring discredit on the entire industry, and when the law catches up with him he frequently flees with speed to the export markets.

Which, coming from a Sterling executive, was about as neat a bit of irony as one could ask.

In 1937 the Federal Trade Commission also closed down on Midol, and Sterling was compelled to admit the falsity, and agree to discontinue all claims that Midol was a special medicine, or that it was recommended by specialists, or that it was safe. Those women readers who may have wondered what became of the old style Midol now know the story.

Among the well known remedies which many do not realize is owned by Sterling, Ironized Yeast ran afoul of the Food and Drug people in 1941 for misbranding claims that this preparation would add to the user's weight, vigor, charm, and other blessings. Notwithstanding this official rebuke Ironized Yeast was in trouble again in 1944 for press and radio claims that its vitamin content builds rich red blood and cures low spirits, jitters, and lack of energy. These allegations the Federal Trade Commission rudely denied as fiction.

And, curiously, a seizure of misbranded "Special" pills, and of "Formerly Madam Dean" pills, occurred on July 6, 1944, less than a week after Sterling had taken over Frederick Stearns & Co. of Detroit, a company which had been making both ethical and trademarked preparations. In this case the "Formerly Madam's" pills and the "Specials" lacked label warnings of dangers if used under certain conditions. However the new proprietors should not be blamed for these oversights; and this was not the first time that Stearns preparations had been in trouble with the pure drug laws.

Another huge group of home remedies was acquired by Sterling when it purchased the R. L. Watkins Company in 1934, and soon thereafter the advertising of Dr. Lyon's tooth powder, a

Watkins product, drew the fire of the Commission, and received a cease and desist order on the claim that it would correct acid mouth.

Watkins products taken to court in numerous actions for misbranding or adulteration, or both; included Aspirol tablets, two Watkins headache and cold remedies; vitamin pills; cod liver oil tablets; and tonic for hogs and chickens. Quite a range.

Among other showpieces of this assortment of Sterling exhibits the parent company was caught in 1943 shipping adulterated senna, a U.S.P. product; and two of its other subsidiaries were in double trouble with both the Drug Administration and the Trade Commission. These were the Vita Ray Company which Sterling took over in 1938 and let go of in 1943; and the W. B. Caldwell Company which is one of the oldest Sterling possessions.

In 1941 Vita Ray Vitamin Cream, another vitamin product for which the label claimed power to produce soft, radiant smooth skin, was decreed misbranded under the Food, Drug & Cosmetic law; as was a Caldwell vitamin product labeled for pale underweight females. Despite these warnings the companies did not reform; so in 1942 and '43, the Commission ordered Sterling to stop advertising that Vita Ray Vitamin Cream cured wrinkles and coarse pores, made its user radiantly happy, and that its discoverer was honored in the Hall of Science. The Commission also decreed, in abrupt legal language, that no more claims should be made that the pepsin in one of old Doc. Caldwell's compounds had any effect on its therapeutic qualities.

Before closing this grim and incredible tale of deceit and lying in advertising, mention might be made of a Standard Oil (N. J.) product called Mistol put out in different forms which have been in trouble with the Food and Drug Administration over a little matter of misbranding, and with the Federal Trade Commission for advertising which did not sufficiently warn prospective users that these nose drops were not safe for feeble infants nor for various types of adults.

It should be stated here that evidences of many more violations of the Food and Drugs Act are concealed in the secret files of the enforcement officials then ever become public in court proceedings. However, sufficient evidence is available in the cases which

have been mentioned here to illustrate the indifference and contempt with which Farben's patent-medicine partners have regarded public health, the professions of pharmacy and medicine, and the governmental agencies charged with law enforcement.

In September 1934 a few weeks after the cease and desist order in the Bayer aspirin case was issued, Dr. Weiss announced Sterling's advertising plans for the following year. For Bayer aspirin these plans included 1200 newspapers, leading magazines, and radio programs on both national networks. Phillips' Milk of Magnesia; Dr. Caldwell's Syrup of Pepsin; General Drug's Midol; California Syrup of Figs; and Fletcher's Castoria were among the numerous subsidiary products for which advertising was then announced—to be placed in 3,500 newspapers, in magazines, in radio and in drug store display material.

Advertising expenditures of the Sterling group alone, can only be guessed at. In 1935 the total for twenty years was given as not less than 150 million dollars. In 1940, Sterling's radio bill alone was just under six million dollars. And in 1941 it was reported that its advertising in Latin America ran to about two million dollars.

We know the sales formula of the patent medicine industry: one third for production and distribution, one third for advertising, and one third for profit. Examine Sterling's 1942 financial statements: gross sales approximately \$53,400,000, and gross profit (before taxes) approximately \$16,000,000. The one-third-profit formula about checks, and it can be accepted that Sterling is one of the half-dozen largest advertisers in this country. We are confronted with staggering totals if we add to Sterling's the advertising expenditures of Farben's other industrial partners in the United States.

Here then, is a tremendous sum of money which conceivably might have been used to exert pressure on publishers to suppress or color news, and to modify editorial opinion. That the same procedure operates for radio stations has been made apparent.

In 1932, when Bristol Myers was a Farben affiliate through Drug Inc., its vice-president, Lee H. Bristol, was also president of the Association of National Advertisers, of which the Farben-Sterling affiliates were important members. The Association at-

tempted to put the heat on publishers who were expecting to share the advertising budgets of its members by threatening to reduce their expenditures unless the publishers acceded to their wishes. Moreover, the threat was publicly made.

Pointed comment on this came from *Editor and Publisher*, leading journal of the newspaper fraternity, whose forceful editor at that time Arthur T. Robb, was always at his best when castigating any suggestion of censorship.

In an editorial on May 11, 1929, *Editor and Publisher* commented on conditions in the drug industry, and then declared:

If a pharmaceutical trust can use its advertising appropriation as a screen to cloak the unlawful manufacture of preparations which aggravate rather than ease the pains of illness The scandal involved makes the power trust's iniquities virtues by comparison.

More revealing was the radio debate between Secretary of the Interior Harold L. Ickes and Frank Gannett, in January 1939. The celebrated curmudgeon sustained his argument that the press was not free by the charge that the patent-medicine and cosmetic industries, through their advertising agencies, had directed the newspapers to kill the original Tugwell Food and Drug Bill.

A few days later the *Philadelphia Record*, suffering from an overdose of remorse, or from a desire to please Mr. Ickes, stated editorially that much he had said was true, adding:

We are ready to confess that along with the rest of the newspapers we deserve criticism for the shameful part the press played under pressure from patent-medicine advertisers in fighting the so-called Tugwell Bill in 1933.

The accusation and the admission were clean cut enough to sustain our thesis that the German I.G. Farben, through Sterling was in a position to put pressure on the publishers of this country. Mr. Ickes, however, appeared to weaken his own case in this respect when he picked the Gannett newspapers and New York *World Telegram* of the Scripps-Howard chain as two of his targets.

It so happens that Mr. Chauncey F. Stout, publisher of the Plainfield, New Jersey, *Courier-News*, a Gannett paper, has

opened his news columns time and again to my battle with Farben's affiliates when the story was being ruthlessly suppressed elsewhere. And no newspaper editor in America has been more willing to publish news and editorial expressions which have dealt severely with Farben and the Sterling patent-medicine group than Lee B. Wood, Executive Editor of the *World-Telegram*, while Thomas L. Stokes, as a Scripps-Howard feature writer, contributed by far the most powerful series of exposures on the Farben influence in official Washington of any writer in the country.

Nor did the *World-Telegram's* gentle and fair-minded premier columnist, the late Raymond Clapper, ever pull his punches in comment about Farben's lobby.

However as to publishers in general, and especially as to certain very conspicuous ones, I accept Mr. Ickes' accusation, and the *Record's* confession, that they all got kissed—and some kissed back.

On May 15, 1943, the *Journal of the American Medical Association* reported on another defective preparation, Fletcher's Castoria, put out by one of Sterling's companies, with the statement that:

At the time *The Journal* goes to press there seem to have been three deaths in which physicians reporting the incidents feel that the toxicity of the product were responsible.

In this instance Dr. Fishbein's journal was much more prompt (the news was out already) in informing his professional readers of a medical calamity than he had been during the long period of silence while the Winthrop Sulfathiazole was causing death and injury. In this case it was a Sterling patent medicine that was in serious trouble, and that kind of stuff could not be advertised in the *Journal*, even under Dr. Fishbein's elastic code.

On May 3, 1943, announcements in the press had made public the fact that one of the oldest and best known of Sterling's patent medicines was in serious trouble. Fletcher's Castoria, that age-old remedy, advertised since the dawn of time as, "Babies Cry for It" had suddenly been found to make babies cry at it. And adults who tried a spoonful of the stuff very promptly lost their dinners. It was announced by an official Sterling statement that all outstanding Castoria in the United States, estimated at 3,000,000

bottles, was being recalled. Next day, advertisements appeared in all leading newspapers announcing that some of the supposedly gentle cathartic contained a foreign ingredient which caused nausea and vomiting, and as consumers could not tell the difference between the good and the bad, it was necessary to recover it all. Much mystery surrounded the incident; both the company and Commissioner Campbell announced that it had not been possible to determine the cause of the adulteration or the nature of the injurious ingredient.

Some years before, the label on the Castoria bottles indicated that its contents—"Recipe of Old Dr. Samuel Fletcher"—included Rochelle salts (potassium and sodium tartrate), in addition to bicarbonate of soda and various vegetable drugs and flavoring matter. However, it was advertised as a "Pure Vegetable Compound" for babies and children, and in later years the Rochelle salts were not mentioned on the bottle, although it was still labeled and advertised as, "Original Chas. H. Fletcher's Castoria."

The advertising, especially in the women's magazines, usually pictured a series of touching family incidents which ended with mother inserting a spoon in her smiling infant's mouth.

Sterling, with a blaze of publicity, proceeded to make a virtue of necessity, and the Food and Drug Commissioner joined in with a public statement praising that company for having gone to "unusual and very commendable lengths" in calling in the adulterated material (Each shipment of which was a criminal violation of the law). The Commissioner also stated:

It is inevitable that instances of this kind will occur even in the best regulated plants.

If Mr. Campbell is correct about this, then it is no longer safe to take any medical preparation without testing it first. However, I can assure the former Food and Drug Commissioner, and so can a great many others, that his statement was untrue; because it is a complete and utter impossibility for an incident of this kind to occur in a "best regulated plant." If proper tests are made to check each step in the compounding of the product, such a defect would be detected before the product was bottled. And if sufficient controls are instituted on the finished product, it surely

would be detected before shipment. No properly managed chemical plant or pharmaceutical plant is operated without both of these types of tests.

Mr. Campbell, in issuing this apology for Sterling, evidently forgot his comment on the adulterated Sulfathiazole—when he finally admitted that his belated investigation of the Sterling-Winthrop plant disclosed sufficient evidence of inadequacy of controls in the process by which the Sulfathiazole was manufactured, to warrant revocation of the Winthrop license to manufacture this product.

In excusing Sterling's Castoria offense as unavoidable, Mr. Campbell also appears to have forgotten the criminal prosecution which he caused to be instituted in 1940 against a chemical company for shipping tartar emetic, a poisonous substance, which a shipping clerk had labeled by mistake, "Tartaric Acid U. S. P.," a nonpoisonous substance. The distinction which Mr. Campbell appears to have made between the misbranded tartar emetic and the adulterated Castoria—with error the defense in each instance—indicated either an undue harshness in the one case or a strange gentleness, toward Sterling, in the other.

Mr. Campbell likewise must have forgotten that in 1941 he caused another brand of Castoria (Pitcher's) to be condemned in court for misbranding because the label created a false "impression" and the "active ingredients" were not properly listed.

However, this is somewhat aside from the story. More than a year before the discovery of the contaminated Castoria, Sterling had announced what it was pleased to call a national defense drive in Latin America, the purpose of which seems to have been to bring the war to a victorious conclusion by means of hair tonics and bellyache cures. Unhappily, though, it was our allies who got the nostrums instead of our enemies. Of which more later.

Because Castoria was sold extensively throughout Latin America, and because the blaze of publicity about recalling all Castoria made no mention of what had been exported, I determined to try and find out how much of the adulterated product had been inflicted upon our good neighbors to the south.

The replies from Government departments which might be supposed to have such information, State, Treasury, and Board of

Economic Warfare, were polite but highly uninformative. One paragraph, however, in a letter from the Coordinator of Inter-American Affairs, bears quoting:

I am informed that a complete investigation has been made in connection with Fletcher's Castoria that has been exported to the other American republics. This investigation proved that none of the exported Castoria contained the unfortunate toxic ingredient.

Thank you for calling this to our attention.

Sincerely,
Harry W. Frantz
Acting Director
Press Division.

My reply was, in part, as follows:

Statements issued by the Sterling Executives, and by Food and Drug Commissioner Walter G. Campbell, are to the effect that it had not been possible to determine the identity of the toxic ingredient in the Castoria which caused the trouble. Obviously if they have not been able to identify the ingredient which was added to the Castoria by some one then it is impossible for anyone to say that none of the exported product contained this toxic ingredient. Either they know what it is and how it got there, or they don't know anything.

One of the Sterling Company's statements also said
"It is necessary to recover all *Fletcher's Castoria outstanding*."
"All" means everywhere.

If you will be so kind as to advise me promptly of the identity of the individual who made the statement to you which your letter referred to, I am inclined to believe that I can be of further assistance to you in this fantastic affair.

And then, while waiting for further word from Mr. Frantz, the great mystery of the nauseous nostrum was abruptly solved. For seven weeks, according to the official Sterling statement, twenty Castoria chemists had worked on the strange case of the cathartic that had suddenly become an emetic, and at last had made known

their findings—it was sugar and water. Under war-time conditions, the sugar content had been reduced, and the water; well, it seems that, “a chemical change—harmless in itself—occurred in the characteristics of the water used in making Castoria,” and that this change, “in combination with the reduced sugar, increased the degree and rate of normal fermentation.” And that was that.

Sterling announced that in future their Castoria carton would state that the product was “Laboratory Controlled” and would have a green band around it. The old carton stated that it was “Chemically Controlled.” It had a yellow band around it. Great is science!

In theory, at least, all of Sterling's Latin American advertising had been subject to scrutiny and approval of Government officials. And in this connection it is of interest that among the Sterling documents which the Senate Patents Committee had available, and which presumably the Justice Department staff had access to in 1941, when the Sterling investigation was stopped, were a number which revealed that the sales agencies of the Farben-Sterling partnership in South America used the blackjacking technic of withholding advertising from newspapers which refused to be friendly to the Nazi cause.

Max Wojahn, head of Sterling's Bayer Export Department prior to the alleged house-cleaning, was a brother of one Kurt Wojahn, member of Farben's South American staff, (as mentioned in Chapter v). In January 1938 Kurt Wojahn was informed by Farben that one of the Argentine newspapers, *La Razon*, which was friendly to the Nazis, was not getting its share of the Sterling advertising, that an anti-German paper, “*Critica*,” was getting much advertising. So Farben demanded of Sterling that this situation be corrected at once, saying:

“ for us Germans it is intolerable that this newspaper should be aided by being given such important advertising orders, while the pro-German newspapers either gets no orders or very modest ones.

Max Wojahn, according to these records, replied to this Farben complaint by stating that:

Naturally, we are quite inclined, everything else being equal, to give preferences in our advertising schedules to newspapers which are fair minded in their editorial policy.

The exhibits bearing upon the cooperative blackjacking of Latin American newspapers for propaganda purposes, included the report of a conference between Farben and Sterling officials at which Mr. Weiss is recorded as undertaking to issue whatever instruction might be necessary so that proper attention would be given to requests made by the German Government concerning Kurt Wojahn—as conveyed to Weiss by Farben's Counsel General, Mann. It was team work all right—Hitler to Farben to Weiss to McClintock to Wojahn—and smack went a blackjack on the pocketbook of an Anti-Nazi newspaper. Shall we believe that none of these smacks are ever directed at pocketbooks nearer home?

CHAPTER XIII

Good Neighbors, and Bad

GEHEIMRAT SCHMITZ,

Director von Schnitzler and Professor Herlein, who send their best regards to Mr. Diebold and you, are very happy over the valuable support and assistance that you have extended to us.

With this expression of gratitude Dr. William E. Weiss, of Sterling received the thanks of Farben's top leaders for defeating the British blockade by supplying Sterling-made drugs to Farben's outlets in Latin America where they could be sold as German products.

The letter was written to Dr. Weiss by Dr. Wilhelm R. Mann, the Farben director in charge of Bayer, on February 8, 1940, in Florence, Italy, after an extended conference with Earl McClintock, head of Sterling's Latin American affairs, who had gone to Italy to meet the Farben leaders to make a deal which would protect their joint business dealings from injury by the war, and from certain seizure as soon as the United States should enter it.

Other excerpts from these Farben war-time greetings to Sterling's Fuehrer are as follows:

Our conferences were held in the spirit of trust and friendship that you, dear Dr. Weiss, strove in such an understanding manner to create already in times of peace

Your and our power will lead us to a solution which will not mean relinquishing our pre-war position.

I view the future with calm, confidence and trust, which will be influenced by you and our work, by our experience, by the strength of the knowledge of our collaboration we are living today only to fulfill our duty to serve our Fatherland.

Mac (McClintock) will tell you the rest; he was, and is, a splendid interpreter of your thoughts and wishes, but also a true friend of our common interests

May the time soon come when we can emerge from the darkness of these months into the light, and continue our activities!

Dear Dr. Weiss, my revered friend, I clasp your hand! In true and devoted friendship.

Always yours,
Wilh. R. Mann.

Several years previously when America was still being lulled to sleep by assurances that we could deal profitably with Hitler, and that war was an impossibility, Sterling's management had begun conferences with Farben's leaders about the dangers to their Latin American partnership that would arise when war began. In 1938, McClintock went to Europe to ask Farben to sign a document in blank by which, if need be, a transfer to Sterling of the Latin American inventories and machinery could be recorded. Negotiations continued at conferences in Europe and in New York, but when the war began the assets of Sterling and Farben were still hopelessly scrambled in various Latin American countries. Sterling's requests for a blanket assignment were refused, and Farben countered with proposals that new outlets be formed which ostensibly would be owned by Sterling but actually would be operated by Farben agents.

The most active and influential of the Farben pre-war agencies in Latin America were those which handled Bayer aspirin and

similar drugs; where, as in the United States, with customers in every hamlet, and advertising before every eye, they created a huge machine, and an effective screen, for espionage and propaganda.

So, when the British blockade cut off Farben's exports to Latin America late in 1939, Sterling rushed into the breach and began shipping quantities of aspirin, Winthrop specialties and other drugs, in bulk, or in cartons and packages which closely resembled Farben's. The Farben agents frequently were not required to pay Sterling for this merchandise. When it was sold, the proceeds were retained—for Gestapo purposes.

Late in 1940 it became evident that the situation might lead to trouble because of Sterling's too direct dealing with German agents. So what appeared to be an entirely new set of branch houses, owned and operated exclusively by Sterling, was organized. The plan was to continue taking care of the Latin American business in Bayer aspirin and other Farben-Sterling preparations under cover of these new houses.

These Sterling storm cellars, known as Farma companies, were actually erected in seven Latin American countries during the first half of 1941, some of them after President Roosevelt's freezing orders of June 18, 1941, which tied up all German assets in this country. This order of course covered all such partnership arrangements as Sterling had with Farben. This was also the period of the Justice Department dragnet investigation into the relations of Sterling's executives with Farben (referred to in Chapter IX) which was halted by Attorney General Biddle.

Even up to the last moment, William E. Weiss apparently never gave up hope of inducing Farben to turn over the Latin American aspirin business (worth a million a year in profits) to Sterling, for the duration, on some basis that might block action by the United States Government. On August 14th the day before Sterling submitted its proposals to the Government to break its already outlawed agreements with Farben, Weiss sent a long cable begging his Frankfurt friends to consent. The Farben directorate replied tersely insisting on fulfillment of their partnership agreements.

The extent of the assistance which Sterling's executives had

rendered Farben's agents, and were still arranging to give when threats of criminal indictments became a reality, was indicated in later statements that, subsequent to the consent decrees, the company destroyed more than 100,000,000 pieces of advertising and packaging prepared for its Farben Latin American brigade. The material destroyed carried Farben's trademarks such as Cafi-aspirina, Bayer Aspirina, Instantina and Tonico Bayer, at a cost for printed matter alone of \$100,000.

The total cost of Sterling's alleged housecleaning, including repackaging of huge stocks bearing Farben's trademarks, closing all of the old offices, and liquidating all of its branch tie-ups with Farben, and its 1941 Farma branches, was in excess of \$450,000, according to a statement which Sterling's new Chairman E. S. Rogers, filed on February 10, 1942, with the Interdepartmental Committee of the Government. This was to prove that the face lifting operation on Sterling was not a mere relabeling, but a true reform and rebirth of Americanism.

Sterling and Farben had disposed of over a quarter million pounds of aspirin in Latin America in 1938, enough to produce over 300,000,000 five-grain tablets. But it also takes a tremendous number of Bayer Aspirin tablets to make a \$100,000 bill for new cartons and circulars.

A vivid indictment of Sterling's part in the Farben-Nazi activities in Latin America was pronounced by former Assistant Attorney General Norman M. Littell after he was removed from office in December 1944, because of differences with Attorney General Francis Biddle on the Corcoran affair.

Mr. Littell's accusations, as they appeared in the Congressional Record were in part:

In many cases the funds of this business were diverted from the German agents to spread German propaganda. Payments were made to I.G. Farben's agents in South America and supplies were sent to German agents in South America. The German Bayer Co. in Rio de Janeiro was accused of diverting funds to the German embassy; and Renata Kohler, head of the German Bayer Co. was accused in Brazil of being a Nazi Agent. A new branch of the Bayer Co. of New York

was organized in Venezuela in March 1941 and a German citizen was made the head of that branch. Many of the agents in South American countries were exposed as Gestapo agents, as abundant records in the State and the Department of Justice will show

. . . . every avenue of trade penetration was used for political propaganda, collection of strategic information about foreign countries, and efforts to suppress the development of strategic industries in areas which might be hostile to Germany. As an example, in 1934, I.G. Farbenindustrie and Sterling Products agreed to use their advertising as a political weapon and decided that notoriously anti-German newspapers should not receive any advertisements for Cafiaspirina or other products showing the Bayer cross

These actions were carried out under the direction of William E. Weiss, President; Earl I. McClintock; A. H. Diebold, and other personnel, some of whom owed their positions to I.G. Farbenindustrie, which had sent them to this country.

A few months later, in June 1945, Assistant Secretary of State William L. Clayton brought out some of the State Departments secrets when he testified before Senator Kilgore's Sub-Committee about the Farben "safe havens" in foreign countries; where, he said, the facilities for another war were being hidden.

Among other exhibits which the Assistant Secretary introduced were several reports made to Farben by its Latin American agents as late in the war as July 1943. These contained references to the activities of the Farben sister firms in various South American countries, and the ease with which drug supplies were still made available to Farben's agents in certain countries, until things tightened up. Mr. Clayton then identified the sister firms as Farben's cartel associates, or former associates, in the United States.

And in the State Departments' famous Anti-Peron Blue Book issued in February 1946, stress was laid on the part played by Farben's Quimica Bayer and Anilinas Alemanas in furnishing financial support to the pro-Nazis of the Argentine, and in assisting in building up secret intelligence service on the political, social and economic life of the country.

Let it be stated that Sterling was not the only Farben affiliate in the United States which "helped out" Farben's Latin American agents after Winston Churchill locked them inside a ring of floating steel.

There was the old established dye stuff jobbing firm of Fezandie & Sperrle which took over, as a blind, the export of General Aniline dyes to Farben agents who were on the British and American blacklists; also Röhm & Haas as mentioned in Chapter IV, began taking care of the blockaded South American agents and promised faithfully to give them back to Farben when the war ended. Advance Solvents & Chemical Co., of New York, another Farben affiliate, joined in this war emergency relief of Farben's customers. And Standard Oil of New Jersey, faithful unto death, also continued to supply gasoline through its South American sales branch to Nazi airlines operating across the South Atlantic.

It is interesting to note that in arranging for General Aniline to take over Farben's South American business in the last months of 1939 after the war began, two executives who handled the matter were our old acquaintances E. K. Halbach, president of General Dyestuff, and Rudolph Hutz, vice-president of General Aniline.

It may be recalled that Halbach and Hutz were officials of the Badische and Bayer American fronts during the first World War, so they already knew just what to do and how to do it.

A Farben sub-manager in the Argentine, named Alfredo Moll made the arrangements for blinds or dummy houses there through which Fezandie & Sperrle, a New York Farben ally, shipped General Aniline dyes which ultimately reached Farben agents. It was a game of double dummy—one at each end—and Farben took all the tricks.

In November 1941, some one in General Aniline attempted to have Moll, who worked with Halbach, approved by the Treasury and State Departments as the company's representative in the Argentine. This was after Judge Mack had become president of General Aniline and Homer Cummings was its attorney. Every known Farben agency in Latin America was at that time on the State Department's official blacklist. Moll, who was well connected in the Argentine, is reported to have sold out his interest in Ani-

linas Alemanas, the Farben dyestuff subsidiary, and retired as its manager just before the company was blacklisted. As the Treasury agents caught up with the identity of the various dummy fronts set up by Moll for Fezandie & Sperrle, Moll would then arrange new ones. Finally some of the Treasury rough-neck squad cracked down and put Fezandie & Sperrle out of business. But Alfredo Moll retained his standing, or his stand-in, with the State Department—which, with characteristic blindness apparently continued not to disapprove of Farben's ex-manager.

Meanwhile the office of the Alien Property Custodian, after taking over General Aniline in 1942, is reported to have permitted Moll to act as its sales agent in the Argentine. In midsummer of 1943, Mr. Moll still had friends in high places; according to an official of the Alien Property Custodian's office it was not necessary to blacklist everyone just because he had dealings with Farben.

In supplying gasoline to the Fascist South American Lati and Condor Air Lines, Standard Oil alleged compulsion to do so under the terms of a binding contract, but according to one government official in testifying before the Truman Committee in April 1942, no such contract existed.

When, in October 1941, Standard Oil refused to comply with the State Department's request to desist, Assistant Secretary of State, A. A. Berle, Jr., announced that steps might be taken to put Standard's Brazil subsidiary on the blacklist. Mr. Berle, of sterner stuff than some of his colleagues, used the diplomatic "perhaps" but obviously meant "no." Blacklisting would have been a solar plexus smack on Standard's protestations of patriotism; still worse, it would have prevented Standard from supplying anything to its Brazil subsidiary, either for Nazi planes or for any other customers. The objectionable deliveries of gasoline ceased forthwith: call it voluntary compliance—or shotgun diplomacy, and divorce for cause.

According to other testimony before the Truman Committee in April 1942 by William La Varre, South American expert of the Commerce Department, the two Farben affiliates, Standard Oil and Sterling, were among the few American corporations that did

not fully cooperate with Government agencies in eliminating Nazi agents in their operations in Latin America.

Late in November 1941, on the eve of Pearl Harbor, Attorney General Biddle described to a Congressional committee a manual of instructions for German spies which contained propaganda and espionage directions for both North and South America.

Significantly Mr. Biddle added that the Nazi organization in the United States worked ostensibly without a chief; through individuals who might not even know of the existence of other operators.

A few days later, on December 5, 1941, in a public address, Mr. Biddle protested the immense amount of propaganda coming into this country, some of it intended for distribution in Latin America, and demanded identification of "its source and financial backing so that the public shall know and judge."

Official identification of the companies and individuals thus accused or suspected of propaganda and other subversive activities in the United States and Latin America, did not emerge. Rather did they tend to submerge under an unfortunate policy of inaction.

However some of the evidence which persistent inquiry made available is revealing—so it is now possible to comply with Mr. Biddle's request of December 5, 1941, "so that the public shall know and judge."

For example, in one of the frank protests by the British Minister of Economic Warfare in May 1941 he named William E. Weiss, and Earl I. McClintock, of Sterling, and described the activities directed by these gentlemen in South America as:

Financial assistance (which) they have heretofore felt obliged to render to a country which is now unblushingly engaged in trying to make both hemispheres unsafe for democracy.

So, too, the press statement credited to Assistant Attorney General Thurman Arnold on September 25, 1941, relative to the Sterling consent decrees, contributed a ray of light on the subject with the comment about German control of drug outlets in South America: as "one of the most effective instruments of propaganda and German influence in this hemisphere."

When this 1941 statement was issued, Mr. Arnold had before him certain evidence pertaining to the subject which, on Mr. Corcoran's instructions, Mr. Arnold was not permitted to present to the Grand Jury. Lack of space makes it impossible to do more than outline such material here. It is voluminous.

The Treasury report, already referred to, which was originally prepared for an Inter-American Conference to discuss Latin American problems in June 1942, indicated the official conclusion that the "personal fealty" or "close personal relationships" of individuals involved in the I.G. Farben business tie-ups had aided the latter:

To finance propaganda, sabotage, and other subversive activities in the United States and other areas (Latin America) of strategic importance to this country

As an example let us examine the 1933 message sent to Max Wajahn, the Sterling-Bayer manager of its exports to South America from the Farben Board of Directors, dated March 29, in which employes of Farben in foreign countries were told to hold their noses and refrain from objecting to the indecencies practiced by the New Order in Germany, and

. immediately upon receipt of this letter to contribute to the spread of information as to the actual facts in a manner in which you consider best adapted to the conditions in your country and to the editors of influential papers, or by circulars to physicians and customers; and particularly to stress that part of our letter which states that in all the lying tales of horror *that is not one word of truth* (italics underlined in original document).

Instructions of this character came to the Sterling organization in Latin American companies in accordance with the original agreements with Farben, which provided that German Bayer, or I.G. Dyes, should supervise and share various expenses, including Latin American advertising and propaganda. Out of that beginning had come mutual ownership by Farben and Sterling of a lengthy string of branch houses and sub-agencies in Latin America, also other agencies owned solely by Sterling or Farben.

The stake for which Farben played in Latin America, assisted

by its tie-ups with huge corporate entities in the States, was the ultimate control of both continents. And, unbelievable as they may appear, there are proofs that Farben affiliates in the United States, directed by native-born American citizens; actually took care of a large share of Farben's expense for these subversive activities. Let it be read with shame that this continued even after the United States by Lend Lease and other actions, had allied itself definitely against the Nazis.

The fact that much of the evidence of how such activities were financed by Americans seems to have been pigeonholed in the files of the State, Justice, Treasury and Commerce Departments, may appear to be as bad, or worse, than the treachery thus immunized.

In Colombia, the country nearest to the defenses of Panama, Farben branches had as advisers with excuse for frequent visits two distinguished "American" citizens who were closest to the top Farben leaders—Deitrich Schmitz, as director of Colombia's Anilinas Alemanas; and Walter Duisberg, as "visiting" director of Colombia's Quimica Bayer. Both of these ersatz "Americans" made frequent business trips to Colombia—as the day approached when the possible destruction of the Panama Canal might mean the destruction of liberty on both continents.

According to the Treasury report referred to, Farben placed assistant business managers in its branches in eight Latin American countries who knew nothing about the business but were there solely for political purposes and for espionage and sabotage.

While these Farben activities, directed at the security of the American continents, were taking place in Latin America, a barrage of high-class pacifist propaganda was laid down by the Farben directed Board of Trade for German-American Commerce. This propaganda, circulated in the most influential circles of American industry, finance and politics, included such appeals as the following excerpts from the German-American Commerce Bulletin of March 1941:

And what about Germany's trade with the Latin American countries? Germany has not the slightest intention of destroying American trade with Latin America. Her trade with

the Spanish American Republics has never and never will constitute a threat to the U. S. A. Therefore a side-by-side rather than a counterplay of German and American interests in South America is not only desirable but inevitable.

In these days when the military conflict is still the immediate issue, Germany already thinks in terms of a peace which offers unlimited opportunities for the restoration of the old as well as the development of many new ways for mutually beneficial trade

Having thus disposed of all menace to the United States by appeal to the commercial instincts of American business leaders and politicians, the editorial concluded with this tender of appreciation for the efforts of the Farben cartel partners:

There is still a sufficient number of influential people in the United States who have a realistic understanding of present events, and therefore demand that America preserve her independence and freedom of action for her own sake. This course includes the maintenance of peaceful relations with the German people.

As Farben's Dr. Mann wrote to Sterling's influential Dr. Weiss in the letter cited at the start of this Chapter: I view the future with confidence influenced by the knowledge of our collaboration.

The high talent of Sterling during the 1940-41 period of pinch-hitting for Farben in Latin America, among others included David Corcoran (brother of Thomas) in charge of the Sidney Ross Company, export subsidiary with its numerous Latin American branches which prior to that time had been distributing only such Sterling patent medicines as Fletcher's Castoria, Phillips' Milk of Magnesia, and Cascarets; in which Farben presumably had no direct interest.

Weiss (who died in 1942) and Diebold, both were forced off the Sterling Board in December 1941, as result of the agreement on which the consent decrees were based. Of the others involved in guiding Sterling during the period of continued cooperation with Farben in Latin America, and in the United States, Messrs.

Rogers, McClintock, James Hill, Jr., G. S. Hills and George C. Haigh continued in the saddle.

In December 1941 shortly after Pearl Harbor, Sterling blithely announced in the press that it was beginning an economic war against German domination of Central and South America with the purpose of strengthening American defense efforts throughout all parts of the Western Hemisphere.

This economic war was inaugurated in Mexico City with large scale advertising by press and radio and a parade of pretty Señoritas handing out samples of Sterling's Bayer Aspirin which had been renamed Majoral in Latin America; and a procession of trucks carrying enlarged photographs of Sterling Radio stars heard on Mexican broadcasting stations.

In addition to Majoral the Mexican campaign included other Sterling trademarked remedies such as Phillips' Milk of Magnesia, Ross Pills, Adams Tablets, Glostora and Fletcher's Castoria.

As this "national defense" drive to push Sterling's widely advertised preparations in the Southern Hemisphere got under way, the methods of the old time pitch artists were revived and refined, with the use of sound trucks, free moving pictures, and, in one instance a modernized show boat which chugged its way up to river towns in the Republic of Colombia—the advertising of patent medicines being blended in with moving pictures and messages on the blessings of hemispheric solidarity.

Another novelty in the sale of such products was introduced by Sterling's when "bullboards" were used instead of "billboards" as outdoor advertising of its product Majoral, the name being painted on the sides of the bulls that went to their doom in view of shouting thousands in Latin American bullfight arenas.

And in Mexico City it was reported that a parrot was being trained to shout Majoral, but either the word or the remedy was too much for the bird, or perhaps it was not a pro-Farben member of the feathered family, as this psychological warfare stunt failed to materialize.

According to reports, more than 10,000,000 free samples of Majoral were given away and more than one million dollars was expended during the first twelve months in advertising this new aspirin trademark in the press while another million was spent

advertising other Sterling preparations; along with several hundred radio shows from Latin America's leading broadcasting stations. The fleet of autos and trucks equipped with sound equipment and motion picture projectors for propaganda concerts and shows increased to nearly two hundred and the Majoral drive was proclaimed as the biggest American promotional job ever undertaken in Latin American history.

As one of the conditions, or Sterling promises, which led up to the Sterling consent decrees in 1941, all employes of Sterling in the United States and in South America were carefully scrutinized, and supposedly those with pro-Nazi affiliations were removed. That some were discharged, and a few in the United States interned, has been stated, but the list has always been an official—and a Sterling—secret.

However, an unfortunate incident occurred in 1943, when the F.B.I. arrested a Spanish Count named Cassina at the export offices of Sterling in Newark, New Jersey, where he was being trained to become a field agent in Brazil. The company stating that this man had been employed in good faith by Sterling on the basis of high recommendations. On December 20, 1943, Cassina pleaded guilty to a charge of failing to register with the State Department as an agent of the Nazi Government, and was sentenced to a term in jail to be followed by deportation. He had been sent to America in November 1940 by Gestapo agents who expected him to furnish information to Germany through letters to his father in Spain.

An example of the official attitude of the State and Treasury Departments and the Board of Economic Warfare was a refusal by those agencies to comment in writing on two peculiar radio broadcasts delivered by Earl I. McClintock, over Station WMCA in June and July 1942. In these radio addresses the former financial aid of the Democratic National Committee told his listeners that he had just returned from South America, then explained at some length why a certain well-informed Chilean believed that his country should not declare war on the Axis.

These broadcasts were delivered at a time when the United States Government was making desperate efforts to induce both Chile and the Argentine to join the other American nations by

breaking with the Axis. Such remarks made so publicly by a man reputed to have high official connections caused much indignant comment in Washington, especially among members of the staffs of those agencies engaged in promoting friendly relations with our neighbors to the South.

So, in a visit to the State Department, I asked several questions of one member of the staff who appeared to be informed:

“Did the State Department know that McClintock intended to make those remarks about Chile?” “No,” was the reply.

“Did the State Department approve of them after they were delivered?” “No,” was the reply.

“What did the State Department do about it?” “We told McClintock we did not approve of it,” was the reply.

“What else did the State Department do about it?” “Nothing,” was the reply.

Mr. McClintock, vice-president and director of Sterling, subject to the continued approval by the United States Government, continued to hold his job. And Edward J. Noble, former director of Drug, Inc., who had made that broadcasting possible, recently had purchased station WMCA (with the reputed assistance of Tommy Corcoran); also subject to the approval of a Government agency, the Federal Communications Commission, the very Commission which for several years had declined all suggestions that Farben's influence over broadcasting chains required investigation and action.

Attorney General Biddle was heard later to complain to Congress that he had a headache because that body had not defined more accurately the meaning of the word “subversive.” Examination of the McClintock broadcast and of the conditions existing when it was delivered, along with a glance through various statutes relating to such matters, might have afforded the Attorney General greater relief from his official headache than could a trunkful of Sterling's Bayer aspirin. The best cure for headache is to eradicate the cause.

Possibly there is no better illustration of official hush-hush policy than the war-time reluctance of the State Department to reveal voluminous reports in its possession regarding the activities

of I. G. Farben and the latter's agents in various parts of the world, especially those in North and South America. This reluctance to mention Farben as a factor in Germany's domestic and foreign activities was apparent in the State Department's 1943 Red Book on Peace and War which disclosed Germany's step-by-step re-arming; and in its 1943 White Book on National Socialism which revealed details of the Nazis' domestic and foreign organizations. In neither of these publications was the name Farben, or of Farben's leaders and allies, even mentioned. The files of the State Department, it is reported, tell a different story.

It may not be fair to refer to our State Department as Sees All, Knows All, and Does Nothing, but the unhappy fact remains that in the record of Secretary Hull's staff there appeared few if any public statements on the subject of Farben.

However, the State Department did respond with one opinion regarding the distribution and advertising of such patent medicines as Castoria in Latin America. Advertising Castoria in leading Latin American papers as the laxative which "is meant for children," containing "no substance which harms," good neighbor Sterling had been begging the mothers of those babies never to make the "serious mistake" of giving their children any laxative but Castoria.

One Bernard Meltzer, State Department Acting Chief of Foreign Funds Control, advised that investigation of such matters could not be undertaken, and that:

Neither the (State) Department nor any other agency of this Government has taken any measures which may be construed as approving all activities, including advertising, of Sterling Products, Inc.

Which pronouncement appears to be a somewhat comprehensive denial of responsibility for matters which related to our war-time good-neighbor policy, as well as for one of the conditions of the 1941 Sterling consent decrees.

Again, Espionage and Sabotage

A" . . . STRUCTURE of espionage," which made "weekly and monthly reports to Germany They were soldiers in the army of Germany."

So said Francis P. Garvan, Alien Property Custodian, in 1919, when denouncing certain American agents of I.G. Dyes.

An instrument so aptly devised for espionage purposes. Persons were carried on the payroll of the General Aniline and Film Corporation who were unknown in the company. There was a constant traffic in German agents who would be employed by General Aniline and Film Corporation for a few months and then moved on to other fields.

So said Henry Morgenthau, Jr., Secretary of the Treasury, in 1942, when denouncing certain of the successors of I.G. Dyes (including some of the same individuals who had been involved in Mr. Garvan's charges).

The part played by Bayer's Schweitzer and other I.G. Dyes agents as saboteurs in World War I need not be repeated. Over two decades later another Government official, who like Garvan,

had spent months digging beneath the surface of the activities of the dye trust agents in this country before and during World War II made precisely the same charges which Garvan, in his attempts to induce senatorial action, had first made years previously.

This later official indictment of Farben's espionage and saboteurs in a Treasury report of investigations made in 1941 and 1942, said in part:

In the twenty-year period between 1919 and 1939 German interests succeeded in organizing within the United States another industrial and commercial network centered in the chemical field It is unnecessary to point out that these business enterprises constituted a base of operations to carry out Axis plans to control production, to hold markets in this Hemisphere, to support fifth column movements, and to mold our postwar economy according to Axis plans This problem with which we are now faced is more difficult than, although somewhat similar to, the problem faced by us in 1917. The background is vastly different from that which existed in 1917.

The report went on to say that:

Certain individuals who occupied a dominant place in business enterprises owed all of their success to their business contacts in the past with I.G. Farben.

Also that it was regarded as "naïve in the light of Axis practices" to believe that Farben relied only upon the services of those who were actually citizens of Axis countries.

This Treasury report, in discussing the Farben practice of sending spies and agents to become citizens of this country (see Chapter v) stated that it had been found necessary to dismiss one hundred American citizens from General Aniline and Film Corp., including five key executives, three of whom received salaries in excess of \$50,000 a year; also that it had been necessary to liquidate the General Aniline patent law firm, composed of W. H. Hutz, son of the only original Bayer's Rudolph Hutz (bobbing up again), and another attorney named H. M. Joslin.

The Secretary of the Treasury, according to the report, had the power to define as a national of Germany any person determined to have acted directly or indirectly for the benefit of, or under the direction of, Germany. To the reader of this story it may appear that this power has not been utilized as fully as might be.

The report described how the payroll of this American front for the German dye trust in World War II, as in World War I, was being utilized by Farben's spy bureaus. Under these conditions any past connection with Farben by a General Aniline employe appeared to be considered, by the Treasury, as cause for immediate dismissal.

Among the pre-war activities of the Agfa-Ansco Division of General Aniline & Film are reported (by others, not this Treasury document) to have been demonstrations of its photographic and blueprint apparatus and materials, conducted ostensibly for the edification of our army and navy authorities. It is said that these tests included the taking of stills and moving pictures, and the reproduction of drawings and documents, of what may have been regarded as "top secrets" of the limited national defense preparations which were permitted by a stupid Congress prior to the outbreak of combat war in Europe.

Complacent Government officials who permitted these generous tokens of Agfa-Ansco patriotism may have felt suitably compensated with copies of the films and photoprints thus supplied, gratis, for their use. And we may safely assume that Max Ilgner, in Berlin, was also gratified to see such movies and pictures of American defense plans as may have reached him through these channels.

When it came to weeding out the undesirables in Sterling the Treasury firing squad was unable to apply its formula and the report states that the removal of some forty-two persons on the payroll (for relations with Farben) was merely suggested. The suggestion evidently went to the Justice Department—and Mr. Corcoran.

If it may appear difficult to understand why such discrimination would be tolerated it should be understood that the German dye trust had immeasurably improved its technic over that employed

in World War I both in espionage and sabotage, and for the protection of the more important of its agents. This was especially true in the case of Sterling's Bayer.

During the months following Pearl Harbor, when the attempted housecleaning of the Sterling-Bayer-Winthrop organization at Rensselaer, New York, got under way, considerable excitement prevailed in that town and at Albany, across the Hudson River, where many of the personnel of the Sterling companies resided.

The head of a beauty parlor which was patronized by ladies of the Winthrop-Bayer families was reputedly put on the F.B.I. payroll, and feared for her life while thus serving her country in checking on subversive utterances of some of the lovely patrons whose husbands' loyalty to this country was under observation.

One of the Winthrop scientific staff who was removed from his duties and locked up on Ellis Island was Wolfgang Schnellbach, mentioned in Chapter v, who, it developed, had charge of "testing" the 400,000 adulterated Sulfathiazole tablets shipped out in 1940 which caused so much death and injury before the Winthrop management warned the public of this danger.

At Ellis Island, Mr. Schnellbach protested vehemently that the catastrophe was not his fault—that his superiors refused to permit him to make proper tests on the tablets.

Months before the United States entered the war in December 1941, there was available to the Congress testimony direct from the Gestapo relating to Farben's espionage and sabotage activities in this country and Latin America. This information was publicly presented to the Dies Committee on un-American Activities in May 1941 by the celebrated Richard Krebs, who wrote "Out of the Night," under the pen name of Jan Valtin.

Mr. Krebs, as a former Gestapo agent, testified at length from personal knowledge regarding the part played by the German dye trust in the organization of Nazi propaganda, espionage and sabotage in this hemisphere.

Naming Hamburg-American Line offices, and the Zapp Transocean News Service as mere appendages of the Gestapo, Krebs told how business houses in the United States employed Gestapo agents themselves and also placed these agents in other concerns which were not pro-German. The Gestapo, said Krebs, had its

"Industrial Reports Department" with special schools for training Germans, or Americans of German origin, to go to America as mechanics, engineers, and draftsmen, also as newspaper men and teachers—for work in vital industrial and cultural establishments of North and South America.

According to the witness, the Gestapo regarded any country where it operated as a "hostile country" with which "war" began the moment one of its agents crossed the border. (The country would learn in good time that "war" was going on.) In addition to inducing propaganda which might retain a semblance of legality, the purpose of the Gestapo, and especially of its Farben spies, was revealed by Mr. Krebs to be:

. to obtain information about our security (defense) program, and to produce choke points, or to sabotage our war efforts." (We may recall that Francis Garvan had said the same thing in 1919, and that Henry Morgenthau repeated it in 1942.)

Mr. Krebs was specific when he stated:

The I.G. Farbenindustrie, I know from personal experience, was already in 1934 completely in the hands of the Gestapo. They went so far as to have their own Gestapo prison on the factory grounds of their large works at Leuna, and began, particularly after Hitler's ascent to power, to branch out in the foreign field through subsidiary factories It is the greatest poison gas industry in the world, concentrated under the title of I.G. Farbenindustrie

During World War II there may have been fewer instances than in World War I of destruction of ships and munition plants by explosive bombs but the new technic did largely delay, and in some instances may have prevented, building the ships and the plants.

Possibly readers may perceive little difference in results between the "sabotage" that destroys, with bombs, a munition plant, after it is built; and the "sabotage" that prevents, by what Harry Truman called treason, the utilization of an improved process or the building of a new munition plant.

In August 1942 during the closing days of the Bone Committee hearings the word "sabotage" rang out in the Committee room while Standard Oil's Frank Howard was attempting to explain why a Farben-Standard patent restricting tie-up forbade Standard from using an advantageous process for making synthetic nitrogen and ammonia.

Irritated at cross-examination of the committee counsel, which brought out an admission that Standard did not appeal to the United States Government to do something about the matter until August 1941, Mr. Howard exclaimed:

The sabotage you speak of, Mr. Fath, was simply a blanket refusal on the part of the German Government to do any business at all in America You are arguing that we should have disregarded the limitations that existed on our rights. I might tell you that if we felt it was necessary, and important in the national defense, we certainly would have done it; but at the moment we apparently did not think it was necessary to do anything different from what we had.

As indicative of the significance of the use of the word "sabotage" in that connection it may be pointed out that when Mr. Howard gave this testimony the "limitations" on Standard's rights had already been adjudicated as criminal violations of our laws; and the "moments" when Standard did not find it necessary to act extended until August 1941, within a few short months of our entrance in combat war, the importance to our national defense being that synthetic nitrogen was vital in our production of military explosives.

Just as this kind of "sabotage" went on before and during the war, it may also occur to readers of this chapter that in some of the law enforcement problems to be mentioned later another type of "sabotage"—of government—may be observed.

Another incident of the Standard-Farben partnership which should properly be classified as "sabotage" had to do with that other vital military need, toluol. Back in 1920 appeal was made by the United States Navy authorities to the Senate that we should not again be caught short of toluol for TNT as we had been in World War I. But the Senate, and every one else in authority,

apparently forgot that warning; so we were again short of this all-important military requirement because, among other reasons, of restriction imposed by Farben upon the use of a new process for producing synthetic toluol which was developed by Standard from the germ of one of the Farben patents on the hydrogenation of oil. Although the process was developed long before the war, Standard's Frank Howard appeared to believe that even after the war began Farben still controlled its use because it did not relate directly to the oil industry. So Standard, in May 1940, turned down requests for the synthetic toluol which the Trojan Powder Co., required for a War Department contract.

Large scale production of this product was delayed by Standard out of deference to Farben until 1941, long after the need for immense quantities of synthetic toluol had become pressing. In World War I toluol was needed mainly for TNT. In World War II its use for TNT was tremendously increased because of the larger use of military explosives, and also because of further enormous requirements of toluol for production of butadiene, an essential ingredient for synthetic rubber, and for high-test aviation gasoline.

But Standard feared that Farben might object to the use of this process—and sue for damages after Farben had won the war.

In 1944 the United States was still short of high-test aviation gasoline and Buna rubber.

Instances of this later variety of sabotage have been indicated and it may be that here is the place to include an excerpt from the "Act (of April 20, 1918) to punish the wilful injury or destruction of war material and for other purposes," which was amended on Nov. 30, 1940 and includes this addition to the original law:

Sec. 5. That whoever, with intent to injure, interfere with, or obstruct the national defense of the United States, shall wilfully injure or destroy, or shall attempt to so injure or destroy, any national defense material shall, upon conviction thereof, be fined not more than \$10,000.00 or imprisoned not more than ten years, or both.

However it was not the above statute but the antitrust laws which were invoked—oh, how gently—in such cases of Farben's

Industrial espionage and sabotage, as were taken to court after Thurman Arnold finally got his Irish up and went gunning for the dye trust American fronts.

General Aniline and Film is amply discussed elsewhere in this story. This Treasury report of 1942 also described the seizure of Farben-owned Chemnyco, Inc., which was incorporated in 1931 as successor of the United States and Transatlantic Service Corp., Inc., a high sounding title that had succeeded a group called the Committee on Political Economics in 1930. Max Ilgner was its organizer.

Wilfrid Greif, a Farben director and also one of the top men in American I.G. Chemical Corp., originally held stock control of Chemnyco and he was succeeded in 1935 by our old acquaintance D. A. Schmitz.

William vom Rath, another of the sons of Farben was a part-time holder of Chemnyco stock and his pal Walter Duisberg included this organization among his multitudinous duties as Farben's chief trouble shooter in its American hideouts.

Among the notables who served as directors of Chemnyco were Dr. Karl Hochswender, who was also active in Farben's magnesium set-up; Carl B. Peters, vice-president of Synthetic Nitrogen, and its one-time president (of whom more later); and the late William Paul Pickhardt, son of one of the Kuttroff & Pickhardt founders who started as an office boy in that Badische-Farben hideout, became its president and, before he died in 1941 had also served as an American-born figurehead for Farben in many of its hideouts.

Mr. Pickhardt was also president of Chemnyco but its real head was Rudolph Ilgner. Each of these four Chemnyco directors, as told elsewhere, was indicted one or more times—and never punished save for the picayune \$1,000 fine paid by Ilgner for burning Chemnyco secret files.

Nominally a wholly American-organized and owned corporation, Chemnyco started out with a yearly subsidy from Farben of \$84,000 which annual retainer by 1938 had increased to \$240,000.

However it was not restricted to this generous budget outlay, the Chemnyco management being authorized to incur any additional or "special" expenses which were considered "necessary or

expedient." This blank check arrangement indicated that Uncle Hermann and brother Max had great confidence in Rudolph Ilgner—or else they thought that this might be a convenient method of denying responsibility for expenditures which later could be embarrassing to the Farben high command at Frankfurt.

In addition to its stated income and special expenses, Chemnyco also handled enormous sums while acting as a receiving or collection agency for funds due Farben from various partnership and patent license agreements in America.

Among the services which Chemnyco was obligated to perform was to "facilitate" the activities of such individuals that Farben chose to send to this country—including their introduction to our top level notables, when such contacts were deemed essential to the "accomplishment of the purpose of their visit."

The details of these services as outlined in the agreement may appear sinister in view of some of the activities which have been uncovered.

The Chemnyco staff undertook to make reports and act for Farben on governmental matters, including the recovery of property which had been seized by the Alien Property Custodian during the first World War, or to induce compensation (from the United States Treasury) for same. They also conducted negotiations and liaison relations with American corporations; acted as blind holders of American securities, prying into the affairs of such concerns, and reporting on scientific developments.

Chemnyco was forbidden to do one thing—it was specifically provided that it had no authority to do anything which American courts could construe as the "doing of business" by Farben inside of the United States. Thus its status as a false front was established in pseudo-legal language. However, Joseph J. O'Connell, Jr., head of the raiding squad of Treasury Secretary Henry Morgenthau, Jr., disregarded this camouflage and on December 11, 1941, the day on which Germany declared war, seized Chemnyco as a Farben property.

A great mass of Chemnyco's secret records were burned by order of Rudolph Ilgner after the F.B.I. came to examine them in July 1939, as told elsewhere, but those which have been uncovered reveal in part the comprehensive character of Chemnyco

espionage on industrial developments, especially as they related to war-making potentials. The Chemnyco pre-war reports to Farben dealt with such things as progress of the research in atomic fission, synthetic rubber tires, duPont's Nylon invention, manganese and magnesium resources and the annual production of the coke ovens of America.

While the war in Europe was in progress there were compiled, under dates in June, 1941, long lists of reports on research and developments in Standard Oil (N. J.) laboratories and producing plants.

Ostensibly occupied wholly with the handling of patent application licenses and matters of this sort, Chemnyco practised espionage on the secrets of American industry, with results which were of tremendous value to Farben's preparations for war in Germany and for crippling and obstructing preparations for war in America. By its great number of industrial contacts permitting correspondence, reports, and inspection visits which produced up-to-the-minute information of scientific and industrial progress here, Chemnyco was enabled to transmit secret intelligence to Max Ilgner's spy bureau at Berlin. This included confidential data which could not possibly be obtained by the conventional methods of secret agents. As a friendly patent holding company Chemnyco readily obtained the desired data at little cost and no risk, through exploitation of its industrial and commercial contacts. Tons of this material; process secrets, blueprints and national defense plans, were thus transmitted to Farben.

An example of this pre-war espionage of a vicious type in spying upon American synthetic rubber research was revealed before the Bone Patents Committee of the Senate on May 20, 1943. This espionage was directed at development work on rubber substitutes which had been conducted for some years by Dow and Goodyear; both companies had expended large sums and made good progress in this field; Dow already was marketing a rubber substitute which was acceptable for some purposes.

According to testimony given before the Bone Committee by Professor R. M. Hunter, of the Justice Department's Antitrust Division, a request was made by Dow and Goodyear for licenses to utilize the Buna synthetic patents, about which it will be re-

called (from Chapter IV) Farben kept Standard guessing for many years as a bait for the lopsided exchange of processes between them, and finally refused point blank, for military reasons, to supply the know how. Dow and Goodyear got a runaround instead of a license to make Buna. An act was staged by Standard and I.G. Farben for the rubber companies, while they were kidded into believing that licenses might be forthcoming.

And documentary evidence was also presented to the Committee showing that Chemnyco, as Farben's patent agent, reported to headquarters on June 3, 1937, that:

We thought it expedient to conduct the negotiations in such a way that we would continue to observe and become acquainted with Dow's and Goodyear's experiments.

Posing as patent license negotiators on this vital munitions product, Rudolph Ilgner's Chemnyco spies were pillaging results of this invaluable research work done by Americans for secret transmittal to Max Ilgner's espionage bureau in Berlin.

During the summer of 1945, after Germany was occupied and some of Farben's staff were in custody, Dr. Oscar Loehr of the Farben staff at Frankfurt recalled that particular report from Chemnyco on synthetic rubber snooping, and admitted frankly that this Farben front in the United States did "conduct industrial espionage for I.G."

A general conclusion recorded by Dr. Loehr during one of his examinations is to the point:

Question: So I.G. was able to suppress completely the synthetic rubber production in the United States, was able to use an American company, Standard Oil, to protect I.G.'s patents in case of war between the United States and Germany, and in that way I.G. itself undermined the military potential of the United States, and I.G. itself was able to carry on industrial espionage in the United States using its representatives, its participations and its agreements with American firms, to carry on economic warfare against the United States. Is that true?

Answer: These are the conclusions which seem to disclose that I.G. impaired the military strength of the United States Yes.

Likewise informative are excerpts from interoffice reports between Farben's offices and government officials in 1940, when the Germans thought that the war was already won, and that the United States would stay out of it.

One report, dated August 8, 1940, praises Chemnyco's services:

Extensive information which we receive continuously from the Chemnyco is indispensable for our observations of the American conditions especially with a view to the technical development Moreover this material is, since the beginning of the war, an important source of information for governmental, economical and military offices. Also in view of the later revival of trade with America, these informations are of importance to us.

Another communication indicates prewar knowledge by officials of the United States Government of precisely what Chemnyco was up to. This report, dated July 20, 1940, states:

We would not fail to mention that the Chemnyco was several times examined by the Authorities in the U. S. A. on its work and its connections with the I.G. and we would like to point out the confidential character of the above mentioned fact.

Some day, it may be hoped, these pre-war "examinations of Chemnyco" by officials of our own government will also be brought to light, and the identity revealed of those so complacent "authorities" who did not act when the character of Chemnyco's espionage was uncovered, especially after destruction of its secret files in 1939. Perhaps those prewar investigators of ours are among the men who expressed such shocked surprise when, after we entered the war, some of the truth about Farben's allegedly secret activities inside the United States came out in Congressional hearings (before these were choked off).

Chemnyco had its headquarters at 551 5th Avenue in New York, and during the prewar period there was also located at

that address the Chemical Marketing Company, another hideout of a Farben affiliate, the Deutsche Gold-und-Silberscheide Anstalt-a-g. This American front was incorporated in 1935 as the Frank von Kroop Company, changed its name to Chemical Marketing in 1937, and was headed by a German chemist, Dr. Ferdinand A. Kertess. That individual came to the United States in 1923 and commuted regularly back to Germany without becoming an American citizen until 1938, by which time he had prospered in many varieties of activities and was established in a sumptuous suburban estate in Westchester County, New York.

Dr. Kertess won what appears to have been the exclusive honor of being the only one of Farben's ersatz citizens to be lodged in jail in the United States. The crime for which he and his company were indicted in four different actions on November 6, 1942, was violation of the Trading with The Enemy Act, for which the defendants were convicted in July, 1943. The court fined them \$14,000 and also awarded Dr. Kertess six years in jail, where, supposedly, he now languishes.

Farben's connection does not appear in the record of these cases but its war plants undoubtedly were in dire need of the rare metals shipped by Kertess, such as palladium, rhodium and iridium, all invaluable in the production of war munitions and implements. Dr. Kertess made use of a woman courier to smuggle the precious metals out of this country to Germany via a circuitous route first to the Canal Zone, then to Colombia and Chile in South America, and overseas to Italy by plane.

This criminal agent appears to have been deeply involved in many varieties of subversive activities. He was known as the power behind the scenes in the Board of Trade for German-American Commerce, Farben's hideout for Nazi propaganda agencies, which is discussed in the next chapter. According to statements which he made to the Dies Committee in 1940, his Chemical Marketing Company had acquired the Maywood Chemical Company of Maywood, New Jersey, to manufacture a "specialty," which he did not identify. The Maywood company was the long established narcotic producer of cocain from coca leaves and kola nuts. Also the maker of the syrup known as "Merchandise No. 5," which is used in well-known beverages, and around which

revolved one of the most bitterly contested court cases in the early years of Harvey Wiley's Pure Food and Drug Law.

Why Dr. Kertess should have acquired a large plant for the production of narcotics has not been revealed. He was also on close terms with the American I.G. Chemical people and was active after the war broke out in shipping chemicals to Farben's South American agents, whose supplies had been cut off by the British blockade. His company likewise served as an alleged American assignee of German patents, in a vain attempt to prevent their seizure after the war started.

Among his other public-spirited activities, Dr. Kertess took a leading part in promoting an organization called the American Foreign Trade Association which, according to a letter written in August, 1939, to Germany about it, was promoting a friendly attitude towards Germany among members of Congress by the employment of lobbyists at \$50 per day, plus expenses for "secretaries."

This reference to the use of money by the phony Kertess organization to influence members of Congress as World War II was beginning, may be a reminder of the statement made on the floor of the House of Representatives on September 31, 1917, by Tom Heflin of Alabama, then a Congressman, when it was revealed that German Ambassador von Bernstorff, prior to our entry into the first world war, had cabled the Kaiser's government at Berlin for:

. authority to pay out \$50,000 in order, as on former occasions, to influence Congress, thru the organization you know of, which can perhaps prevent war.

Tom Heflin, later to become famous as a firebrand in the Senate, asked for investigation of those members of the House and Senate who had acted in a suspicious manner by their pro-German speeches, resolutions or bills, and demanded their expulsion if found guilty of being influenced by the mysterious organization referred to by von Bernstorff.

Having placed this challenge to his colleagues on the record Mr. Heflin followed up with some even more crude remarks in

the press about "lady spies" and a gambling room in Washington where "peace-at-any-price" members of Congress were extraordinarily lucky at cards.

The only result of these 1917 charges was a rebuke to Congressman Heflin. Demands for investigation of similar legislative misconduct before and during World War II were likewise ignored.

On May 4, 1939, four months before the German army crossed the Polish border, Dr. Kertess cabled one of his friends in Frankfurt that he was "together with friends, ready for war." Shortly after this he engaged a New York newspaperman, James E. Edmunds, for espionage work, which he termed "research," and for which Mr. Edmunds was paid some \$1,500 by Chemical Marketing.

In justice to Mr. Edmunds, it should be stated that his activities in reality constituted counter-espionage of a very clever character, and were conducted under the directions of the F.B.I. and British and French Intelligence officials, to whom he reported as soon as he realized the character of the "research" he was to do. Originally engaged by a representative of the Japanese News Agency Domei, who paid him handsomely, Edmunds became suspicious and reported to the authorities. These suspicions became a certainty when the Jap, Mr. T. Sato, sent him to Dr. Kertess, and the latter in turn asked him to contact one Dr. Herbert Gross, described as a German agent, who was operating a news agency in New York as a front. Gross wanted information about American war plants, British and French ships sailing from the United States and Canada, and other espionage matters. Mr. Edmunds accordingly traveled to Halifax, Nova Scotia, on his pretended spying, hoping to contact the Kertess-Gross agent across the border, and supplied his treacherous paymasters with much false data which was gotten up for him by the American and British authorities. He had some difficulty in securing from Dr. Gross the additional funds which the latter promised him, but appeal to Dr. Kertess always caused such financial troubles to be adjusted. The latter assured Edmunds that he was personally delivering the data thus secured to the German Naval Attache at Washington. Gross also asked Edmunds to bribe employees of Pan-

American Airways to supply information about British defenses at Bermuda, and the establishment of a convoy base there, with reports on its shipping.

Finally, according to Edmunds' sworn statements, Dr. Kertess solicited his aid in getting shipments of chemicals through the British blockade. On the record, Dr. Kertess appears to have been a most important cog in Farben's domestic espionage machine. But Mr. Edmunds made a monkey out of this Farben agent with his counter-espionage fairy stories.

Our old acquaintance, Dr. Eugene R. Pickrell, the Metz handyman and Farben lobbyist, reappears in the picture as receiving an annual stipend of \$6,000 from Chemnyco on an arrangement that was made in 1931, by which Dr. Pickrell represented Farben's interests in a legal capacity. Unhappily for Dr. Pickrell, the freezing order issued by President Roosevelt in June, 1941, appears to have interfered with the delivery of the Pickrell meal ticket in the customary manner, and Farben accordingly cabled its good friends Röhm & Haas, of Philadelphia, to please arrange a special license from the Treasury so that Chemnyco could pay Pickrell out of funds which the Philadelphia firm owed to Farben, for which Chemnyco acted as collector.

Mr. Morgenthau unkindly said "nothing doing," so Mr. Pickrell, who is not easily discouraged, made another try after the Alien Property Custodian had taken possession of funds due Farben from Röhm & Haas. In 1943 Dr. Pickrell put in a claim to the Custodian for the \$4,500 still unpaid on his 1941 salary for serving Farben in his native land. Again Dr. Pickrell lost out. The Custodian's Vested Property Committee decided that the Pickrell "evidential burden has not been sustained."

Dr. Pickrell, like Dr. Kertess, appears again in the next chapter as an important figure in Farben's propaganda hideout.

Among other duties Chemnyco and its predecessors also agreed to prepare, publish and circulate in America any advertising or other publicity which Farben might request. Chemnyco had no publication of its own. Here obviously was where the joint direction by Rudolph Ilgner of both Chemnyco and the German-American Board of Trade became so useful. The latter's monthly *Bulletin* circulated among the cream of American industry, com-

merce and finance, as the organ of a group of top ranking public spirited companies and individuals. Farben thus possessed an agency to wield influence in business circles and on high Governmental policies which far exceeded that of all the rest of the blatant pro-Nazi publications representing the Bund and other groups of the less respectable levels of American society.

So Rudolph Ilgner's powers as Chairman of the Board of Trade executive committee fitted in splendidly with those which he exercised as head of Chemnyco.

Which activities his brother Max, head of Farben's world-wide spy bureau in Berlin, was to admit (after his capture in 1944) "might" have violated the United States security statutes. They did. But Rudolph, by then raising chickens in Connecticut, should worry.

CHAPTER XV

*Propaganda for Wall Street
and Washington*

“EVERY AMERICAN businessman should endorse what James S. Kemper, President of the United States Chamber of Commerce said in a statement issued on May 18th: “The primary concern of American business today is that our country will not become involved in any foreign war. Business is not looking for the advantage of war profits and definitely is opposed to sending American boys and young men to fight on foreign soil!”

The pacifist views of Mr. Kemper, who was elevated to pre-eminence among business men and politicians by his title as President of the U. S. Chamber of Commerce, were thus extolled in the Bulletin of the Board of Trade for German-American Commerce for June 1940, during that tragic period of the war when Germany's ultimate victory appeared inevitable—providing a craven America could be persuaded to keep out of it, disarmed spiritually and physically, and thus he destined to stand alone in a final hour of German triumph.

After the death of Wendell Willkie, on October 8th, 1944, it was revealed that when the Republican National Committee was being reorganized, he aided in assembling data which was published regarding the isolationist record of James S. Kemper, who had been appointed financial chairman for the Dewey campaign. He was designated to handle the task of securing contributions from those business men and industrialists who believed that their best chance for a peace-time set-up satisfactory to their purposes would be by a Republican victory in that November election.

It would appear that Mr. Willkie, in examining Mr. Kemper's record, did not grasp the full significance of the use which had been made of the Kemper doctrines by the organization which had so praised his appeal to American industrial leaders that America must keep out of the war.

This organization was the supposedly respectable Board of Trade for German-American Commerce, the New York offices of which were finally raided and closed in December 1941, when the secretary and editor, Dr. Albert Degener, was interned and later shipped back to his native Germany.

Mr. Kemper's full statement as it appeared in the June, 1940, Bulletin, followed the usual isolationist line but was slanted to the viewpoint of businessmen by enlarging on the inevitable increase in our national debt and heavy taxes should we become involved in the war. It demanded that “we must be realistic and not emotional” by refusing to fight Germany. Insofar as the European war was concerned, profits rather than patriotism appeared the important thing for businessmen to consider.

That this kind of an appeal in the name of the United States Chamber of Commerce should have appeared in such a publication, and at such a time, is ominous. Probably neither Mr. Kemper, nor many of the respectable American business companies which belonged to the Board of Trade ever took the trouble to find out that this organization was registered with the State Department as a representative of foreign principals, the names of which included German I.G. Farben and other German industrial and financial enterprises which were tied into that huge war machine. However, these gentlemen could have discovered that many of its American members were affiliates or subsidiaries of I.G. Farben,

and that its executive officers were employees of, or dominated by, I.G. Farben.

The German-American Board of Trade as a source of pro-Nazi propaganda was immune until after we entered the war because of the apparent respectability and high position of some of its members. A fact which escaped Mr. Willkie and those who dug into Mr. Kemper's record is that ample evidence was available that this allegedly legitimate organization of businessmen engaged in import and export with Germany appears in reality to have been just another one of the "Tarnung" or false fronts of German I.G. Farben, set up in this country by its predecessors of the Dye Cartel and directed by its employes under cover of the names of respectable American companies which either did not realize its real purpose or which, for benefits received, were willing to act as stooges for the mighty I.G. Cartel.

Chief organizer of the German-American Board of Trade, in 1924, was the notorious Herman Metz, who has already been revealed as one of the most obnoxious American agents of the Dye Cartel for a quarter of a century, a professed Democrat who in 1919 switched his political and financial support to the Republican Ohio gang and its weakling, Warren Harding, for President. Metz, as its first president, announced that the purpose of the German-American Board of Trade was to find proper outlets for American products in Germany and to divert German imports in this country to channels where they would not conflict with American industries. To Metz it was to be a commercial "love thy neighbor" affair. (Love thy German neighbor—forget the war.)

In 1934, when Metz passed to his reward, he was still president of the Board of Trade and by that time, according to evidence revealed before the Congressional Committee on un-American Activities, some of the board's officers and members were busily engaged in spreading the Nazi brand of sweetness and light (kill thy non-Aryan neighbor) in the United States.

When legislation for return of enemy properties was pending in Congress in the 1920's, the German-American Board of Trade vehemently denounced all those who opposed this proposal with insistent demands that "American honor would be stained" unless all German properties we had seized were handed back.

Again in the late 1930's it was the Farben Board of Trade that led the assaults on Washington, first in protest to the Treasury Department for imposing countervailing duties on German imports; and, after the war began, to the State Department for not breaking the British blockade.

These Board of Trade gentry, from the time that it was organized, included a considerable number of those who during World War I had been engaged in similar subversive activities, in close cooperation with the American representatives of the German Dye Cartel of that earlier period. Herman Metz merely had the stage scenery repainted for the new false front—the actors and the action were frequently the same as before and during the first World War.

When officers and directors of the German-American Board of Trade wrote to or appeared before Cabinet officials and Congressional Committees, they had behind them a list of representative American corporations which appeared untainted by Nazi influence. They disguised and kept well in the background the I.G. Farben controlling influence.

It was James S. Martin of the War Division of the Justice Department, who later was to try to undue some of the post-war mess created by Farben's friends in Germany—who finally realized the true significance of the German-American Board of Trade as the headquarters where Metz and Ilgner had brought together the old crowd of Dye Trust pals of World War I with those newly added to Farben's Tarnung. And these important figures, when associated with other influential personages who were untainted by Nazi ties, were then able to flaunt their high place in public banquets and thus launch materialistic propaganda aimed at the cream of America's social and political economy.

In the fateful year of 1939 the Honorary President of the German-American Board of Trade was the late Julius P. Mayer, American-born top man of the Hamburg-American Steamship Lines in the United States for many years, the same Mr. Mayer who, during World War I, was closely associated with that notorious German spy, the American Bayer Company's Dr. Hugo Schweitzer; with the Kaiser's pay-off man, Dr. Heinrich Albert, and all the rest of the gang of German agents who made the Hamburg-American offices headquarters for propaganda, espionage, and sabotage dur-

ing the war period until the United States Government finally raided it and sent some of its personnel to jail.

Among Mr. Mayer's other World War I associates in the conduct of the earlier "Keep Us Out of the War" campaign, was none other than the still-celebrated Edward A. Rumely, who in April 1946, was to win an acquittal after two trials on an indictment for refusal to show a Congressional Committee the names of contributors to his more recent activities.

It was an executive secretary of the Committee for Constitutional Government, in which Mr. Frank Gannett was a prominent participant, that Mr. Rumely crossed swords with Congressional Committees in 1938 and 1944 for refusing to reveal the identity of those who put up the funds used by his new organization; much of which, before the war began, was violently isolationist and anti-war. Mr. Rumely, being held in contempt by Congress for his refusal to tell all, finally went free by grace of a second trial jury, despite his earlier record as an ex-convict.

It will be recalled that during the earlier war Rumely conspired with Bayer's Schweitzer to purchase the New York *Evening Mail* with secret German funds, and after the war served a jail term for these subversive activities. As was elsewhere shown he also came within the Sterling-Farben orbit in 1929.

Mr. Mayer's training during the first war, which qualified him to become the honorary head of the Board of Trade in preparation for the next war, included membership in the fake German University League, a propaganda agency financed largely by the American Bayer Company through H. C. Seebohm, Bayer's secretary; with Dr. Schweitzer as a trustee, and all of the other important Bayer officers (including those who were indicted and interned) among its members.

It was the president of this German University League, Dr. Edmund von Mach, who in February 1917, bombarded members of Congress with impudently worded pamphlets and letters attacking President Wilson's request for a declaration of war on Germany.

President of the German-American Board of Trade in 1939 until he died on February 20th of that year, was Herbert A. Johnson, whose ostensible business was that of handling publicity for

the Leipzig Trade Fair (of Germany) in the United States. Mr. Johnson's death occasioned a noteworthy tribute in the next issue of the Bulletin, which featured cables and letters of condolence received from Dr. Max Ilgner of Berlin (Head of Farben's Secret Intelligence Bureau); attendance at the funeral of representatives of Farben's Chemnyco, Inc., and beautiful flower arrangements bearing the card of I.G. Farbenindustrie a.-g. of Frankfurt, Germany. (A long distance to say it with flowers.)

However the actual director of the Board of Trade after Herman Metz died appears to have been the chairman of its executive committee, Rudolph Ilgner, brother of Max and head of Chemnyco, whose job there was described in the last chapter and discussed elsewhere. Rudolph Ilgner was indicted on the day Germany invaded Poland, for destroying evidence in the files of Chemnyco which a federal grand jury had demanded. This indictment was kept a secret from the public for a long time after it was handed down, but Mr. Ilgner and Farben knew about it, and in November 1939 the Board of Trade, with expressions of deep regret and praises for his invaluable services, accepted Mr. Ilgner's resignation as chairman of its executive committee. Perhaps the vote of thanks had special reference to Mr. Ilgner's criminal destruction of records which would have exposed some of the treasonable activities which were being conducted through the offices of Chemnyco and other Farben affiliates in the United States; or perhaps the Board's directors merely wished to pay tribute to their chairman for having arranged an elaborate reception and dinner at the Deutsche Verein in New York City in honor of Captain Fritz Weidemann who had just arrived in this country to become Consul General for Nazi Germany by order of Adolph Hitler, and who had acted, a few months before, as the official escort of former President Herbert Hoover during the latter's grand inspection tour of Nazi Germany in 1938 (of which more later). This Ilgner-Weidemann dinner took place some months before Captain Weidemann was exposed as Pacific Coast head of Nazi espionage and was ordered to get out—and stay out—of the United States.

The Farben-Ilgner executive body of the German-American Board of Trade included Ernst Schmitz, director of the German Railroad Information Service; J. Schroeder and C. J. Berk of the

Nazi combined Hamburg-American and North German Lloyd Steamship Company and other notables. Mr. Schmitz's Information Services, financed by the Nazi government, had included engaging the public relations firm of Carl Byoir and Associates for \$6,000 per month, presumably to give council to Americans how to become German tourists. The ubiquitous George Sylvester Viereck, editor of the German Library of Information "Facts on Review" was also on the Byoir payroll at \$1,750 per month, plus many more thousands from other sources, helping to edit a propaganda sheet called the *German-American Bulletin*—for the guidance of the prospective tourists. Mr. Schmitz also tied in with the notorious Manfred Zapp, the Casanova head of the Nazi handout agency Transocean News Service, until the latter was interned and indicted in 1941; Transocean, according to information found in Zapp's files, was owned among others by I.G. Farben's Robert Bosch, and the Hamburg-American Lines.

On November 30, 1939, according to a letter written by Mr. Schmitz, that member of the Board of Trade's directorate wrote inviting Zapp to attend a meeting at the Schmitz apartment in New York of a "number of people of the Intelligence Service of the Rome-Berlin Axis." This invitation gives some indication of the kind of people included in the management of the Metz-Ilgner-Farben Board of Trade. Mr. Schmitz, like Mr. Mayer, had World War I training in pro-German, anti-war activities; he was then an editor of the Ridder family's *Staat-Zeitung*, which attained notoriety during the first war and, while preparations for the next war were under way, heaped editorial ridicule on the heads of those who saw the slightest impropriety in I.G. Farben's penetration into American munition industries.

Mr. Schroeder, who had been with Hamburg-American for thirty years, was vice-president of the Board of Trade in 1939 as well as director and member of its executive committee; Schroeder, along with his North German Lloyd colleague, C. J. Berk, also aided in Viereck's editorial labors. Among the Hamburg-American propaganda activities during the second world war, as during the first one, was the transportation to this country of tons and tons of printed matter of the most vicious character such as Ivy Lee, Farben's American hired press agent, once de-

scribed as "books and pamphlets, and newspaper clippings and documents, world without end."

Incidentally it was the Hamburg-American-North German Lloyd, and the German Railroad Information Office which relayed from the Hitler government the funds through which Heinz Spanknoebel (until he was indicted and skipped) had financed the original gutter publication of the Nazis in this country *Das Neues Deutschland* (The New Germany). The Board of Trade's Mr. Schroeder saw to it that this alleged newspaper he was helping to finance had plenty of readers—in 1932 he sent a letter to each Hamburg-American employe instructing them to join the Friends of New Germany. The ships of these German lines, including the *Bremen* and *Europa*, when docked in New York between trips, were thrown open to the Bund and other Nazi groups, for meetings and banquets in full uniform. The Hamburg-American did yeoman service in the inside job of softening up America for World War II—just as it did for World War I.

Officers of the Board of Trade who were not members of the select Ilgner committee included Dr. Degener, already mentioned, and Heinrich Freytag its Treasurer, who was also an employe of the German Embassy at Washington. Dr. Degener, according to evidence said to have been seized and suppressed by the McCormack Committee in 1934, contributed large sums to Nazi organizations in America. Degener started a red hot campaign against the anti-Nazi boycotts when they began in 1933; he threatened publicly that the boycott would cost this country's businessmen their most profitable customers in Germany, and the interest on over two billion dollars of American investments in the Fatherland. Degener was particularly bitter at New York City's LaGuardia for advocating the boycott; he denounced the pugnacious Little Flower for endangering what he termed the "peaceful relations" between the United States and Germany.

One of the directors of the Board of Trade in 1939 when the war began was our old friend Dr. Eugene R. Pickrell. This ubiquitous gentleman, still on Farben's payroll as revealed in the preceding chapter, was now listed as a customs attorney, his office was across the hall from the Trade Board at 10 East 40th Street, New York City; and he made another trip to Washington on De-

ember 1, 1939 with Dr. Robert Reiner then president of the Trade Board, to protest bitterly to Secretary Hull against the British embargo on exports from Germany. These Farben Board of Trade protests in 1939, after Germany had gone to war, at interference with the rights of American citizens to engage in trade with Germany, were framed in almost the same words as those made by the Dye Cartel's Herman Metz to Secretary Bryan, and to President Wilson himself in 1915 about the British blockade in Germany's first world war. History repeats.

Carl Schreiner, of the Pilot Insurance Company of New York, was also a director of the German-American Board of Trade in 1939. Back in World War I days Schreiner had achieved notoriety through mention as an alien enemy in a Justice Department report on what was called the German Insurance Pools conspiracy, the purpose of the pool being to fight the British boycott and blacklist by the creation of dummy insurance companies. The Justice report indicated that the German Dye Trust's American Bayer and Cassella outfits were involved in this insurance monkey business.

Another 1939 director of the Farben Trade Board whose name recalls World War I was George W. Simon, listed as vice-president of the Heyden Chemical Company. Back in 1915, Mr. Simon was chief chemist for the Heyden concern when Dr. Hugo Schweitzer put over his phenol deal on Tom Edison with the assistance of Simon's father-in-law, Richard Kny. It was Heyden, it may be recalled, who purchased the surplus Edison phenol and used it in making drugs in order to prevent its conversion into munitions for use against Germany.

Active in the behind-the-scenes affairs of the German-American Board of Trade until the end was Dr. Kertess, whose jail term and espionage escapades appear in the previous chapter. To be always available, Dr. Kertess moved his offices to the same building as those of the Trade Board and his colleague, Dr. Pickrell, and as a supporter of Nazi propaganda, in 1939, helped to found the notorious American Fellowship Forum, whose "*Today's Challenge*" was edited by George Sylvester Viereck (before he was jailed), and whose National Director was Dr. Friedrich Ernst Auhagen, former instructor at Columbia University, who was also jailed for failure to register as a German agent, and, when he got out,

was promptly interned as an enemy alien, and his citizenship revoked.

Dr. Kertess protested to the Dies Committee in 1941 that he took no active part in organizing the Forum, but it developed that he paid the rent for its offices on West Forty-Second Street, New York, out of his personal funds. The vice-president of his Chemical Marketing Company, Richard Koch, was one of its founders, and when Dr. Auhagen retired as Director, Dr. Kertess became one of the holders of the registered title of the Forum.

Until he got into difficulties with the law, Dr. Kertess devoted much time and talent to arranging a grandiose plan for what he called the "Organization of German Industry in America after the War." This peace-time absorption of American industry was to be managed by none other than the Board of Trade for German-American Commerce—with Dr. Kertess and other representatives of I.G. Farben as Directors.

A 1939 director of the German-American Board of Trade who had an exemplary record as an American-born citizen and who engaged in pronounced isolationist propaganda, was James D. Mooney, World War I veteran, Lieutenant-Commander, U. S. N. R., and vice-president of General Motors Corporation. One of Mr. Mooney's anti-war contributions was an appeal on the subject which was introduced into the Congressional Record by Democratic Senator E. C. Johnson of Colorado, reprinted and distributed as a pamphlet and then published in amplified form in the Saturday Evening Post, August 3, 1940, under the title "War or Peace in America."

In that article Mr. Mooney described the horrors of war and Germany's defense of her own position. He criticized our attempt to aid England as futile, and insisted that the influence of the United States should be directed toward saving England a further beating by using our strength in the situation to compel a peace with Germany.

As a native-born American, Mr. Mooney was in strange company among some of the German nationals of the Board of Trade. According to Who's Who of 1940-41 Mr. Mooney was awarded the "Order of Merit of the German Eagle." Apparently some one in the Fatherland liked his brand of Americanism.

In the *Bulletin* of the Board of Trade for October, 1940, General Motors' Mr. Mooney was quoted as saying, with reference to our possible entrance into the war:

"On the day was is declared, we can kiss democracy good-bye."

When Mr. Ilgner threw a banquet it was a sumptuous affair, with big names on the seating list overshadowing the identity and purposes of those in the background. For a grand luncheon which he gave in the name of the German-American Board of Trade on May 27, 1937, to honor His Excellency Dr. Hans Heinrich Dieckhoff, the German Ambassador, parts of the seating list read like a directory of representatives of Farben hideouts and affiliates in this country.

One table seated I.G. Farben's distinguished Director Dr. Wilhelm Ferdinand Kalle, along with Sterling's president, A. H. Diebold; General Dyestuff's E. K. Halbach; Synthetic Nitrogen's A. L. Mullaly; W. P. Pickhardt of the old Badische agency; and Dr. E. R. Pickrell, the Metz handyman. With these close pals of Farben sat E. H. Meili, vice-president of the J. Henry Schroder Banking Corporation, of New York and London, lending a high note of Anglo-American financial approval to that group, and Ferdinand Andreas, Prince of Liechtenstein, added a touch of royalty.

Another table was graced by Rudolph Ilgner himself; Dr. K. Hochswender, of Magnesium Development and Chemnyco and D. A. Schmitz, of General Aniline. Among other Farben affiliates American Bemberg Company was represented by director H. W. Springorum; Fezandie & Sperrle by Oscar E. Sperrle."

Scattered through the seating arrangements were George Sylvester Viereck and Fritz Kuhn (this was some time before these two were convicted and locked up), also another celebrated pair, Dr. F. E. Auhagen and Dr. A. Degener (this was also before that couple were picked up by the F.B.I.).

Two other notables who graced this gathering were Dr. Herbert Gross who hired an American spy for Dr. Kertess, as revealed in the previous chapter; and Col. Ed. Emerson, notorious as a German agent during both world wars. Theodore Dinkelacker and Willy Luedtke, national leaders of the Bund, were also present. It was what might be called a "mixed" gathering.

On the dais with the guest of honor and Board of Trade officers sat James D. Mooney of General Motors; Editor Victor F. Ridder; F. W. La Frenz, president of the American Surety Corp.; Col. Sosthenes Behn, of the International Telephone & Telegraph, and other notables. It surely appeared to be a representative peacetime gathering of influential American citizenship.

When its connections are noted it may be more readily understood that this Farben organized and directed Trade Board was so respectable or so powerful, even after its offices had been raided and closed in December 1941, that its name was conspicuously missing from the long list of propaganda agencies, espionage hideouts and subversive organizations which was published as defendants or participants in four blanket indictments handed down in the District of Columbia in 1941-'42 and '43, out of which George Sylvester Viereck drew one conviction in 1942, which was reversed by the Supreme Court, and one in 1943, which put him back in jail.

The Trade Board's subversive activities were largely ignored by the Dies Committee when the latter partially uncovered many of the less important pro-Nazi propaganda agencies in the United States, and by the Truman and Bone Senate Committees when they partially lifted the lid on other Farben-American hideouts. It remained for hard-hitting James S. Martin, Chief of the Justice Department Economic Warfare squad to bring out some of the background facts and pre-war activities of the Board of Trade in testifying before Senator Kilgore's Sub-Committee on War Mobilization in September 1944.

Ample evidence has been revealed in Chapter II and elsewhere in this story that the German I.G. through Bayer and other American fronts engaged in propaganda, espionage and sabotage prior to and during World War I. The Ivy Lee advisory service engaged by Farben as discussed in Chapter x revealed how that agency of the dye trust continued its propaganda activities in anticipation of World War II.

In considering much of the evidence relating to appeals for pacifism, isolation and disarmament, it is frequently difficult to distinguish criminal propaganda from the protest which arises

in the idealism of thousands of patriotic citizens whose normal, sincere hatred of war formed the nucleus of much of the pre-war sentiment which has divided public opinion in the United States on our mythical isolation.

To step away from the domestic scene for the moment, we might consider the "Union of Democratic Control" of London which, in 1932, published an expose of what its authors described as the secret "Bloody International" or munitions combination, which included I.G. Farben and was accused of continually conspiring to cause wars in order to reap profits from the resulting demand for battleships, guns and munitions.

This pamphlet advocated abolition of private manufacture of arms and munitions to insure world peace by disarmament. This was the same thesis which allegedly motivated the United States Senate Munitions Committee in 1934 when it uncovered the hold that Farben had already secured on our national defense industries—and then did nothing about it except to aid in weakening our own security.

Evidently the idealistic English group was not directly inspired by Farben; actually that doctrine of disarmament thus preached was an integral part of the pattern of propaganda of the German dye trust in the period before we entered World War I, and again in the period before we entered World War II.

When we examine the activities of many of the peace groups in the United States during the last pre-war period, it must be admitted that thousands of those men and women were sincerely patriotic citizens who would be quick to rebuke the suggestion that their detestation of war was induced even indirectly by foreign propaganda.

One such group was World Peaceways Inc., of New York City, the letterhead of which carried the names of many distinguished citizens. This organization advertised its demands for peace by picturing the fact that women and children would be killed in the next war. On June 26, 1941, it issued an appeal for funds, copy of which was handed to me, with a message entitled "A Referendum on War." Accompanying that World Peaceways circular letter was a single page entitled "Sorry to Bother You," on which a wistful-looking youth asked you to talk over his plea to:

Be a little careful, willya, about whether you send me to war or not. I mean, I'd hate to have you send me over to fight and maybe die and then find out you'd made a mistake *again*, etc.

Underneath was the demand:

Keep America from making mistakes with her boys' lives.
Write to the President today. Issued by World Peaceways,
Inc. 103 Park Ave., New York.

This appeal was sent out a few short weeks before the near tragedy in the Congress of the United States, on August 12, 1941, when the addition of just one more negative vote would have destroyed the training of our new Army.

The vast majority of members of World Peaceways, and of its contributors, who would bitterly resent an intimation that I.G. Farben or any of its friends had anything to do with this organization, may be equally indignant to have it appear that an elaborate radio program which was staged in the name of World Peaceways some years previously was paid for by a pharmaceutical house which enjoyed close relations with Farben affiliates in the United States, and the head of which was reported to have approached Farben officials at Berlin with the intention of offering the latter a participation in the business of this company in the United States.

After Pearl Harbor, contributions were again solicited by World Peaceways in letters stating that funds were needed to enable it to resume advertising—to educate leadership for the next peace.

Other expressions of this same type of idealism were found in numerous articles and books published in America during that critical period when it seemed at times that the people of the United States, and its government, would never start to arm, or take a stand until too late to do so—except alone.

One such book was "War, Peace & Change" by John Foster Dulles, published in 1939, a very studious pre-war volume which indicated the author's conclusion that quarantine, non-recognition and sanctions were not solutions for problems of aggression by "dynamic" nations such as Germany, Italy and Japan.

Mr. Dulles appeared to praise the peoples of these countries

and to believe that they should not be confused with adventurers, soldiers of fortune or criminals, who might be "safely" repressed.

The arguments and the peaceful desires of Mr. Dulles as thus expressed were no doubt welcome to the peace-at-any-price idealists of this country during that tragic period. It may also appear that they were equally welcome to those who in Germany were guiding the behind-the-scenes preparations for war.

Thus the great value for Farben of the propaganda agencies controlled or guided from within the membership of the German American Board of Trade was the fact that among its members were honorable American companies and individuals whose commercial relations with Germany were legitimate and of long standing. For this reason the Trade Board for a long time was looked upon as above suspicion and as it spoke for business—big business at that—it was not subjected to that kind of public suspicion and distrust which was attached to groups like the Bund in the minds of many citizens during the decade before the entry of the United States into World War II. When on June 16, 1941 the United States Government struck its first real blow at Nazi propaganda and subversive activities in this country, the three organizations which were ordered to close up with the twenty-four German consulates for "Activities of improper and unwarranted character" were the German Railroad Information Office; German Library of Information, and Transocean News Service—as three of the principal Nazi propaganda agencies in this country. All of these were tied in with the I.G. Farben-directed German-American Board of Trade as a clearing house for information, and a safe refuge until then for their personnel. But the Board stayed open until after Pearl Harbor.

When President Harry S Truman, in December 1945, stated that the American people were responsible for what happened at Pearl Harbor as much as were our military forces, it might appear that our Chief Executive overlooked several highly important factors which are brought to light in this book, and especially in this chapter. Granted that the spiritual disarmament of the American people was due in part to the genuine idealism and pacificism of many honorable citizens, the fact remains that much of that idealism had a materialistic background, and much

of this was induced, directly or indirectly, by the top level propaganda created and broadcast among our most influential circles to which I. G. Farben was able to appeal through the highly respectable Board of Trade for German-American Commerce. The President, in that blanket indictment of American public opinion, overlooked what is perhaps the more important aspects of Farben's secret weapon—of influence at the top levels of industry, finance, and politics—which made it impossible for those who not only saw what was coming, but wanted something done about it, to be heard.

Regardless of how the President's remarks may be taken, the excuse may be offered that when the *Bulletin* of the subversive agency parading as a Board of Trade publicized the isolationist views of Republican Finance Chairman James S. Kemper it meant no more than when the opinions of other prominent American citizens were likewise broadcast in this or any other publication. It is thus interesting to examine the contents of an issue of the German-American Commerce Bulletin which appeared in March 1941, somewhat later than that containing Mr. Kemper's appeal. Many of the articles and editorials in this issue were emphatic pro-Nazi, anti-war propaganda appealing to the "business as usual" and appeasement sentiments of its readers. Various Farben officials and Farben's war-time accomplishments, making Germany now invulnerable, received mention in sketches and news articles. Included were pleas for appeasement of Germany and isolation for this country by pacifist advocates like General Robert E. Wood, National Chairman of the America First Committee, and Dr. Edward Lodge Curran, who stated that current "war mongering propaganda" ignored the fact that we had fought two wars with Great Britain in our history. A *New York Daily News* article, also bitterly anti-British, was reprinted, and the leading article, entitled "German-Americans in the World War," by Frederick Franklin Schrader, compared the hostility to German nationals in the United States during World War I, to current harrowing reports of racial persecutions by the Nazis in Germany. A description of Mr. Schrader as a well known author of historical works failed to mention other activities, such as associate editorship of the *Fatherland* propaganda journal published during World

War I, by our old friend George Sylvester Viereck; and during the present war again assisting the Viereck literary efforts as editor of *Facts in Review*, for the German Library of Information. According to Congressional records, Schrader was also for a time editor of *Deutscher Weckruf und Beobachter*, official organ of the German-American Bund, which, it need not be said, circulated among citizens of much lower levels of society than those of the highly refined industrialist readers of the Board of Trade *Bulletin*.

In such select company there was also published in this same issue of the *Bulletin* an urgent appeal to its readers to read a book entitled "Shall We Send Our Youth to War," which was described as a "a plea that the United States should stay out of the war." This book, which appears to have escaped the notice of the literary reviewers of this country, recited from the personal experiences of its author the "unparalleled famine and pestilence" which resulted from World War I. A few of the significant passages in the book may be quoted here:

Amid the afterglow of glory and legend we forget the filth, the stench, the death of the trenches. We forget the dumb grief of mothers, wives and children. We forget the unending blight cast upon the world by the sacrifice of the flower of every race.

We may need to go to war again. But that war should be on this hemisphere alone and in defense of our firesides or our honor.

We should hold that the basis of international relations should not be force, but should be law and free agreement. The first thing required is vigorous, definite statement from all who have responsibility, both publicly and privately, that we are not going to war with anybody in Europe unless they attack the Western Hemisphere. The second thing is not to sit in this game of power politics. These are the American policies that will make sure that we do not send our youth to Europe to War.

The author of this book also stated that prior to World War I he had lived with the "invisible forces which moved its causes," that he knew Europe intimately, "not as tourist but as a part of

my workaday life," and that in 1938 he had spent "some months in Europe with unique opportunity to discuss its problems with the leaders of fourteen nations." On the cover of this book is a picture of a soldiers' cemetery, row after row of little white crosses; with quotations from the book, and a blunt request:

If you want the United States to keep out of war, here is a book to send to your friends, to your Representatives, to all people who have power, directly or indirectly, to sway public and legislative opinion.

Neither *The New York Times* nor the *Herald Tribune* book review sections ever mentioned this book, and according to the *Book Review Digest*, no other literary publication gave it any notice. That honor was reserved for the *Bulletin* of the German American Board of Trade, which urged its purchase and also announced its author to have been Herbert Hoover, former President of the United States and Elder Statesman of the Republican party who strangely enough was to be elevated an *expert emeritus* on post-war problems of world famine by President Truman.

In reply to my inquiry, Mr. Thomas R. Coward, of Coward, McCann, Inc., advised that the book was contracted for with the personal representative of Mr. Hoover, and that insofar as he knew, no one connected with the German-American Commerce *Bulletin* had anything to do with it.

This statement may be accepted as entirely sincere as would be the protestations from thousands of Mr. Hoover's followers that his sentiments did credit to him and were shared by many others.

The fact remains that the German-American Commerce *Bulletin* appears to have been the only publication in which mention of this book appeared. And that *Bulletin* was the official organ of the Board of Trade for German-American Commerce, Inc., the organization started by Herman Metz, in 1924; registered with the State Department as the agent of a foreign principal; and directed, in 1939, by Rudolph Ilgner, head of Chemnyco, the patent-holding and espionage outfit maintained by Farben in the United States. And Mr. Hoover's guide in Europe in 1938 during his "unique opportunity to discuss its problems" was Captain Fritz

Weidemann. The position occupied in the public mind by our only living ex-President, a highly educated man of long experience in international affairs, gave dignity and impressiveness to his demands that we keep our sons out of the war—unless—and until—the invasion of the American continents should begin. (This could only have occurred after Hitler had conquered Europe, and had landed in the Argentine, or Panama, or Long Island.)

So Mr. Kemper, again the National Committee Treasurer, was still in good Republican company.

CHAPTER XVI

Counter-Propaganda & the Lobby

IT IS A SAD

thing to find men so money mad as to be willing to betray their country and their families for just a few more dollars.

Thus Francis Patrick Garvan, in a speech before the American Institute of Chemists, summed up his feelings about those Americans who had helped his life long enemy reestablish itself in the United States.

For Garvan, until the day of his death in 1937, was the implacable foe of the German dye trust—a tireless crusader who never gave up trying to warn his countrymen of the industrial Trojan Horse of the Germans had deposited on these shores.

One of Garvan's greatest triumphs was the 1926 decision of the Supreme Court which decreed that:

The purpose of the Trading with the Enemy Act was not only to weaken enemy countries by depriving their supporters of their property but also to promote production in the United States of things useful for the effective prosecution of the war.

Aside from the importance of that decision in preventing the immediate destruction of our new organic-chemical industry by returning the seized patents to the Germans, it is of tremendous significance to many phases of this story.

Garvan made good use of this decision in meeting the many German-inspired attacks made upon him, and to further his work as director of the Chemical Foundation. The Foundation distributed millions of pieces of educational literature; books, periodicals and pamphlets, and for many years was the strongest single force in America in pointing out the importance of organic chemistry to national security.

The fact that Francis Garvan, who had wealth, power, and prestige to support his efforts, was ineffectual in curbing the encroachments of the German industrialists, makes more understandable my own many failures to break through the Farben defenses. And perhaps it should be explained here that despite the suggestion of mutual friends that Garvan and I should work together, we never did. So I fought my own fight, in my own way.

From the very beginning, the only organized support I received was of an indirect character from groups of physicians and pharmacists, mainly in New Jersey. In just one instance was financial assistance given me by one of these groups—and stark tragedy was in the aftermath of that contribution. After the recent war began, I did, however, receive very welcome cooperation from a propaganda organization which started when Hitler came to power, the Non-Sectarian Anti-Nazi League.

Founded by the late Samuel Untermyer in the early 1930's, the League began a boycott against the Nazis which included allies of Farben in the United States, and imports of Farben products.

In Philadelphia, at one of its early mass meetings in 1934, the League was addressed by a local attorney named Francis Biddle, who demanded action, "in the only effective way that Mr. Hitler can understand—the economic boycott, sustained, aggressive and unrelenting." "Words become pallid," said Mr. Biddle, "a little absurd in the face of Nazi actions. We too must act."

Seven years later it was the same Francis Biddle who as Attorney General substituted the "pallid words" of consent decrees

for criminal prosecution, "sustained, aggressive and unrelenting." And, when the Anti-Nazi League wrote to the Attorney General about one of those polite consent decrees, the reply, by his executive assistant, the James Allen of Chapter IX, indicated that the Attorney General considered Sterling to be of great value to the nation in its war with Farben's empire.

While the bellicose views of Mr. Biddle have softened with the passing of time, those of the Anti-Nazi League as directed by Professor James H. Sheldon never wavered, and its *Bulletin* distributed much valuable data regarding the danger of Farben, and the necessity of boycotting the products of such firms as Sterling, Winthrop, and General Dyestuff.

In May 1941 after the failure of my efforts to induce Assistant Attorney General Arnold to tackle the Farben lobby (Chapter IX) I turned my attack back on the Senate with an appeal to its Majority Leader, Alben W. Barkley. My letter, in part, follows:

I say that the lobby is now and has been since I first exposed it, the spearhead of the German plan of pacifism, isolation and to stop us from arming, or from using the arms we have.

Some of the lobby members identified on my 1931 chart are still on the job among your members, others have joined the lobby in recent years.

The vindication of my forecast and warning ten years ago gives me the right and the duty to insist that the Senate must act now to destroy this lobby as a vicious and dangerous branch of the Hitler fifth column. Should any member of the Senate oppose such action now, ask him what he is trying to cover up.

Senator Barkley thanked me profusely, promised to give my request his consideration—and then retired to a hospital to recuperate.

In agreement with me that the Farben lobby at Washington constituted the spearhead of Farben's subversive activities and of immunity for its allies, the Anti-Nazi League then joined in the attack, and began its own systematic effort to induce action.

The Justice Department, Secretary of State Hull, and Secretary of the Treasury Morgenthau were among those appealed to by the League, unsuccessfully.

One letter from the League, in July 1941, went to the Hon. Walter F. George of Georgia, then Chairman of the Senate Foreign Relations Committee. It referred to the activities of Farben affiliates in the United States and Latin America, and to the well-organized lobby at Washington by which "Congress is being improperly influenced." Therefore, wrote the League:

For the sake of the integrity of American industry, and for the sake of national defense during the present critical time, we respectfully urge you to investigate this lobby.

About that same time I also sent a letter to Senator George asking for an investigation of the Farben Lobby. The Senator's replies to these two separate requests for similar action were somewhat odd. He told the League that he thought the Judiciary Committee or the Justice Department should make any investigation of that character, and that he understood the latter was so doing. He told me that he was referring my request to the Dies Committee. Thus the Senator covered up on our lobby investigations demands, but he played fair, he called his shots and gave each peanut shell a name: Dies, Judiciary, and Justice. He must have forgotten there was a dead letter office. The latter would have served equally well.

The League continued, as I did, to hammer away for investigation of the Farben lobby but it was no use. The lobby did not choose to be investigated, and even after war was declared on the United States, all such appeals fell upon deaf ears.

While world war II was under way there appeared on the national scene a new organization which was called, aptly enough, "The Society for the Prevention of World War III." Many well known public figures were identified with this group and it has done yeoman work in publicizing the menace that is Farben, and in denouncing the plot to revive this threat to future world peace.

In October 1941, on the theory that my 1931 diagrammatic chart had by then been sufficiently confirmed as to Farben's control

of our national-defense industries, I sent a reprint of the chart to each member of the Senate and House with another urgent demand that my long-standing appeal for investigation of the lobby be granted. In that letter I said, in part:

I suggest also that no one of you hazard the opinion that I merely guessed at the facts on my 1931 chart. Obviously I had to know such facts to state them and not be jailed for criminal libel.

Moreover that 1931 chart is now, in 1941, the irrefutable proof which Messrs. William E. Weiss, Earl I. McClintock, et al. cannot meet when they plead that they did not even suspect, years ago, just what were the subversive activities which their German associates were directing them to conduct. If I knew these facts in 1931 then they knew them even before 1931. They are not that dumb.

Again, silence in the halls of Congress.

Later, I submitted to the Justice Department and to the Truman and Bone Committees of the Senate another appeal entitled "Tender of Proof" which outlined some of the evidence that supported the allegations on the chart. I again informed the Justice Department and the Senators that the significance of this chart was the obvious fact that its circulation, a decade previously, constituted irrefutable proof that those same facts must have been suspected or known by the American industrial and financial leaders who negotiated with Farben.

In September 1941, Senator Connally, of Texas, who had succeeded Senator George as Chairman of the Senate Foreign Relations Committee, advised me that the Department of Justice was already investigating the lobby, so there was no need for his committee to do so. Then began one of the finest examples of the runaround that I have observed in a long experience with officials who are afraid to say "yes" and hate to say "no."

Accepting Senator Connally's information as authoritative, I wrote Attorney General Biddle how happy I was to learn that he was at last investigating the Farben lobby, and would he please let me help. This was in the period when Tom Stokes and a few

others were panning the daylight out of the Corcoran-Biddle weasel-worded consent decrees. Mr. Biddle, after due consideration, referred my letter to his subordinate, Mr. Arnold. Mr. Arnold, with his tongue in his cheek, referred me to his subordinate Mr. Sam S. Isseks, Harvard classmate of Mr. Corcoran, who had done the spade work at the funeral of the Sterling investigation. Mr. Isseks, after a brief interview, referred me to his subordinate Mr. Robert Wohlforth, ace investigator of the Antitrust Division, and former chief sleuth for several Senate Committees.

Mr. Wohlforth, whom I had never previously encountered, as he had not been in on the current Farben mess, happily turned out to be too straightforward and forthright to play clown, no matter who ran the circus. After checking up to get his facts straight, Wohlforth gave me the first definite and clean-cut statement I had received from any public official in fifteen years of effort to get action on the lobby. Wohlforth's reply, condensed, was a courteous but firm "No." There was no lobby investigation in progress and there could be no lobby investigation started without orders. So that was that.

To complete the record I sent out some letters headed Re: Lobby Employed by German I.G. Farben-Sterling Products, et al. These letters were as follows:

Dear Mr. Wohlforth:

Referring to conference with you on the 23rd instant regarding the above subject, to discuss which I was referred to you by Mr. S. S. Isseks, I regretted very much your instructions that no investigation would be made of the lobby employed by the German I.G. Farben-Sterling group.

Under these conditions it would have been useless for you to have considered the information which I was prepared to present relating to this lobby but I do feel obliged to express to you my deep appreciation for your courtesy and forthright attitude.

Dear Mr. Isseks:

Referring to conference had with you on the 3rd. inst. regarding the above subject I regret to inform you that Mr.

Robert Wohlforth of your staff, with whom you instructed me to discuss this matter has informed me that no investigation would be made of the lobby employed by the German I.G. Farben-Sterling group.

Dear Mr. Arnold:

Referring to your letter to me dated the 26th ultimo, regarding the above subject I regret to inform you that Mr. S. S. Isseks of the New York staff, with whom you instructed me to discuss this matter has caused me to be informed that no investigation would be made of the lobby employed by the German I.G. Farben-Sterling group.

Dear Mr. Biddle:

Referring to my letter to you dated the 15th ultimo, regarding the above subject I regret to inform you that Hon. Thurman Arnold, Assistant Attorney General, to whom you referred my letter has caused me to be informed that no investigation would be made of the lobby employed by the German I.G. Farben-Sterling group.

Dear Mr. Chairman Connally:

Referring to letter dated the 4th ultimo, regarding the above subject, in which I was advised that you considered action by the committee unwise because the Department of Justice was making an investigation of this matter. I regret to advise you that Hon. Francis Biddle, Attorney General, has caused me to be informed that no investigation would be made of the lobby employed by the German I.G. Farben-Sterling group.

The Dies Committee also has indicated to me that it has no intention of making such an investigation so it would appear that some one deliberately misinformed you on this subject.

In view of the above I again request that you bring to the attention of your committee my letter to yourself of August 12 and the copy of my letter of July 18 to your predecessor

Senator George, also my open letter to the Congress dated October 6, all requesting investigation of this lobby.

Respectfully,
H. W. Ambruster

The pressure of events, or something, deterred the Senator from replying.

Alibis and Excuses

FRANK A. HOWARD, who conducted so many of the negotiations with Farben, wrote his Standard Oil colleague E. J. Sadler, on February 6, 1940, that Germany's policy for fifteen years had been the exporting of patent rights, "resulting from their learning that, if they did not secure their exploitation abroad by appropriate deals, unlicensed competition would pirate the new processes, leaving the originators neither an export market nor anything to sell in the way of patent rights or technique."

This comment illustrates the absurdity of the alibi that our industrialists entered into illegal agreements with Farben because they were farsighted and, had they not done so, the United States would not have derived the great benefits from the Farben patents covering dyes, drugs, explosives, magnesium alloys, rayon, synthetic rubber, plastics, etc.

These disingenuous sophistries have been broadcast most assiduously by Farben's American cohorts since the exposure of the character of their agreements, and the resulting injury to our national defense.

Possibly the most widely publicized of these excuses was the

so-called official press release already discussed in Chapter ix which was prepared by Tommy Corcoran and issued over the signature of Attorney General Biddle. This remarkable apology for a convicted corporation contains these words:

Under this agreement (with Farben) many new and important discoveries in the pharmaceutical field were disclosed to Winthrop Chemical, thus making them available to the United States.

Another bit of excuse propaganda is found in one of the pamphlets distributed in 1942 by Standard Oil, quoting allegations made by its president, W. S. Farish:

. whether (or not) the several contracts made with I.G. did or did not fall within the borders set by the patent statutes or the Sherman Act, they did inure greatly to the advance of American industry and, more than any one thing, have made possible our present war activities in aviation gasoline, toluol and explosives, and in synthetic rubber itself.

However, it is apparent that Farben's United States patents would have been valueless to the Germans had not agreements for their use—legal or illegal—been made with our industrialists. Otherwise, the patents could only have served as a means of preventing manufacture; and as such they would have constituted so glaring a repetition of German cartel practices prior to World War I that the inevitable result would have been a change in our patent laws.

On the other hand, should Farben have refrained from taking out patents in this country, its new processes would have been available to our industries here as rapidly as they were revealed—when the patents were issued in Germany, and published.

Farben's leaders knew all this, their American partners knew it, and the Government knew it. Nevertheless, the illegal unions were made and consummated. The Justice Department and the Congress twiddled its thumbs, and when our so-innocent industrialists asked for the know-how on some of the more important German patents they were told that it was "withheld for military reasons."

One appeal to public opinion issued by duPont on January 6, 1944, in part, was as follows:

Surely it cannot be the policy of the Department of Justice to attempt to prevent the continuance of such immensely beneficial arrangements which have been a common practice in American industry.

This plea referred to the announcement that another antitrust action had been filed involving duPont; in this instance with the British Imperial Chemical Industries and the duPont subsidiary, Remington Arms, also named as defendants.

This statement was cleverly phrased; it contained allegations that the agreements had never been concealed and that

. copies have been in the possession of Governmental agencies for approximately 10 years.

All this was unquestionably true. The same statement was repeated in duPont's next annual report, but what may appear to have been an unfortunate omission, in each instance, was any mention of the fact that some of the restrictive agreements referred to in this antitrust action involved not only the British I. C. I. but also included tie-ups and financial partnerships with I.G. Farben subsidiaries making and distributing both commercial and military explosives.

It was by repetitious publicity of this character that duPont escaped much of the press criticism that was heaped upon some of the others who were not involved in as many court actions for conspiring with Farben as was this oldest and largest of American munition makers.

DuPont's public relations, since 1936, were handled by Herbert Hoover's former White House Secretary, the late Theodore G. Joslin, until he died in April 1944. Mr. Joslin knew his way around Washington and Newspaper Row. His public relations department contributed numerous terse press handouts, and, along with duPont's elaborate radio program, "Cavalcade of America" contributed effectively to the appeasement of public opinion.

This publicity featured denials that duPont "ever has been a party to any cartel arrangement, using the term in its usually ac-

cepted sense," or that the company ever had "any connection with the German company (Farben) of a nature detrimental to the United States." These denials may be considered merely as expressions of opinion—with the duPont definitions of the words *cartel* and *detrimental* still at issue.

However one of the duPont radio pleas incurred an official rebuke from the Federal Communications Commission, which, in a report issued in March 1946, criticized that company as using "its commercial advertising period" to "explain one side of a controversial issue."

The comments which were thus criticized were sandwiched in with interesting references to "Better Things for Better Living Through Chemistry" in a broadcast in January, 1944, during a period in which some hostile press comments were appearing relating to court actions which involved Farben's ties with duPont. The broadcast was a vigorous protest that the duPont agreements with I. C. I. had been of great benefit to the American people and to the war effort.

Also naming numerous products which, it was admitted, duPont chemists had improved but which "came originally from abroad."

Again Farben was not named although vague references were made to continental European companies, and mention of synthetic nitrogen and ammonia, plastics, rayon, dyes and cellophane may have caused listeners to believe that many vital products which in reality had been made in this country since the days of the first world war were actually the result of the benevolences which I. C. I. and the unnamed European companies had contributed to America during the recent pre-war period.

There was a defiant note of challenge in these duPont statements which ignored any suggestion that the benefits thus alleged could have been secured equally well without any questionable tie-ups with I.G. Farben. And little was said about those instances where, as will be revealed in the next chapter, the duPont company pleaded *nolo contendere*, or agreed to a consent decree in cases involving Farben tie-ups.

From across the Atlantic, Lord Harry McGowan, chairman of I. C. I. made several contributions to a friendly duPont press, with statements cabled through the press associations which termed

such charges against his company "iniquitous." The noble lord declared that the cooperation between I. C. I. and duPont had been beneficial to both the United States and Britain, and formed a good pattern for post-war international agreements.

In debate in the English House of Lords, both Lord McGowan, and Lord Melchett, another I. C. I. director, on occasion shouted defiance at the United States Department of Justice regarding the numerous instances in which I. C. I. was accused with duPont of tie-ups with Farben. Lord McGowan ridiculed as innuendo the news items which had appeared in the American press indicating improprieties in any such relationships. He boasted that I. C. I. "is not indicted" for any breach of American law (which was hardly accurate) and had not "done anything to be ashamed of," (which, being a lord, may have been true). Finally he announced that it would be time enough for the House of Lords to ponder the matter of Farben when and if Parliament should enact legislation against such relations.

Undoubtedly the news and editorial comment in the American press which stressed duPont's relations with our British allies, the I. C. I., rather than the tie-ups with the German enemy, I.G. Farben, tended to soften public opinion towards duPont. That company's greatest triumph in public relations belongs in the next chapter.

In 1941, when Sterling began getting hostile criticism in the press, a public-relations firm with special training to correct just such unfortunate situations was engaged.

Baldwin, Beech, & Mermey, of New York City, was given the task—a happy choice, as this was the outfit which had been selling the public the idea that a rejuvenated McKesson & Robbins, under many of the same old directors, was rid of all taint and odor of the fraud and criminal activities of its erstwhile guiding spirit, Donald (Musica) Coster.

A glance at the earlier record of the firm of Baldwin, Beech, & Mermey indicates that its qualifications for the job were also well founded on experience which Mr. William Baldwin and Mr. Maurice Mermey had when they were retained in the late 20's to sweeten publicity in favor of a low tariff on sugar imports from Cuba. In this case the sweetening came from the Hershey Co.,

the Coca Cola Co., and an organization known as the American Bottlers Association.

According to testimony given by Messrs. Baldwin and Mermev before the Caraway Lobby Committee in 1930, some rather weird methods were utilized in order to induce favorable publicity, called "legitimate news," some of which might indicate animosity in Cuba towards the United States. Commenting on the evidence, Senator Robinson accused Baldwin and Mermev of:

Arranging to have cartoons published in these Latin-American newspapers, inflaming the sentiment against the United States. (Farben would have liked that as much as the sugar people.)

So on the record, Baldwin, Beech & Mermev was well qualified to inject some sweetness and light into the sourness of the Sterling reputation. Its task was not an easy one, and, unhappily, news items continued to come out of Washington which were reminders of the close personal relations between the Sterling executives and the leaders of Farben.

However, the agile press agents got to work and Sterling soon got some publicity which paid unqualified tribute to its reformation and to its executive personnel, especially Messrs. McClintock, Rogers, and James Hill, Jr., who represented the old regime as well as the new.

Two New York publications which gave space to favorable mention of Sterling (in February 1942) were *The American Business Survey*, a sheet devoted to articles praising various companies and individuals, and *Printers Ink*, long established organ of the advertising and publishing business.

The articles in both of these publications praised the new Sterling set up. *Printers Ink* also praised its past and, rather oddly, appeared to credit Sterling with having secured for the medical profession such remedies as Salvarsan, Novocain and Luminal, all of which, it may be recalled, were introduced in the United States long before Sterling supposedly had any tie-ups with the Germans. *American Business Survey* talked about the "Monroe Doctrine puissant" and "cultural coordination" between the United

States and Latin Americans induced by Sterling's anti-German drug drive. It was pretty bad.

Reprints from both of these publications were distributed gratis, and with apparent liberality, but as none of the dodgers were handed to me, I called at the office of *The American Business Survey* to secure a copy. Only one individual was visible in the office—a zealous gent who wanted to quote me prices on lots of a hundred or more. I got my copy, thanked him, and left. A few weeks later the Federal Trade Commission lit on the interesting "Survey" publication as a fake.

Another disingenuous publicity stunt by which Sterling attempted to live down its Farben relations was the free distribution through druggists and doctors of thousands of copies of a booklet entitled "Footprints of the Trojan Horse," which was originally published as a warning against fifth-column activities in the United States. This time it was handed out in the name of "The Bayer Company, Inc., makers of Bayer Aspirin." It was a strange book for Sterling to circulate in the year 1942.

When the adverse publicity of 1941 got under way, the trade and industrial press did everything in its power to convince the public that Sterling, Standard Oil, and other Farben affiliates had done nothing wrong in making tie-ups with the Germans, and that in any event the results had been beneficial to the United States. This was merely following the line of indirect apology that for many years had been held to in such journals as *Chemical and Metallurgical Engineering*, the McGraw Hill publication long accepted as authoritative in the industries.

For example, back in May 1929, this publication had lauded the formation of the American I.G. Chemical Corp., and belittled its critics as hysterical. Again, in April 1942 its editorial made the preposterous accusation that it was Thurman Arnold's prosecution of Farben affiliates that had obstructed our national defense supplies of magnesium, Buna rubber, and other strategic materials.

In normal news channels Sterling fared a bit better than Standard Oil, possibly because it escaped the Truman and Bone Committee inquiries. These inquiries went sufficiently deep into Stand-

ard's relations with Farben to cause its president, at that time, the late W. S. Farish, to attempt a public defense before both committees. Much of Mr. Farish's testimony was devoted to denials of the accusations that Standard had delayed synthetic rubber production in this country. This allegation, he stated before the Truman Committee, "has not a shadow of foundation." However, Mr. Farish appeared unable to explain, even to his own satisfaction, the long delay in getting the Buna program started. "I don't know what has caused the delay" he said at one point.

In the ensuing discussion of the delayed rubber program, Senator Connally, old Texas colleague of Mr. Farish, contributed this gem of official explanation and foresight:

We were hopeful that we wouldn't lose the Dutch East Indies and hopeful that we wouldn't lose Malaya Whoever, if any one, did it (caused the delay) was probably acting through motives they thought were wise and good motives.

Before the Bone Committee, Mr. Farish assumed an aggressive attitude and denounced the case which had been presented against Standard as "one sided." Senator Bone retorted hotly that he was fed up with that kind of defense from big outfits like Standard.

When Mr. Farish alleged that Standard's relationship with Farben was severed by the so-called Hague agreement in 1939, he was forced to admit that there was still in existence a carry-over understanding subject to later adjustment (which means, of course, after the war). Mr. Farish then started to enlarge upon the thesis that "All of you know now of the enormous advantages to the public of our contracts with I.G. Farben."

Challenged on this one by Mr. Creekmore Fath, Mr. Farish replied plaintively, "We are human beings. In 1927 we could not foresee 1942."

So it was made to appear that the master minds running the world's largest industrial organization, with agents in every country, never even suspected that a war was in the making.

As examples of the enormous advantages to America that had been brought about by the Farben partnership agreements, Mr. Farish listed the original process for producing 100 percent octane

gasoline; the method of making synthetic toluol, the basic ingredient of TNT; and Paratone, an improvement in lubricating oils for planes, tanks and ships.

These generous tokens of Farben's esteem sounded good to some of the Senators—until three of Mr. Farish's assistants gave their testimony. It then appeared that the products named by Standard's president had been perfected not by Farben, but by Standard Oil's own research men.

An item of rather unfavorable publicity also developed when Professor Hunter, of the Justice Department, told the Bone Committee that five Standard officials had made deliberate misstatements. Some of the discussion that followed was so heated that it was expunged from the record.

Standard's efforts before the Senate Committees to excuse or vindicate its relations with Farben were supplemented with numerous press releases and circulars—the latter distributed from filling stations and at employes' meetings. Informal talks before gatherings of all kinds were also in order.

Robert Haslam, elected vice-president of Standard Oil and in charge of public relations, contributed vigorous articles and letters to the press defending his company's relations with Farben against what he termed sensational, unsubstantiated charges which painted a false and distorted picture.

One Haslam article, which appeared in the *Petroleum Times* of London, England, on December 25, 1943, struck fire in an unexpected quarter—no other than the headquarters of Farben at Frankfurt, Germany (although this effect was not known in the United States until the war ended). Mr. Haslam alleged in this article that secrets brought to America from Germany had turned into mighty weapons against Germany. He then mentioned the same three developments which had been cited by Mr. Farish before the Bone Committee; high octane gasoline; toluol; and Paratone as having been secured from Farben. Apparently he did not remember that he was one of the three Standard scientists who, to the Senate Committee, had indicated opinions that Standard, rather than Farben, had actually developed these processes.

Mr. Haslam's article likewise indicated that America got Buna rubber from Farben.

It did not take long for the Haslam alibi to get through to Germany, whereupon Farben's chief counsel, Dr. August von Knieriem, put his own experts to work picking flaws in the Haslam thesis—with counter-claims that it was Farben and not Standard, that had all the best of it in the pre-war horse trading.

Many valuable contributions, said the Farben boys, were received as result of their contracts with the Americans—including lead-tetra-ethyl (gasoline); polymerization; improved lubricants; and finally, that it was through friendly relations with Standard that Farben had purchased large reserve stocks of aviation gasoline and lubricating oils for the German government just before the war.

As for Iso-octane, said the Farben experts, Standards research men had recognized that long before they had any knowledge of the Farben process—and it was Farben that got the best of the exchange of ideas on that item. And regarding toluol, the report went on, Mr. Haslam's talk of a miracle was all bunk. According to the Frankfurt technicians, Standard did not use Farben's process as it already had all the toluol methods it needed.

On Oppanol, or Paratone, again it was Standard's improvements that helped Farben. The retort on Buna rubber was emphatic—Farben didn't give Standard anything important to war economy, and whatever may have been revealed in the patents America could have procured without any agreements—as enemy patents in war time.

Altogether, the Farben boys appeared to have shot Mr. Haslam's alibi and that of Mr. Farish full of holes. It will be recalled, too, that in Chapter xiv, Farben's Dr. Loehr admitted that his company had undermined the military potential of the United States through its connections with Standard.

However, the Haslam-Farish versions had wide circulation in the United States, and the Farben retorts did not. The result of Standard's publicity was a lessening of criticism.

Other things, however, may have contributed. It was stated by Walter Winchell that in May 1942 a news broadcaster for CBS had been effectively silenced on the Truman and Bone Committees exposés. This man had included in the script of his broadcast mention of the accusations that Standard intended to resume ties with Farben when the war ended. The CBS censor killed the item

and, it was reported, told the radio newsmen to "go easy on Standard, you know we carry plenty of their business."

Harry S Truman, while still a Senator, paralleled that revealing incident with a public accusation that Standard, with huge government contracts, was advertising at taxpayer's expense to counteract the fact that its tie-ups with Farben had materially retarded the development of synthetic rubber in America.

The 1942 and 1943 stockholder's meetings of Standard at Flemington, N. J., were the occasions of spirited defense speeches by its executives. At both of these meetings a committee of minority stockholders, ably led by one William Floyd, II, and his attorney, Amos S. Basel, proposed queries and resolutions which appeared to embarrass mightily the Standard defenders.

At the 1942 meeting Messrs. Floyd and Basel attempted in vain to put through a resolution requiring the Standard executives to answer "fully and adequately" the Senate Committee accusations. At the 1943 and 1944 meetings they tried again, unsuccessfully, to get Standard on record that it would not resume cartel relations with I.G. Farben after the war, unless the Government should desire it to do so.

At the 1943 meeting President Ralph Gallagher, who had succeeded to that office at the death of Mr. Farish, made the fantastic assertion that Standard "never had any cartel agreement with I.G. Farben." He then declined to reply to a question as to whether or not the Farben contracts would come into existence again when the war was over.

Senator Kilgore, on the morning of the 1944 meeting, issued a statement at Washington calling attention to Standard's reluctance to make any commitment on post-war cartels. At the meeting Mr. Basel, raising his voice above the uproar which arose whenever he pressed the Standard-Farben issue, quoted the substance of the Kilgore remarks. Whereupon Mr. Haslam, his ire aroused, demanded that Mr. Basel read the entire statement. "I will," replied the speaker, "if these people will keep quiet." The claque, for once, subsided.

James Gerard, Ambassador to Germany in the first World War and financier of the Democratic National Committee, defended Standard's leaders at all of these meetings. In 1942 Gerard quoted

Leviticus about the priest and the goat. In 1943 Mr. Gerard's contribution was of more serious import. Said he:

I can assure you that some of us who are thinking over what is to happen after the war are contemplating universal cartels, and it may be that our own government will tell or even order our management to join some international cartel.

At the 1943 Standard Oil meeting, approval was voted to a proposal of the directors to transfer permanently to the United States all of the Buna rubber patents. There were, of course, certain provisions, but it was good publicity, only a comparatively few people knew that under the terms of the 1942 consent decrees Standard had already been forced to throw open its Buna patents, and that the Alien Property Custodian had already seized title to all of the Farben United States patents which allegedly had been transferred to Standard—after the war started.

While I did not attend the 1943 meeting, I did go to the one in 1942—as proxy for a stockholder, and asked just one question:

Mr. Farish, would you or the other officers of the company desire to state to this meeting the date when you first became convinced or suspicious that the activities of the German I.G. Farben in its relationship to Standard Oil of New Jersey were hostile to the national security of the United States?

Mr. Farish, after some quibbling, declined to reply. "I don't think the question is proper," he said.

So this challenge, which must go pretty close to the root of the matter, remains unanswered by Standard. Neither does it appear that the executives of duPont, Alcoa, Sterling, or any of the other Farben affiliates have ever stated the date when they first suspected that Farben's intentions might be hostile to the national security of their country. And yet this might seem to be a fair question—one which any man would desire to answer.

No Sacrifice on the Altar of Moloch

DON'T THINK THAT you need prove how great the United States is by throwing it sacrifices. That was all right for the hideous God Moloch, but it would be intolerable if you or any (group) thought that they could add to the majesty and dignity of the United States by proving its power through an injustice.

This moving appeal came near the close of a solemn address which, on June 20, 1945, in impressive surroundings at Newark, New Jersey, was listened to in respectful silence by a group of representative citizens, flanked by men high in official, industrial, and other circles important in the affairs of this nation.

Leading up to his magniloquence about the Old Testament's God of War and Vice, the speaker had said:

It would be a hideous, a monstrous, an unconscionable thing, if any of the rights of these defendants which I have outlined to you were neglected by you, or if any one of them should be sacrificed to the might and power of the Govern-

ment just to prove the Government's right and power. The Government of the United States asks no sacrifice of anybody to prove its might and greatness. The United States of America proceeds with majestic instancy towards that goal which has been marked for it by God Almighty, and it does not require any fictitious or factitious accretions to its greatness. It proceeds along the path of justice and will not deviate from that path so long as it fulfills the will and intent of the Divine Creator who brought this country into being for its own unmeasurably wise purpose.

Thus did this modern Solomon picture to six men and six women in a jury box, the sacrificial blood of innocent victims staining the altar of that wicked God of the Ammonites, as a warning of the abomination that might be their verdict, should it be induced, mistakenly, by too great love for their native land—or grief for the blood of their own sons and daughters sacrificed on a less high altar, erected by one of those named in the conspiracy to be judged by that jury, I.G. Farben, of Frankfurt-am-Main.

Having been instructed also that the Government of the United States was entitled to a just verdict, the jury retired and ten hours later brought in a verdict of NOT GUILTY for the two corporations and six individuals whose fate, for those ten hours, had been in their hands.

I.G. Farben was not technically on trial in that case, having been accused merely as a co-conspirator, of conspiring with duPont and Röhm & Haas of Philadelphia, with eight of their officers, as defendants; along with two other co-conspirators, Imperial Chemical Industries of England and Röhm & Haas of Darmstadt, Germany.

As discussed heretofore in Chapter vi those named were accused of having entered into agreements to fix prices and restrain production and distribution of acrylic, or plastic, glass-like products, in violation of the Sherman Anti-Trust Law.

One mystifying aspect of the trial was the dismissal of Counts 2 and 3 of the indictment on motion of Walter R. Hutchinson, Special Assistant to Attorney General Francis Biddle, who represented the Government. This left only Count 1 of the indictment

at issue and confined the case to charges of violation of Section 1 of the Sherman Act, forbidding conspiracies in restraint of trade. Whereas Counts 2 and 3 alleged also violations of Section 2 of the Sherman Act which forbids monopoly or attempt to monopolize. (It might be noted here that no explanation has been forthcoming of this apparent free gift to the defendants of immunity without trial under the specific charges in Counts 2 and 3. However it is known that Mr. Hutchinson, who had just returned to the Justice Department from army duty overseas, was ill, and in no condition to have tried this case.)

The Court, in its charge to the jury made certain the omission was understood and that:

The second section, relating to monopoly, has been abandoned by the Government so that there remains for your consideration only the first count which is violation of Section 1 of the Sherman Act.

The Court then made this astounding misstatement of the language and scope of Section 1 of the Sherman Act, as follows:

Performance of an overt act to effectuate the object of the conspiracy is necessary to bring the combination within the ambit of the statute, because a conspiracy of itself, a combination of itself, is not denounced by the statute unless there be something done to effectuate its purpose.

This weird dictum being absolutely incorrect we may wonder how and why the Judge came to so inform the jury.

The Court also appeared anxious that the jury be not led astray regarding the significance of a letter introduced by the Government and quoted a small part of this letter, which was from Mr. Haas of Philadelphia, U. S. A., to Dr. Röhm of Darmstadt, Germany, in 1936, about consultation on prices, as follows:

A matter like this cannot be put into the contract because it would be against the law.

Strangely, the Court did not feel called upon to quote the next sentence of that same letter, which was as follows:

We have to rely on our verbal assurance and our experiences with duPont during the last fifteen years has proven that they can be relied upon to live up to an arrangement of this kind.

Noticeable in the trial were the harmonious relations which prevailed between opposing counsel during the six weeks which were required to present the voluminous evidence to the jury. This love fest, so different from the cat and dog courtroom fights which frequently occur among counsel in a case of this type, caused the Judge to pay tribute to the "eminent fairness which has been exhibited by counsel for the defense and counsel for the Government." Said the Court:

I'll pay my tribute to counsel because it has made the work of the Court so much easier

One of the distinguished members of the bar whose nice courtroom manners were thus complimented by the Judge, was the well-known attorney, Bruce Bromley, whose forensic snarls and sneers are famous.

The Philadelphia Röhm & Haas, with its admittedly close ties to the Darmstadt firm and to I.G. Farben, was represented by Mr. Bromley, whose New York and Washington law firm of Cravath, Swaine and Moore (formerly Cravath, de Gersdorff, Swaine and Wood), had also represented Farbwerke Hoechst of Farben in several peculiar cases in the New York District Court against one of Herman Metz's companies, during the same period when Farben (as discussed in Chapter II) was paying Metz other large sums of money to turn over his drug and dye interests in this country to Sterling and General Aniline.

It also may be of interest here to note that a few weeks later, on September 11, 1945, Hoyt A. Moore, Esq., of this same Cravath firm, was indicted by a Federal Grand Jury at Scranton, Pennsylvania, with former Federal Judge Albert W. Johnson and others on charges of conspiring to obstruct justice and defraud the United States Government. Judge Johnson resigned to avoid impeachment and the House Judiciary Committee in February 1946

turned in a report castigating the "corrupt connivance" of Mr. Moore and pointed out that the Cravath firm had charged over \$125,000 for its services.

Later the indictment of Hoyt Moore was dismissed by the Court on his plea at the Bar based upon the statute of limitations, because the acts of which he was accused were all performed "more than three years prior to the date said indictment was found."

The Judge who tried the duPont-Röhm & Haas case in 1945 was the same jurist who had sealed the original indictment in August 1942, from public knowledge, during the period when five members of Senator Bone's Patents Committee were voting to forbid further investigations and hearings on the Farben tie-ups. This jurist was none other than Hon. Thomas F. Meaney, whose nomination for the bench in 1942 provoked a bitter fight in the United States Senate. During the final debate in the Senate it was the late W. Warren Barbour of New Jersey who stated the issue as:

. Like Caesar's wife a Federal judge should be above suspicion Mr. Meaney cannot escape always being viewed as a pawn of Mayor Hague.

And, the aged Senator George W. Norris, in one of his last impassioned appeals denounced the Hague organization as a contemptible, crooked, bipartisan machine, and the nominee as "one of his tools," whom Hague "is trying to put on the bench." Said the Senator "The confirmation of Meaney would be like putting Hague on the bench."

When the six men and six women brought in their verdict of not guilty in the trial of the duPont-Röhm & Haas-Farben tie-ups there came to an end the first, and as this is being written, the only case, in which American corporations and some of their officers, have been tried before a jury for alleged criminal conspiracy with I.G. Farben. And, under our system of American jurisprudence, the record of acquittal stands—that these corporations and these men were not guilty of any unlawful act in having made the agreements with Farben and with each other, or in doing any of the acts alleged as unlawful by the Government.

Nothing can better illustrate than this trial the failure of the

enforcement of the antitrust laws to impose either punishment for past associations with Farben or warning against future renewals of such affiliations.

When the duPont-Röhm & Haas-Farben trial ended in so complete a fiasco for the Government and established so complete a vindication for Farben's partners, press statements appeared immediately credited to representatives of duPont in which the Government's accusations were belittled with the allegation that "when the time came to produce supporting evidence in court, the prosecution was unable to do so."

Thus a battle was fought, or staged, and lost in a New Jersey courtroom, against Farben, in those hectic weeks of May and June 1945, immediately after the armies and government of Germany lost their last battle, to surrender ignominiously and unconditionally—and simultaneously the plot to revive Farben's Cartel structure emerged, as announced in Washington by Senator Kilgore on June 21st, the day after the jury in Judge Meaney's court officially recorded the lawfulness of the duPont-Röhm & Haas-Farben alliance.

In this case the result was at least a clear cut acquittal of the defendants. In some of the cases to follow the results, where there have been any and the lack of results in others, are so vague and indefinite that sabotage of government may not seem an unfit term to apply.

We must go back to the direction of the Anti-Trust Division by Robert H. Jackson, for the initiation of the first Anti-Trust case in which was involved a tie-up with I.G. Farben, or rather with one of its international cartel alliances. This case was filed in 1937, against the Aluminum Company of America (Alcoa), its disowned Canadian offspring or counterpart, Aluminium Limited, and twenty-three subsidiaries, along with thirty-nine individual officers and others accused of unlawful monopoly in the production and distribution of aluminum.

In this case Aluminium Ltd. was accused of direct participation in the international aluminum cartel with Vereinigte Aluminium Werke of Bitterfeld, Germany, one of the I.G. Farben affiliates.

The lower court in 1940 having found no unlawful monopoly existed, this judgment was reversed on March 13, 1945, by the

Court of Appeals which ruled that Alcoa was in fact a monopoly—and then returned the case to the lower court for further proceedings.

The participation of Farben's German affiliate in the international cartel received little attention in this celebrated case, but it is timely here to reveal that in aluminum, as in so many of our other important war materials, Farben had succeeded in a participation in restrictive cartel tie-ups reaching into this continent.

The initial action involving Farben brought by the Anti-Trust Division under Mr. Arnold was that against Rudolph Ilgner for destroying Chemnyco records which was described in Chapter v. The Chemnyco records sought and destroyed had been demanded by a grand jury for the antitrust investigation of nitrogen and ammonia fertilizer materials which resulted in five blanket indictments; two of these named as defendants Farben's Synthetic Nitrogen Products Corporation, and its executives, including one Carl B. Peters as vice-president, along with numerous other Farben affiliates in the United States, Europe and South America; the affiliates as either defendants or co-conspirators. Mr. Peters is given special mention here because he makes a dramatic re-appearance in a later chapter.

The American I.G., also Farben, and the International Nitrogen Cartel of London, which Farben organized to control and restrict the world's nitrogen production, were among those listed as co-conspirators.

The several conspiracies which the Antitrust Division thus attempted to attack and which included the misuse of patent licenses, were those by which Farben, careful not to appear reaching for control of nitrogen and ammonia as military products, attained its purpose by restricting world production of these vital materials through tie-ups in the fertilizer industries.

However, these indictments, mysteriously sealed by the Court and hidden from the public for months after the grand jury acted, then all petered out. In June 1941, about the time when Attorney General Robert Jackson was kicked upstairs to the Supreme Court, Mr. Arnold backed down—or was sat upon—and his assistants began filing, in batches of a dozen or more, *Nolle Prosequi* entries which dismissed over one hundred charges against defendants in

these cases. Thus were wiped out all criminal cases on the Farben conspiracy to fix prices and restrict production of synthetic nitrogen and ammonia.

The public heard little of these cases, and in 1941 and 1942 while the war was well under way, three civil complaints and consent decrees were filed covering these fertilizer materials. In these the Farben subsidiary, Synthetic Nitrogen Products, also Imperial Chemical Industries, duPont and Allied Chemical and Dye, with their leading officers, promised in profound legal language to refrain from doing in the future those acts of conspiracy which, in the same breath, they denied having done in the past. No trial, no publicity, no penalties; as the war-time answer to a Farben conspiracy which had restricted production of those keystones of chemical munitions in the pre-war era, nitrogen and ammonia. Carl B. Peters was also named in one complaint and decree involving Synthetic Nitrogen Products, which concern was listed among the co-conspirators in the other two civil cases.

Mr. Arnold's next indictments against Farben conspirators were three filed on January 30, 1941, covering conspiracy in restricting production of magnesium metal and alloys through patent and process finagling, as described in Chapter IV. These knocked around until April 15, 1942, while a softening-up process was going on inside the Justice Department. Then all of the defendants except Farben and its two German directors, pleaded *nolo contendere* (which means "Oh, well, what if we did?") and paid fines of \$25,000 each, for Alcoa, Dow and American Magnesium; \$20,000 for Magnesium Development (half owned by Farben); \$15,000 for General Aniline (also owned by Farben); and \$5,000 each for six of the corporation officials who were indicted. Of the latter Farben's Karl Hochswender, president of Magnesium Development and of Chemnyco, had his fine graciously returned.

Meanwhile Farben, with Hermann Schmitz, its president, and Gustav Pistor, one of its directors, have never been tried and undoubtedly consider this whole affair a joke. Messrs. Schmitz and Pistor were busy in Berlin or Frankfurt a/Main making Farben's munitions and directing Farben's war against the United States. How they must have sneered when they heard the bargain price of \$140,000, less the \$5,000 discount, that was charged by the

Yankee Court as total penalties for the injury to national defense caused by a woefully insufficient magnesium production when war broke out.

Next antitrust cases relating to Farben were the nominal fines and consent decrees involving Sterling and its affiliates which have already been described in Chapter VIII and elsewhere. It will be recalled that the fines in these cases totaled \$26,000. However if the attorney's fees were over a quarter of a million dollars, as it was rumored in the Justice Department, then it might seem that the bargain between the parties on which the consent decrees were based included pre-arranged penalties for Sterling of around \$300,000—of which the United States Treasury was to receive \$26,000, and some one else was to get the balance.

Even though these consent decrees may have cost Sterling several hundred thousand dollars in huge fees exacted by Mr. Corcoran plus not so huge fines exacted by the Court, yet this whole transaction may be said to have shown a nice net profit for Sterling. Because when the decrees were arranged it appears that there was due to Farben, from Sterling-Bayer under the profit-sharing agreements, the tidy sum of \$544,000, which amount Sterling was permitted to retain in its own pockets.

As events proceeded it may appear that as a result of the alleged abrogation of the Farben agreements Sterling's profits were increased by a sum of well on to \$1,000,000 annually, this being the share of the booty which prior to the consent decrees had gone to I.G. Farben. The United States Treasury appears as the real loser of these millions because the Treasury had already frozen all Farben funds, and after the Alien Property Custodian began seizing Farben's belongings (some of them) in 1942, these Sterling profits due Farben would have gone to the Custodian's bank account. If it were not for those consent decrees which Mr. Corcoran induced his Sterling clients and his friend Mr. Biddle—to consent to.

That Sterling appreciated the advantage of this war opportunity to retain these profits is shown by the fact that this company actually went into the Canadian courts in 1944 with a plea to set aside contracts in the Dominion between its subsidiary, the Bayer Company Limited, and Farben's Bayer. However, the

Canadian High Court ruled that the monies owed by Sterling's Canadian Bayer to Farben's German Bayer must continue to be paid to the Canadian Alien Property Custodian.

Another peculiar feature of these Sterling-Bayer-Winthrop-Farben criminal actions and civil consent decrees of 1941, is that although all agreements between Sterling and Farben were supposed to have been abrogated, this does not appear to be true. We need only to examine the records of the Securities and Exchange Commission to discover two other agreements with Farben entered into by Sterling's British subsidiary, Bayer Products Company Ltd., and its Canadian subsidiary Bayer Company Ltd. It was the latter of these two agreements which Sterling attempted to cancel in 1944 so as not to keep on paying the Canadian Alien Property Custodian.

These two British and Canadian agreements were, as late as May 1945, officially hidden from public inspection by the Securities and Exchange Commission where they were on file. In a letter dated January 31, 1945, the Securities and Exchange Commission denied inspection of these agreements on the allegation that they had been filed with the Commission by Sterling in 1936 with a stock registration along with two other Farben contracts, with request from some unidentified person that they all should be kept secret. The Commission also refused to exhibit the request for this secrecy.

However, on May 17, 1945, I was notified to appear to testify before a Senate Committee on a bill to require that all restrictive foreign trade agreements be registered before some Federal Agency; and by a strange coincidence the Securities and Exchange Commission decided on the same day that the still secret Sterling-Farben agreements could properly be made public "without objection by the Sterling Company," said the letter.

When we recall how painfully shocked and surprised so many public officials appeared to be after the Justice Department officially discovered illegal agreements made years before with Farben—and we then discover that at least some of them had been filed with an important official agency but on a pledge to hide them as trade secrets, we begin to wonder what kind of hocus pocus our Government really is.

And when one department of Government publicly brands an entire group of these Farben tie-ups as illegal from the days when they were entered into, and a court so decrees in both criminal and civil actions, while another branch of the Government still keeps some of them hidden as lawful trade secrets, then it becomes a burlesque of government. And by the same token we may accept this as a typical illustration of the pattern of I.G. Farben's activities within the fabric of this nation before the war, during the war, and as now revealed after the combat war has ended.

Another anti-trust action involving cartel tie-ups between Sterling-Winthrop and I.G. Farben, as set forth in Chapter III may be mentioned here to refute the idea that the 1941 consent decrees constituted a complete divorce between Sterling and Farben.

In February 1944, the Anti-Trust Division intervened in a patent infringement case in Illinois in which the Wisconsin Alumni Research Foundation was prosecuting another company for allegedly violating the Vitamin D patents. The Government brought counter-charges of violation of the Sherman Act against Wisconsin Alumni and some sixteen of its licensees which were marketing Vitamin D in medicinal or food products. These included Winthrop; duPont; The Quaker Oats Company; Standard Brands Inc.; The Borden Co.; Parke Davis & Co.; E. R. Squibb & Sons; Abbott Laboratories and others. The intervention by the Government caused the court to enjoin Wisconsin Alumni from further restrictive activities and the Vitamin D patents were thrown open to the public. However, the injunctive decree did not mention the 1928 cartel agreement with Farben covering these patents.

War had been declared only a few days before the next batch of Farben cases was ground out by the anti-trust boys with the able assistance of Joe O'Connell's Treasury raiders; this crop being three multiple indictments against General Aniline and Film, General Dyestuff and I.G. Farben, along with numerous individual members of Farben's royal families and exiled employes. These cases have already been well discussed in earlier chapters.

However there are several mysterious aspects of these three cases, which are still as this is written, postponed and untried and also disparaged as unnecessary in certain official circles.

It may be recalled that I.G. Farben itself as well as its stooges, false fronts and errand boys, is a defendant in two of these cases. In the other it is merely called a co-conspirator. Farben did not answer "here," or "not guilty," in January 1944 when the others appeared to plead. Nobody would admit knowing who was Farben's official or legal representative in this country. So the summons was marked "Unable to Find." Then after an unsuccessful attempt to pin that honor on Mr. Hochswender of Chemnyco, the court on February 28, 1942, announced the appointment of William M. Wherry, Esq., as Special Master to determine the identity of Farben's agent in the United States.

Unfortunately, the court appears still uninformed. More than four years later, as of May 16, 1946, Mr. Wherry had never had a copy of the order served on him, so he never was officially started on this arduous task. What became of the order the records do not show.

After reading some of the chapters of this book the court and the Justice Department might be able to make several good guesses as to the identity of Farben's representatives in this country, especially as appearances for I.G. Farben were finally entered on the records of the Magnesium indictments by a well known New York law firm which came forward as Farben's legal representative in those cases.

The local address of the chief villain still being an official mystery, and the General Aniline-General Dyestuff properties firmly in the custody of the Alien Property Custodian after being allegedly deloused of all Farben taint, a strange conflict inside the Government got under way with reports of urgent pleas from the Custodian's office that the cases be abandoned. (In which event the basic contracts with I.G. Farben would remain in effect, and a resumption of those ties after the war would be expedited.)

In one of these cases a demurrer was filed in the names of Farben itself and its two subsidiaries and several officers, including the celebrated overseas Schmitz brother team, Hermann and Dietrich. This demurrer presented the topsy-turvy spectacle of the Alien Property Custodian of the United States, who now controlled General Aniline, asking the Court to throw out as false, preposterous and unwarranted, indictments which had been handed

down by a Grand Jury at the request of the Attorney General of the United States.

Claims were made that the relationship of Farben and General Aniline being that of parent and offspring, it was silly to allege that they conspired by merely being nice to each other. One of those who filed this demurrer was the same Dietrich A. Schmitz, who back in 1938 gave his solemn oath before the Securities and Exchange Commission that he did not know who owned General Aniline (then American I.G.). Evidently Dietrich, by 1944, had discovered the surprising fact that its parent was big brother Harmann's I.G. Farben.

The attorneys representing the Alien Property Custodian's management of General Aniline and Dietrich Schmitz had still another reason why the case should be tossed into the wastebasket, arguing that it could not be against public policy for Farben to keep foreign chemicals out of the United States by private arrangement, because Congress did the same thing with the Tariff Act.

These arguments were successfully met by Herbert A. Berman, Chief of the Patents and Cartel Section of the Anti-Trust Division, whose brilliant handling of such work was recognized as one of the bright spots in the Justice Department, until he finally resigned in disgust early in 1946. The Court threw out this demurrer on November 6, 1944, and a few days later in another branch of the same court all three of the indictments against D. A. Schmitz were dismissed. (As already discussed in Chapter v.)

So these three cases, in some respects the most important involving Farben and its huge American false fronts, remained untried while the war went on—so as not to interfere with its conduct and, a year after the war was over, were still untried—because one branch of the Government did not want another branch to enforce the law. If Farben's Schmitz, looking ahead before the war had planned it this way, could he have done it better?

Another indictment accusing General Aniline and General Dyestuff of conspiracy in the dye industry was filed in the New Jersey District Court on May 14, 1942; but in this instance Farben (local address still unknown) was named only as a co-conspirator. Those indicted included duPont; Allied Chemical and Dye; and Ameri-

can Cyanamid; also Farben affiliates the American Ciba, Sandoz and Geigy. Some twenty officers of the corporate defendants, including Ernest K. Halbach and two of his Farben pals were also indicted in this case.

The alleged conspiracy included world-wide restrictions in the manufacture, distribution, import and export of dyestuffs, stemming out of the international cartel set-up in 1928 in which co-conspirator Farben was the dominant influence. A long list of other co-conspirators included the Swiss Ciba, Sandoz, and Geigy companies with Cincinnati Chemical Works, their jointly owned American concern; Imperial Chemical Industries and its Canadian subsidiary; the French Kuhlmann; Japan's Mitsui; and duPont-I. C. I. branches in Brazil and the Argentine. In this case antitrust spread its largest net and landed speckled fish of many varieties and many nations. All had been gathered in Farben's net of the world's dye industry.

When Secretary of War Stimson and Attorney General Biddle agreed to postpone the trial until it would not interfere with war production, one Justice Department official was quoted as saying sourly, "First they hurt the war effort by their restrictive practices, and then if caught they use the war effort as an excuse to avoid prosecution." A tug of war went on under cover whether to compromise, dismiss or forget this case. Finally compromise won. In April 1946, after Tom Clark had become Attorney General, the indictments were completely dismissed as to eleven of the defendants, including General Dyestuff's celebrated Halbach, and were partially dismissed as to four of the corporations and eight of the other individuals named. At the same time pleas of *nolo contendere* (which is equivalent to guilty) were entered and the Justice Department notified the court that under these circumstances it would not be in the public interest to stage a trial. No decree was entered by the court, so the contracts were not officially abrogated.

The fines totaled \$111,000 including four of \$15,000 to duPont, Allied Chemical and Dye, General Aniline, and General Dyestuff. For the last two the procedure required the transfer of a fictitious bookkeeping item of \$30,000 from one of Uncle Sam's pockets which the Alien Property Custodian used to another where the

Attorney General's winnings are deposited. And Farben's agents who ran General Aniline and General Dyestuff went scot free, save for the American-born Rudolf Lenz, General Dyestuff vice-president, who was clipped for \$5,000 fine on two counts. However Mr. Lenz (as revealed in Chapter v) was one of those paid off for his title to General Dyestuff stock in 1945. He got \$47,200 for his share, so perhaps this fine did not make him feel too badly.

We come now to the long delayed action against Standard Oil (N. J.) regarding which numerous threats of indictments had been heard prior to March 25, 1942, when a criminal information, a civil complaint in equity, and a consent decree were all filed on the same day involving Standard, six of its subsidiaries (in several of which Farben had an interest) and, in both criminal and civil actions, three of its executives, Messrs. Teagle, Farish and Howard. Four of Standard's lesser officers were also named in the civil action.

The accusation in both the criminal and civil complaints was conspiracy by Standard, its subsidiaries and its officers, with I.G. Farben and others, in entering into and consummating restrictive partnership agreements, as were outlined in Chapter iv. For appearances' sake Farben was named as a co-conspirator in both actions. Not being a defendant Farben need not consider itself bound by these Court actions. For each of the ten defendants in the criminal actions there were pleas of *nolo contendere* and a modest fine of \$5,000. Thus the total payoff for the ten defendants was a mere \$50,000 and, without admitting that the criminal acts had been done for which the fines were paid, another nice set of promises not to so act in the future were listed in the final judgment.

If the reader thinks that these \$5,000 bargain-day penalties were not commensurate with the offense charged, it may be stated here that just such an opinion was held very emphatically by some members of the Justice Department who had been sweating it out in preparation of this case. Some of them had demanded that multiple criminal indictments should be sought with fines totaling \$1,000,000.

It was claimed as justification for the lack of punitive features in the outcome of this case that all of the patents in which Farben

was involved, including those concerning Buna rubber, would be released by the consent decree royalty free to all comers for the duration of the war and six months afterward.

However the Alien Property Custodian also signed the consent decree, having a few hours previously asserted the Government claim to all of the Farben patents, to which Standard alleged they had acquired title through various Farben contracts, including the so-called Hague agreement. All these agreements now were declared by the court to have been unlawful when entered into. What the Judge's injunction did not say was that the decree was an attempt to lock the stable door long after the horses, and the harness and the hay, were gone.

Among the many subsections of this consent decree were provisions regarding undiminished rights of Standard to patents, trademarks, and shares of stock, which inhibitions may appear strangely gentle when it is considered that the decree was predicated upon charges and tacit admissions, of criminal acts by the defendants.

Later the purposes or results of some of the ambiguities inserted in this decree were to become apparent. The court proceedings may appear to have been neither punishment, parole, nor pardon. Rather they resembled absolution, or a rain check for a repeat performance—after the stormy weather of war should end.

As an aftermath of this case, and of the seizure by the Custodian of some 2,500 Farben patents and Farben or jointly-owned shares of stock, Standard began an intensive campaign of propaganda and excuses as described elsewhere, leading up to a court action in July 1944, which denounced the Alien Property Custodian for seizing patents and other property involved in the Farben agreements.

Taking advantage of the ambiguities in the consent decrees and relying upon the transfer of title by the so-called Hague memorandum which Standard's Dr. Howard and Farben's Dr. Ringer negotiated after the war began, Standard asserted that the Custodian was actually obligated to disgorge all the seized patents and property.

This came to trial without a jury on May 21, 1945, in New York

Federal Court before Judge Charles E. Wyzanski, Jr., a bitterly fought contest between aged John W. Davis, former presidential candidate, as attorney for Standard, and a very able Assistant to the Attorney General, Philip W. Amram, for the Government.

Judge Wyzanski dealt an almost fatal blow to the Custodian's defense at the start of the trial by holding in effect that it did not make a mite of difference whether the Farben patent titles had passed to Standard by unlawful contracts. This decision, with which some may not agree, was hailed with great relish by the Standard officials and lawyers grouped around Mr. Davis.

However, Standard was not to have things all its own way. Frank Howard, by his evasive, forgetful, and contradictory testimony made what appeared to be most important contribution to proving Mr. Amram's contention that the so-called Hague agreement was a fake and a fraud.

A surprise witness for the Government added a dramatic touch to the trial when Farben's director and Chief Counsel, Dr. August von Knieriem, was flown overseas in custody in an Army bomber. This Farben star witness on June 23rd testified in precise stilted English—after clicking his heels, bowing to the Court, and explaining that he needed no translator. His testimony was in conflict with that of Standard's Mr. Howard.

Among the interesting documents identified by von Knieriem were original letters taken from Farben's files at Frankfurt, proving conclusively that Farben officials had been in continuous contact with the Oberkommando der Wehrmacht and high officials of the Nazi Government before and during the signing of the Hague agreement. It was evident from some of this correspondence that the transfer of title to Standard, after the war began, was purely a matter of expediency for the purpose of preventing if possible, their seizure as enemy property when the United States became involved in the war.

Said one letter written by Farben to Nazi Defense Headquarters on September 16, 1939:

German interests would not be jeopardized by the transfer Moreover we would be able to resume at any time without hindrance the relationship existing now.

Said another dated October 5th.

By this transfer the patents in German possession will be removed from possible enemy seizure.

We consider it right to transfer the patents to an American holder who is in friendly relations to us and of whom we know that in the future, as well, he will cooperate with us on a friendly basis.

The Nazi Generals and Ministers replied O. K. to these naïve proclamations of Farben's intentions to pull another fast one on the stupid Yankee Government—with the friendly cooperation of Standard's Dr. Howard and his associates. "I do not raise objections" wrote one. More careful, another Nazi official instructed Farben not to give Standard "inventions and experience data designated as 'secret' by the Wehrmacht." Such letters were marked at the top "Secret" "To be kept under lock and key."

But General Dwight D. Eisenhower's boys had rudely busted all the locks and brought both the letters and their custodian over the ocean to a Yankee court room.

After studying the voluminous testimony and exhibits, Judge Wyzanski on November 7, 1945, handed down a lengthy "Findings of Fact and Conclusions of Law," along with an opinion which, so to speak, split the Farben patent hairs into two groups, giving back to Standard everything which they had prior to the attack upon Poland in 1939, and permitting the Custodian to keep all those which Standard had pretended to acquire at or after the Hague conference in September 1939.

The so-called Hague memo was false and incomplete. Said the Court, "The falsity was of a type to mislead public authorities."

Again he said:

The so-called Hague Memorandum was neither an accurate summary of the past dealing nor a complete or faithful representation of the agreements made at the Hague. scrutiny of many documents and of the oral testimony of Mr. Howard reveals that the real agreement

was subject however to an obligation to reconvey at the end of World War II or on demand of I.G.

These findings of the Court were in decided conflict with Mr. Howard's testimony that there was no understanding "implied or expressed that these patents would be returned to Farben after the war."

Judge Wyzanski in a series of judicial reprobations directed at the fabrications in the testimony of Standard's star witness left no doubt as to what he termed "the general impression as to his credibility which Mr. Howard made upon the court."

Among the features of Mr. Howard's allegations under oath of which the court indicated disapproval were the latter's findings that the witness had failed to keep copies of various important letters, and notes of all that was said at the Hague conference, also that Mr. Howard's recollection was faulty on matters which the Court believed he should have recalled readily.

This part of the Findings of Fact may appear as a painfully polite (it might be termed Courtly) way to record the fact that the Judge did not believe Frank Howard spoke the truth when under oath.

Regardless of Standard's motives in slipping its neck into Farben's noose during the pre-war period, the record now stands in this decision that after the war began Standard made a fake agreement with Farben for the safe keeping of Farben's patents and other rights, with the purpose of returning said property to Farben and resuming the partnership when the war ended.

The decision evidently gave complete satisfaction to neither Standard nor the Government, and rumors of contemplated appeals by both sides were heard, while additional proceedings were required in order to decide which of the 2,500 patents should go to which party under the decision. When legal hairs are split into 2,500 pieces, the job of sorting them out becomes tedious.

Another item, the metal molybdenum, important as an alloy for steel, was brought into the cartel picture by antitrust bloodhounds in August 1942 with a complaint and consent decree which named the sales subsidiaries of the Anaconda and Kennecott Copper Companies, Greene Cananea Copper, the Climax Molybden-

um Co., and Molybdenum Corp. of America, as having conspired among themselves and with others unnamed in foreign countries, to divide up world markets, fix prices and quotas for this metal or its concentrates.

Among those with whom the American molybdenum companies and Greene Cananea had international contracts were I.G. Farben and other European concerns, but Farben and the others were not named in the complaint, nor in the consent decree filed a few days later. The uproar about Farben was then at its height; in the Senate the Truman Committee had quietly diverted its attention to other matters, and the squelching of Senator Bone's investigation was being consummated. Behind the scenes every particle of influence and pressure the Farben lobby possessed was being applied to hush the talk. So it may be that it was feared that defendants might refuse to consent to a consent decree without a court fight unless the name of Farben was omitted from the record. In the decree the usual "we never done it—and we will not do it again" was duly entered and the curtain was rung down on this particular scene of the Farben comedy with only a hint that one of the blind alleys shown led to the Big House at Frankfurt.

During the latter part of 1942, unseen hands firmly forced down the lid on further attacks on Farben's partners. Senator Bone by now had been forced to call off his fight. Thurman Arnold was about to quit, and the rapid succession of Farben indictments and complaints ceased for almost a year.

Then in June 1943 antitrust again went into action against Farben with a lengthy indictment of National Lead Company, Titan Company and duPont, along with four of their officers, for having engaged in a world-wide cartel conspiracy with I.G. Farben and some twenty other foreign companies to restrain the production and distribution of titanium and titanium compounds. These pigments for the manufacture of paints, rubber, glass, paper and other articles are important in peace and are strategic war materials. National Lead and a co-conspirator, Titan Co. A/S of Norway, were accused of having started the conspiracy as far back as 1920, and the others of joining in it from time to time since that year. I.G. Farben entered the cartel in 1927, with control of most of Europe, also of Japan and China. Imperial Chem-

ical Industries, and Canadian Industries, the latter jointly owned by I. C. I. and duPont, were among the co-conspirators.

Trial of this indictment being postponed for the duration (and not having occurred as this is written), a civil complaint, which called for neither fine nor imprisonment was filed, on June 24, 1944, covering the same titanium cartel conspiracy and the same defendants and co-conspirators that were listed in the criminal case, including Farben.

After trial of this civil complaint without a jury, Judge Simon H. Rifkind's decision found National Lead and duPont guilty of conspiracy with I.G. Farben and others. However, the final decree in this case was criticized rather caustically by the Anti-trust Division in an appeal to the higher court. In effect, the appeal complained that even though Judge Rifkind found the defendants guilty, the punishment or remedy as proposed was insufficient. The defendants also appealed.

One of the law firm of Cravath, Swaine and Moore representing duPont proposed to Judge Rifkind that it could not be a lawful function of the courts to rule that an American company should renounce the advantages which had been gained by its competitors through membership in an international cartel. The Court squelched this impudent suggestion that duPont should not be penalized, with the comment that "perhaps the answer is that duPont having discovered the conspiracy should have asked the Attorney General to break it up."

Thus Judge Rifkind gave an apt answer to the alibi that so many poor innocent American industrial leaders were really compelled to join Farben's cartels—and thus help Farben hamstring our war industries.

Another cartel civil complaint on January 6, 1944, involved duPont, Imperial Chemical Industries of England and New York, and duPont-controlled Remington Arms, as defendants, along with five of their executives. Named as co-conspirators were two German makers of explosives controlled by Farben, and other companies jointly owned by duPont and I. C. I. in Canada and Latin America. Farben also had an interest in some of the latter.

While this complaint was mainly directed at cartel agreements covering explosives, as described in Chapter IV, it also covered

the widest range of chemical products of any of the preceding anti-trust actions in a series of comprehensive tie-ups between duPont and I. C. I. In substance the complaint alleged that the program of I. C. I. and duPont enabled the former to enter into numerous agreements with European chemical manufacturers for world cartelization of the chemical industry. Thus it was charged that a gigantic Anglo-American pool had been formed of the most important chemical products for peace and for war, from acids to alkalis, from solvents to synthetics and were tied together—with other lines stretching out from I. C. I. or duPont to Farben. As this is written the case is still untried. Perhaps it never will be—or perhaps another consent decree will result.

Next to feel the threat of court restraint for being in a tie-up involving Farben were a group of thirteen of the leading alkali manufacturers of the United States, two export associations and the I. C. I. of England, also the latter's New York subsidiary. These were named as defendants in a civil action filed in New York in March 1944 for allegedly misusing the Webb Pomerene Export Trade Act to take part in foreign cartel alliances. The conspiracy, it was alleged, unlawfully divided up the world markets for alkalis. Farben was named as co-conspirator (as usual) along with Solvay Process (owned by Allied Chemical and Dye), its Belgium namesake Solvay et Cie, and the German-owned American Potash & Chemical Co., which had been in the hands of the Alien Property Custodian since 1942. This was the first such suit involving the export act, and the defendants made an unsuccessful appeal to the Supreme Court to have the case dismissed without trial. Having failed to secure relief they waited trial. They are still waiting.

Another civil complaint filed on May 1, 1944 against the Diamond Match Company, six other American match makers, and three British, two Swedish and one Canadian companies who were accused of world-wide cartel conspiracy to restrict competition in matches. This stemmed out of the original American match trust of 1880 and included after World War I a peace treaty with Sweden's notorious international swindler and suicide, Ivar Krueger.

International Match, a holding company, Krueger's bankrupt

company, Krueger & Toll, and Krueger himself, although dead were named as co-conspirators. In this case the dead were to tell tales—if they would kindly wake up.

Farben came into this picture through an arrangement made by one of its predecessor companies for the restriction of production in the United States of chlorate of potash, a very important ingredient in match making, and in war munitions.

American production of this war material had been discontinued and the plants scrapped when World War II began. This experience precisely duplicated the fix this country was in when German imports of chlorate of potash were cut off during World War I.

On April 9, 1946, co-conspirator Ivar Krueger not being present, a consent decree dissolved the cartel and also forbade suppression of what is known as the everlasting match which can be struck thousands of times—so they say.

A year was to pass before another alleged Farben anti-trust plot was hauled into Court, after mysterious delays inside the Government. On May 16, 1946, the International Nickel Company of Canada and its wholly-owned namesake, both located in New York, with three of their officers, were named as defendants in a civil action accusing them of cartel price fixing alliance with Farben, and illegitimate aid to German re-armament.

Why action on this alleged conspiracy with Farben had been delayed has not been explained as a tight situation on nickel had long been a matter of common knowledge and consideration inside the Justice Department. Perhaps the delay may have been influenced by the fact that among the directors of International Nickel was none other than that celebrated Republican statesman and adviser of high Democratic officials, John Foster Dulles, of the law firm of Sullivan and Cromwell. This is not to suggest that Mr. Dulles would have interceded for one of his companies with the Justice Department; rather it is possible that someone inside the Government may have believed that it would be poor taste publicly to hold up to scorn a company of which Mr. Dulles was a director—and I.C. Farben a partner. It will be interesting to follow this case to its conclusion—should there ever be one.

The sixteen groups of prosecutions summarized above, which include thirty separate court cases, do not comprise all such ac-

tions which involve some tie to Farben. But they are sufficient to reveal the utter lack of appropriate punishment which has resulted in the belated efforts of the Government of the United States to utilize our anti-trust laws for chastising Farben and its associates for injuries done to our national security.

Statistics may be unreliable in appraising matters of this kind but it is of interest that in the fifteen cases which were based on criminal indictments the penalties provided by statute, which might have been inflicted on the corporate and individual defendants should they have been found guilty, would total almost four million dollars in fines and, for the corporation executives indicted, over four hundred years in jail.

What actually resulted were fines totaling \$323,000 and no jail terms whatever.

Perhaps it would be more fair to omit the one criminal case which resulted in acquittal of the defendants; even then the possible penalties in the other fourteen would be over three and one-half million dollars along with almost four hundred years in jail.

In the fifteen civil actions, four were consent decrees which followed fines imposed in criminal actions; and in eight others the Government also won complete or partial victories. But in the civil actions no penalties were possible under the law.

It is worthy of note that more than half of the criminal indictments have never been tried. And the fact that so many of them have been dismissed without trial leads to an inescapable conclusion that either those indictments should not have been sought in the first place—or else each of them should have been submitted to a jury long before this.

I.G. Farben, indicted five times, and with its German subsidiaries, named twenty four times as co-conspirators, has never yet been tried. However its American subsidiaries General Aniline and Film, and General Dyestuff have each pleaded *Nolo Contendere*, or Guilty, in at least one criminal case, as have each of Farben's leading American associates, including Allied Chemical & Dye; Aluminum Company of America; American Cyanamid Co.; duPont; Standard Oil; and Sterling-Winthrop-Bayer. The

fact remains that the only criminal anti-trust action involving Farben to reach a jury resulted in a verdict of not guilty.

This much must be said for the small band of junior attorneys in the Anti-trust Division who under the leadership of Herbert Berman, dug out the facts and prepared most of these cases involving Farben.

The existence of most of these Farben tie-ups was not a secret, as has been shown elsewhere in this story, but it required this belated official recognition of their illegality* and menace to our national defense, to awaken public indignation and provide the facts on which three Senate Committees could act.

These committees, headed by Senators Truman, Bone and Kilgore, which began their hearings in 1941, 1942, 1943, could have made very little headway without the great mass of evidential documents provided by anti-trust, some portions of which were thus made public before the committees were choked off.

Public access to this data appears as the only tangible result from the drag hunt so bravely started by antitrust when the war in Europe was getting under way.

CHAPTER XIX

Behind America's Iron Curtain

"CONFIDENTIALLY, it stinks," said Senator LaFollette. It was April 24, 1942, more than four months after Pearl Harbor. The Wisconsin Senator was expressing his opinion before the Senate Patents Committee of the failure of the Justice Department to punish the affiliates of I.G. Farben who conspired to obstruct production of defense materials, and its neglect to require full disclosures of the know-how of the patented processes thus obstructed.

Thurman Arnold, Assistant Attorney General, had been making a half-hearted defense of the consent decrees in the Standard and Alcoa-Dow cases, as having been the best which the department could obtain *under the circumstances*.

However, it was apparent from Mr. Arnold's testimony on this occasion, and previously before the Truman Committee, that he did not wish to make public exactly what circumstances, or whose intercession had caused the Justice Department to give in to the offenders after ample evidence had been uncovered for criminal prosecution for conspiracy and interference with the war effort. Mr. Arnold admitted that he had been faced with a "take it or

leave it" attitude in dealing with the Farben affiliates and that when he "took it" he agreed to fines, which he considered inadequate punishment, and to terms in civil consent decrees which he conceded did not properly supply the know-how on the patents which had served as pass keys in the illegal tie-ups with Farben.

While Mr. Arnold was before the Patents Committee he had ample opportunity to reveal to the Senate and the public the reasons, and the influence which caused him to consent to what amounted substantially to immunity for those who had conspired with Farben to obstruct our preparations for war. Mr. Arnold, however, chose not to volunteer such information, and the Senators who were questioning him chose not to press the questions that would have compelled him to do so. Senator LaFollette contented himself with his jibe at the odor of the situation, and Senator Bone with comments that anyone who had withheld technical knowledge and vital necessities from his country at such a time "was not decent" and "has no business in this country."

Mr. Arnold, in testifying later before the Bone Committee and elsewhere made no secret of the fact that he was not in accord with the postponement of the other prosecutions which he had instituted against Farben affiliates in plastics and other munitions industries. Nevertheless he had meekly consented to them on the ground that it would interfere with the pursuance of the war to prosecute those accused of conspiring to obstruct our preparations for the war.

It was not mere rumor in Washington that Thurman Arnold resigned as anti-trust chief in March 1943 because of dissatisfaction (honest rage might better describe it) with what seems to have been pseudo-legal sabotage of his efforts to eradicate Farben's industrial sabotage of this nation.

Be that as it may, when the appointment was tendered him, the chunky frame of the Assistant Attorney General bounced ungracefully down the steps of the Justice building, and found dignified repose a few blocks away in the U. S. Court of Appeals of the District of Columbia—where, as Mr. Justice Arnold, he could at least write his own decisions. No obstructions were placed upon Mr. Arnold's departure. The Senate held no hearing on the

confirmation of his appointment. "My friends didn't require a hearing," he told me at the time, "and my enemies were only too anxious to get me out of the Justice Department."

Mr. Arnold is honored for the things that he started out to do, rather than criticized for the things he did not do; and his admirers regret that he did not state in public the conclusions which he expressed so fluently in private about why his efforts had failed so dismally to put the fear of God into Farben, and its American accomplices behind bars.

As the reader may by now have concluded, always it has been largely this official policy of "hush hush" that has made Farben's subversive activities possible. After the war began and revelations of those activities began to come out, it then helped provide immunity for the individuals involved.

On Feb. 11, 1942, when these very facts were tumbling out, when public indignation was mounting and Washington was seething with rumor about efforts being made to protect certain individuals who were involved with Farben, the following letter was received by the Speaker of the House of Representatives:

Office of the Attorney General
Washington, D. C.

Honorable Sam Rayburn,
The Speaker,
House of Representatives,
Washington, D. C.

My dear Mr. Speaker:

I desire to call your attention to the advisability of a law to protect the contents of secret or confidential Government records and documents from unlawful disclosure.

Under existing law, it is an offense unlawfully to conceal, remove or destroy any record, paper, or document deposited with any public officer of the United States (U. S. Code, Title 18, Sec. 254). It is likewise an offense for any person who has custody of any record or document to conceal, remove or destroy it (U. S. Code, Title 18, Sec. 235). There is no prohibition, however, against furnishing copies of or divulging the contents of secret or confidential files or documents. It would

be advisable in the best interest of the public business, and particularly in the interest of national defense and internal security, to make it a criminal offense to disclose confidential Government information without authority to do so.

Accordingly, I recommend that enactment of legislation to make it a criminal offense for anyone without authority to divulge the contents of secret or confidential Government documents.

A proposed bill to effectuate this purpose is enclosed herewith.

I have been informed by the Director of the Bureau of the Budget that there is no objection to the presentation of this proposed legislation to the Congress.

Sincerely yours,

Francis Biddle,

Attorney General

Provisions in the proposed bill which Mr. Biddle's letter transmitted caused the Chairman of the Senate Judiciary Committee to state that, "It is more or less a censorship bill We will have hearings."

Attorney General Biddle appeared before a sub-committee of the Senate Committee on February 24, and denied that the bill would be a curb on the freedom of the press, but he conceded that its censorship powers might be utilized by officials who desired to escape criticism for their acts.

Kenneth G. Crawford, then Washington bureau chief of the newspaper *PM* and chairman of the censorship committee of the Washington Newspaper Guild, testified that the bill, if enacted, would empower a bureaucrat to stamp as "confidential" documents relating to a scandal in his department and thus prevent all publicity.

On February 28, 1942, I addressed to the Chairman of both the Senate and House Judiciary Committees a protest on the bill's provisions and requested that I be permitted to testify against it. My letter said in part:

There is something very fishy about the way this so-called official war secrets bill has been trotted out just at this time,

when it is no secret in Washington that those influences which were spending time and money without limit to retard our entrance into combat war prior to Dec. 9, have since then merely gone underground with their treasonable efforts to hamstring our war effort and to protect their spokesmen from punishment.

I suggest that your committee should plumb to its muddy depths the origin of this bill. When you find out who actually conceived the infant, and uncover who induced its adoption by the amiable Mr. Biddle, I suggest that you may also uncover certain subversive individuals or groups who still appear able to obtain a mysterious immunity from investigation and prosecution, an immunity which constitutes a distinct menace to our national unity and to our national defense.

This bill is not merely an attack upon the freedom of the press, it is also an attack upon the freedom of any American citizen who may hereafter join in a demand that our long-delayed effort to preserve our future liberties must be purged of individuals whose past records prove them unworthy of trust in this crisis.

This bill, if passed, would make it a criminal offense for me to offer to state to your committee, under oath, my knowledge of corrupt protection of subversive agencies from inside government departments. This bill would make it a crime punishable by jail for me to reveal the fact that members of Mr. Biddle's own staff have already threatened to resign because they have been ordered to discontinue investigation of influential subversive individuals, and that some of these men have been threatened with reprisals because of having revealed these protests.

It would also attempt to make it a crime for any public official to resign, and publicly protest because of protection and immunity which criminal or subversive individuals may be receiving while we are engaged in war.

I trust that your committee will permit me to testify before it to support the above with greater detail. It may be obvious that the writer, a private citizen who possesses neither political nor any other kind of influence, may not make such

statements as above unless he is either prepared to prove them or to go to jail. Mr. Biddle would very properly order me locked up tomorrow if what I have said here is either untrue or unjustified, or is impelled by unpatriotic motives.

The chairman did not reply, but able and upright Senator Warren R. Austin advised me that he had added my name to the list of witnesses to be called. In acknowledging receipt of the Senator's letter on March 9, 1943, I outlined the testimony I intended to present if called before the committee as:

A summary of the numerous alleged official secrets which I have encountered in recent years regarding each of which I have already demanded investigation and action. And in each instance there has been indicated a secret power and influence to provide official secrecy and immunity.

Although many of these cases involve what might be termed ordinary crimes and criminals, there are certain of them which also involve subversive and fifth-column activities, and in nearly every instance the secret immunity granted is related directly or indirectly to the activities of individuals acting as agents, representatives, or attorneys receiving compensation from, or under direction of, either a foreign political organization or a domestic organization subsidized by a foreign corporation or government.

I suggest that there is no use whatsoever in passing any more laws about protecting official secrets for national defense as long as every Tom, Dick and Harry who has a friend or an accomplice planted in some government department can walk in and see what he wants, or can phone and have it brought to his side door.

I think that it is a matter of plain common sense, for our urgent self-protection in this crisis, that the first thing the Congress should do is to identify and demand prosecution of these official-secret fixers, including the author of the original bill as presented. The least that should be done is to run these rats out of the nation's capitol, and keep them out until the war is won.

Chairman Hatton Sumners of the House Judiciary Committee wrote me that if hearings on the bill were held I would be advised. That was the last I heard about that official-secrets bill; it died in Committee when the 77th Congress ended, and was not reintroduced in the 78th.

However its significance appears in the source and time of its inception. The failure of this bill, with its threat to officials who might talk, did not, however, end the profound silence by Government officials on matters relating to Farben and its affiliates—a silence which extended to matters of public record.

In March 1943, I sent to the office of Earl G. Harrison, then Justice Department Commissioner of Immigration and Naturalization, a lengthy list of individuals involved in the activities of I.G. Farben. This list included executives and employes of Sterling, Winthrop, Bayer, and Alba, who had been removed as undesirable; and other American citizens who had been indicted or kicked out of General Aniline, General Dyestuff, Agfa Ansco, Magnesium Development, Synthetic Nitrogen, Chemnyco and other of Farben's ersatz American fronts. My request for information about the internment, de-naturalization or deportation of these Farben stooges was met with the response that the Immigration and Naturalization office was forbidden to discuss the subject. Also, that no copy of the regulations on which that refusal was based could be supplied.

Addressing Assistant Attorney General Wendell Berge, then in charge of the Criminal Division, I requested:

Which if any of the 53 individuals named on my list have ne-naturalization or other court proceedings pending, which involve the revoking of their citizenship?

Which if any of those named has been interned?

Which if any has had any other type of criminal proceedings instituted against them?

If no such proceedings are now completed or pending, what is the reason why people who have been engaged in subversive and other criminal activities are not being prosecuted?

Receiving no reply I wrote again asking why those individuals

on my list who had been involved in activities inimical to our national defense had not been indicted and prosecuted under the conspiracy statute for interfering with the functions of the government. My letter continued, in part, as follows:

I have asked this question of the Justice Department more than once in the past and I have been advised more than once in conversations with members of the staff (who had sought my assistance in this Farben mess) that they agreed with me that such prosecutions—for conspiracy to obstruct the functions of the government—offered the most effective way to proceed against certain individuals because it obviated the necessity of utilizing any of the statutes relating directly to subversive acts

Why are men of this stripe immune? Is it because of their political influence?

The only reply to either of these letters was advice that the Assistant Attorney General was not permitted to reply to my queries. The reasons for not prosecuting Farben criminals were "deemed confidential."

The lack of action under the conspiracy statute against two decades of pre-war plotting could have been justified if the anti-trust actions against Farben's accomplices had resulted in heavy penalties of fine and imprisonment. But not one of these offenders has gone to jail, and many of the most conspicuous among them have been immunized from prosecution with the official excuse that to try them would interfere with the prosecution of the war.

We may ponder how it could have interfered with the prosecution of the war to lock up these indicted gentlemen from Germany, at least for the duration? Or why such matters have been none of the public's business? Or why not try them after the war?

It should be noted that in numerous other cases naturalized German nationals of little or no importance have been rightfully stripped of citizenship on the circumstantial evidence that they must have had mental reservations when they took the oath of allegiance to the United States—and then joined a German-American Bund. As compared with the subversive activities in which some of these immunized Farben gentry have taken part as mem-

bers of our higher cartels, membership in some guttersnipe Bund is indeed small potatoes.

A special War Policies Unit of the Justice Department took over enforcement of the statute requiring the registration of foreign agents when this was transferred from the State Department in 1942. Publication of lists of all those registered as alien agents was then discontinued.

My request for information as to what prosecutions had been instituted against agents of Farben or of Farben's affiliates for failing to register brought the response that no such proceedings had ever been instituted against any such Farben agents.

I then supplied the War Policies Unit with a list of individuals, lobbyists, lawyers and law firms, which included some of Farben's most important agents, and requested advice as to whether any or all of those named were registered as agents of foreign principals. The response indicated that the only one of those listed had ever been registered as an agent of I.G. Farben. He was our friend Rudolf Ilgner, the Farben employe who, as told elsewhere, pleaded guilty in 1941 to destroying files and records of Chemnyco, Inc., and got off with a token fine of \$1,000 instead of a jail sentence.

The official reason given by the Justice Department as to why none of the others listed by me were required to register was that their activities were regarded as "non-political" and confined to "*bona fide* trade and commerce." This seems a rather strange reason for not requiring the registration of individuals who are known to have been involved in criminal conspiracies, and in subversive activities here and in Latin America—activities which in some instances at least the courts have held did not constitute *bona fide* trade and commerce.

According to House Majority Leader, John W. McCormack, the Foreign Agents Registration Act was the most important legislation of its kind to pass in the last fifty years, and was enacted as result of efforts of the 1934 Committee of which Mr. McCormack was chairman. This was the committee that publicly exposed some of the Farben-Nazi propaganda of super press agent Ivy Lee and others, but locked and sealed other evidence secured.

When, in July 1945, Tom C. Clark succeeded Francis Biddle as Attorney General it was stated that the latter's antitrust

policies would be continued (which might have meant more than was intended). Later Mr. Clark announced publicly that there would be "strict enforcement but no witch hunting," and following this the new Attorney General was quoted as stating that civil actions were sufficient in cases where "a certain industry practice, operated openly for years, is a violation of Sherman Act it does not seem fair under such circumstances to institute criminal prosecutions."

On the basis of the long-standing history of the Farben tie-ups in this country, and the fact once denied, but now proven, that most of these illegal partnerships were common knowledge, this pronouncement from the new head of the Department of Justice did not offer much encouragement to those of the staff who really wanted to put some of Farben's criminal associates behind bars. Subsequent to these indications of a soft post-war enforcement policy, several Anti-Trust resignations, long deferred under the Biddle regime, were handed in. What was aptly described by Mr. Clark himself as a "political anti-trust system" was now in order.

The hush-hush policy on Farben and its affiliates has not been confined to the Justice Department. Ominous when considered in their relation to events to come are some of the matters involving the office of The Alien Property Custodian.

Leo T. Crowley, shortly after he qualified as Custodian in March 1942, informed the Senate Patents Committee of his intention to seize all enemy-owned patents which had been assigned to American holders when such patents had placed restrictions upon American industries, and particularly those which might impede war production.

Despite this gratifying declaration, it was not long before members of the Custodian's staff were at loggerheads with officials of other departments because of the gentle treatment of the Farben-Sterling-General Aniline-Winthrop-owned patents. The Secretary of the Treasury announced his right to define as a foreign national any person, even an American citizen, who was found by the Treasury to have been acting directly or indirectly for the benefit of, or under the direction of, an enemy country.

From these two pronouncements it would appear that it had

been the intention of both the Secretary of the Treasury and the Custodian to seize the Farben patents held by such companies as Sterling, whose agreements were illegal conspiracies. Such patents would be seized under the precise language of the 1926 Supreme Court decision (referred to in Chapter XVI).

On the basis of fact and of law the only explanation for the refusal to seize the property and patents of the Sterling-Winthrop-Bayer-Alba group may well be found in the reports that certain of Mr. Crowley's staff failed to agree with their chief's policies, and got away with it while he was otherwise engaged.

It so happens that the same member of the Custodian's staff who first advised me that there was no intention to break the Winthrop-Atabrine monopoly also pronounced the fantastic conclusion that there was no intention to seize any property which had German ties or control in cases where the possibility existed that the former owners might recover the property by court action after the war ended.

Another member of the Custodian's staff when asked what pledge of continued American ownership was being exacted from those to whom seized properties were sold, replied by asking what was the use of such a pledge in view of the fact that after the war was over the Germans could come over again and buy back any property they had a mind to. (Just as they did after World War I.)

Later it developed that the Custodian's office had not adopted the rules for the sale of seized properties that were in effect in the first World War, and which required a very real pledge of permanent American control with penalties for violation. So it seemed that in this war, properties controlled by Farben or by Farben's allies need not always be seized, and if seized and later sold, all such foolishness as pledges of permanent American control might be dispensed with.

The rules finally adopted when sales of seized property got under way, required the purchaser to state that he was an American citizen or a foreign national who had complied with all regulations; also that no one ever connected with the office of Alien Property Custodian had any interest in the bid, and that no agreement with respect to the purchase had been made with an

undisclosed principal or with anyone on the Government's blacklist.

On April, 1945, these regulations were apparently waived when the Alien Property Custodian sold the Farben-General Aniline-owned 50 percent of Winthrop Chemical for some \$9,500,000 to Sterling, of which company Earl McClintock, a former attorney in the office of the Alien Property Custodian in the first World War, was a director and vice-president.

Sterling was required to deposit the purchased Winthrop stock with the Custodian in a ten-year voting trust to ensure that until 1955 it would not get back into Farben's clutches, as the Bayer Company did after World War I despite Sterling's promise not to permit this. Unless of course the Alien Property Custodian should decide to release the voting trust—or Farben's Swiss I.G. Chemie should upset the whole apple cart by getting back title to General Aniline through a phony act of Congress or a phony judicial decision.

Great uncertainty has been manifest as to the administration and ultimate disposition by the Custodian's office of the General Aniline and Film Corp. after that very valuable property was taken over from the Treasury by Mr. Crowley in March, 1942.

Little official information was forthcoming about the affairs of the company save that the Custodian's office was operating it as trustee for the foreign-held (Farben) shares, to which the Custodian had taken title.

However, early in 1943 reports appeared in the press that another new board of directors for General Aniline was to be appointed, several of them being directors or business affiliates of Standard Gas & Electric Co., of which Mr. Crowley, in his spare time, was the \$50,000 (or was it \$75,000?) a year president and chairman. Then came an announcement that the Custodian proposed to sell at public auction some of the more important properties seized, including General Aniline. This was followed by a statement that the announcement had been an unfortunate error.

Finally a new board for General Aniline was appointed, mainly of men having no experience in the dyestuff, photographic, or other chemical industries.

Tom Stokes, in the Scripps-Howard newspapers, took his usual

jab at the situation with the remark that Mr. Crowley was a triple-job man with two government titles and one in private industry. Stokes then added—a hasty reminder of what happened during the Harding Administration:

The office of Alien Property Custodian is considered here to be extremely important. This same office was investigated after the first World War with some unpleasant results.

In July, 1943, when Mr. Crowley received a fourth job as head of the Office of Economic Warfare, replacing Vice-President Wallace, it was reported that he would take a leave of absence from his public-utility presidency, but for the time being would retain his other government titles. However, he still held on to his Standard Gas jobs and salary.

It appears a proper comment to make that in the Custodian's office, as in other agencies dealing with Farben and its affiliates, there existed a vaguely defined line-up—of those who wanted to be gentle with Farben and with Farben's friends as opposed to those who wanted to turn on the heat. And between those two extremes the play-safe brigade moved whichever way the wind blew.

Regardless of the power of the lobby in peacetime, it is almost unbelievable that such a condition could exist when the United States was actually at war. On the record, however, nothing relating to Farben is unbelievable.

In March 1944, when Mr. Crowley stepped out as Alien Property Custodian to devote more time to his expanding duties as the President's Foreign Economic Administrator, and his assistant, one James E. Markham, who was also a salaried director of Standard Gas & Electric, stepped in to succeed him as Custodian, it was reported on reliable authority that another man who was recognized as much better qualified through long experience had actually been decided upon to succeed Mr. Crowley until outside intervention at the White House caused the appointment of Mr. Markham.

The situation regarding General Aniline and General Dyestuffs continued with conflicting reports that they would or would not be sold, and with no change in what might be termed the strange

clemency toward former important employes under the Farben regime.

Not only Mr. Halbach, as previously mentioned, remained on the payroll of General Dyestuffs at a very fancy annual stipend, but two of the others who recovered sizable sums for their stock in General Dyestuffs were still listed in the Directory of Directors for 1944 as executives: R. Lenz, as Vice-President, and A. T. Wingender, as Treasurer.

These were all among the group described by Mr. Markham in his December, 1944, affidavit before the General Dyestuff stock suits were compromised, as having acted "in behalf and for the benefit of I.G. Farbenindustrie, a national of an enemy country, Germany," and as having held that stock as part of the "complicated threads of a conspiracy extending over many years and involving persons in many different countries."

The Alien Property Custodian seized more than 44,000 foreign patents, some 32,000 enemy owned, mostly German. Licenses, free save for a \$15 fee, were granted to all comers on several thousand of these patents but a difficulty about the free grants was a reservation by the Custodian of a right to revoke any license—which provision hardly encouraged heavy investment to operate under such patents.

However, the numerous General Aniline patents, also enemy owned, were not included in the \$15 free license offer, despite the recommendations of the President's Committee on Foreign Economic Policy, which was approved by him, that these General Aniline patents should be licensed like the others, free to all comers.

Request made to the Custodian long after the war ended for information about these licenses was referred to General Aniline; whereupon Mr. George W. Burpee, its president by designation of the Custodian, was emphatic in declining to consider granting any free licenses and his company patent counsel advised that the title to all of these Farben patents might still be clouded by the claims of I.G. Chemie, Farben's Swiss hideout, to ownership of General Aniline itself.

Meanwhile the distinguished patent attorney, William H. Davis, under retainer from General Aniline, protested publicly that it

would be most unwise to open up these patents to all comers because that "futile method" had failed after the last war whereas:

. . . . the situation would have been quite different if the American patents had held by a strong competitive organization in this country, able and willing to enforce the German patents against them.

This illogical thesis of Mr. Davis disregards the historical fact that after the last war the thousands of seized German dye trust patents which were turned over to Francis Garvan's Chemical Foundation for licensing to American firms did not get back into German control, whereas those which were sold to what Mr. Davis might describe as "two strong competitive organizations," Sterling and Grasselli, and which appeared "able and willing to enforce the German patents against them," did exactly the opposite.

As will be recalled, some of these drug patents and all of the dye patents were later handed over to the partial or complete ownership of General Aniline-Farben-American I.G.

Mr. Davis must have been hard pressed for an argument when he made his plea for exclusive retention of the Farben patents by General Aniline, the management of which apparently still fears, or believes, that Farben's fake Swiss title may some day restore Farben's control of this enemy property. In the words of the poet, whatever there is concealed in this patents woodpile, the odor is suspiciously like some of those of the 1920's when Frank Garvan was being called names for not turning all of the dye trust patents over to one or two *strong* organizations—like General Aniline.

Perhaps nothing could better illustrate the peculiar attitude of the Alien Property Custodian's office than an incident in 1945 when request was made to inspect some thirty-seven claims which had been filed with the Custodian demanding return of various items which had been seized. These claims had been listed merely by number and name of claimant in the annual reports of the Custodian, and it was stated in the 1944 report that full publicity was given to all activities of the "Vested Property Claims Committee" by which the justice of all such claims was decided, and

that "the records of the committee are also open to the public."

Despite this, the official secretary of the office of the Custodian refused to permit inspection of these records until after vigorous protest, and even then inspection of only one out of the thirty-seven was reluctantly permitted. The balance was kept under lock and key on the mumbo-jumbo explanation that the attorney for the Custodian still had them and therefore they were not public records.

The real point of this incident may be found in the fact that substantially all of these particular claims had been filed by individuals or corporations who had been either accused, convicted of or who had pleaded guilty to violating the laws of this country in their relations with I.G. Farben. Several were convicted criminals.

Press criticism of Mr. Crowley's conduct of his various positions, especially that of Alien Property Custodian, appeared from time to time. These were usually based on the conclusion that he held too many titles, official and private, and had too many duties to do justice to all of them, or that his relations with Victor Emanuel (to whom he owed his large salary from Standard Gas and Electric) were incompatible with his official duties.

Perhaps the best way to permit the reader to consider the fairness of these criticisms, and without any reflection upon the good faith and patriotism of Mr. Crowley, or of Mr. Emanuel, would be to refer directly to the records of the Securities and Exchange Commission of January 19, 1943 when that official agency issued its Findings and Opinion that certain private banking firms were affiliates of Standard Power and its affiliate Standard Gas and Electric, and therefore there could not be the "arms length" trading between them that the Public Utility Holding Company Act required in certain transactions.

Among the firms involved in this opinion were Schroder, Rockefeller & Co., Inc., an affiliate of the J. Henry Schroder bank of New York and London; and Emanuel & Co., of New York, in which Mr. Victor Emanuel was a partner.

In a voluminous statement of the ramifications of control of the Standard Companies, and of the reorganizations of Standard Gas under the Bankruptcy Act, the Commission discussed the—

“. . . . close relationship between Emanuel and the Schroder interests” and concluded that “The Schroder interests in London and New York have worked with Emanuel in acquiring and maintaining a dominant position in Standard affairs.”

The findings also showed that Leo T. Crowley replaced Emanuel as Chairman of the Board of Standard Gas in 1939 when Emanuel became Chairman of its finance committee, also that James G. Markham was then elected a director of Standard Gas.

Just for good measure it might be added here that the celebrated Cravath law firm appeared in the Securities and Exchange Commission case referred to as counsel for one of the banking firms who were found to be too close for “arms length” dealings with Mr. Emanuel’s Standard Gas and Electric.

That Mr. Crowley should be obligated to Mr. Emanuel and the J. Henry Schroder bank for the high salary he received during his tenure of public office (for which he is said to have refused compensation) may appear unusual and, insofar as is recalled such a situation had been seldom, if ever, duplicated at Washington.

An aspect of this which has provoked comment is the fact that the J. Henry Schroder bank acted as financial agent for the Nazi Government just prior to the start of the war and also was reported to be a financial backer for one of the firms in Farben’s international nitrogen cartel: also the London Schroder had close business and family ties with the notorious General Kurt von Schroeder, of the Stein Bank of Cologne, Germany, that particular member of the Schroeder clan having been one of the strongest financial links between Hitler and his Farben industrial backers.

By another coincidence, Sullivan & Cromwell, the law firm of John Foster Dulles (advisor to Mr. Crowley as Custodian and Counsel for General Dyestuffs stock claimants), is also reported to be counsel for the Schroder bank; and Allen W. Dulles, brother of John Foster and a member of that law firm, likewise is one of the directors of the J. Henry Schroder bank.

It may be stated possibly in extenuation of Mr. Crowley’s too numerous duties, that he has not been the only man holding high place in official Washington who appears to be under rather def-

inite obligations to Mr. Victor Emanuel—while at the same time wielding very considerable official powers.

Among others reputed to be indebted to Mr. Emanuel for various private directorships is the former hotel manager George Edward Allen who, while drawing approximately \$50,000 a year from numerous corporations and acting as a “public relations man” for private interests had been holding down various Government jobs including a desk in the White House.

Mr. Allen was appointed by President Truman to be a Director of the Reconstruction Finance Corporation with the chairmanship in prospect. He was confirmed by the Senate on February 18, 1946, after a bitter debate in which Mr. Allen was accused of knowing nothing about banking by his own testimony, and of having been made a director of numerous corporations through his friend Victor Emanuel and the latter’s friend, Alien Property Custodian James Markham.

These directorships included the General Aniline and Film Corporation and the Hugo Stinnes Corporation, both controlled by the Custodian. Unfavorable newspaper criticism of some of Mr. Allen’s activities, by *PM*’s omniscient I. F. Stone, which were read into the Senate record caused Senator Bilbo to praise Mr. Allen’s family as Mississippi’s best, and Senator Scott Lucas to defend Mr. Allen vigorously. This Illinois statesman in 1942, as member of the Senate Patents committee, had voted to halt Senator Bone’s investigation of the I.G. Farben tie-ups, and in 1946 he was chairman of the committee on contingent expenses which voted to cut off the funds for Senator Kilgore’s investigations of the conspiracy to revive of I.G. Farben.

Said Senator Lucas in denouncing the critics of Mr. Allen:

Who is going to pay any attention to speculation as to the influence which George Allen might have upon some one in Washington with respect to I.G. Farbenindustrie.

So Mr. Allen then became director of the Government’s multi-billion dollar lending agency.

This is not to imply that Victor Emanuel or the Schrodgers wielded improper influence upon any Government official.

Unhappily, many leading financiers and industrialists in this

country, patriotic and wise according to their lights, who have not been directly involved with Farben, have seen no wrong in the part played by Farben before and during the war, or in a revival of Farben's world cartel system after the war. These beliefs and this policy not being the officially announced creed of the United States, it may be regarded merely as a matter of judgment (similar to the issue raised by Justice Jackson against Justice Black), as to whether the two men who, as Alien Property Custodian, have had the direction of General Aniline, General Dyestuffs, and other Farben properties, should be so friendly to Mr. Emanuel and the Schroder banking influences. And it may be of no significance that Mr. Emanuel and several of his associates have been appointed by them to the Board of Directors of these seized enemy properties, which, vastly increased in size and financial strength, are still holding intact the patents received from Farben and refuse to throw them open to all comers with the excuse that the legal ownership of General Aniline & Film is still claimed by Farben's Swiss I.G. Chemie. The latter now disguised under the so innocent name "Society of International Industrial and Commerce Participation."

Investigation of the conduct of the office of the Alien Property Custodian under Mr. Crowley, and under Mr. Markham, has been threatened more than once, and in one instance actually started.

The Federal Deposit Insurance Corporation under Mr. Crowley also has been criticized severely, once back in 1942, when a resolution was proposed in the House of Representatives to investigate the F. D. I. C. because of heavy advances made to bankrupt banks in Jersey City, the baliwick of New Jersey's Democratic Boss Mayor Hague. Other complaints have been registered because Mr. Crowley's F. D. I. C. attempted to collect huge sums for alleged liquidating expenses from officers of banks which had paid off 100 percent of the bank's obligations after having been ordered closed for unexplained reasons.

Finally, in July 1945, a Senatorial investigation was begun after severe criticism of the handling of the American Bosch Company by the Alien Property Custodian (this being a repetition of the seizure of the predecessor of this company during World War I).

A Senate sub-committee conducted a fact-finding expedition into Alien Property Custodian affairs but refused to make public its findings when request was made to the committee for same.

One important key to the situation in the Custodian's office was supplied in an interview with members of the staff in October 1942, when I had been officially requested to supply certain information relating to Farben. In the hectic conference which followed, I finally mentioned with some skepticism that part which Mr. Corcoran was reported to be taking in the affairs of the Alien Property Custodian. This comment met with an immediate challenge. However, other members of the staff were anything but enthusiastic about Mr. Corcoran's cooperation.

Meanwhile the nearest approach to investigating the Farben lobby or Mr. Corcoran developed late in 1941, when Senator Carl A. Hatch introduced a bill to restrain former government employes from receiving fees for such lobbying activities for two years after leaving office. This bill caused some talk—and died in committee. The lobby did not approve.

Then came the Truman Committee lobby hearings in December 1941 (Chapter IX) at which Mr. Corcoran declined to talk about his Sterling-Farben activities and fees, and was informed that he would be recalled later to tell the committee all about it. Mr. Corcoran was not recalled and he did not return. After a number of unsuccessful efforts to induce this committee to permit me to testify before it, I sent its chief counsel, Hugh A. Fulton, in April 1943, a reminder of the committee's intention to recall Mr. Corcoran, and asked whether the reappearance of the Sterling consent-decree expert had been required.

Mr. Fulton's reply was a bit childish; he requested a memorandum on the subject (I had already sent the committee a dozen or more memoranda and letters relating to Mr. Corcoran), and also made the strange allegation that:

The Committee does not have the facilities for complying with private requests, such as yours, for analysis of material in the committee files.

Conceding freely the great value of work which the Truman

Committee and its counsel Mr. Fulton may have done on many other matters relating to the war, this Committee apparently lost interest in the Farben tie-ups in the United States after its partial exposé of the Standard Oil arrangements on Buna rubber and other products. It was Senator Bone's Patents Committee that later did attempt to explore all of the Farben tie-ups—until halted, allegedly through the efforts of Mr. Corcoran.

In view of Mr. Fulton's effort to twist the plain meaning of my letter and his refusal to explain why Mr. Corcoran had not been required to reveal his activities relating to the Farben-Sterling drug tie-ups, it may be proper for me to recall that Mr. Fulton's legal experience prior to entering government service was gained as a junior attorney with the New York and Washington law firm of Cravath, de Gersdorff, Swaine and Wood, now Cravath, Swaine & Moore, which firm, and its predecessors, as discussed in Chapter XVIII for many years had been the legal representative of Farben's German Hoechst and Farben affiliates in America.

Mr. Fulton may also recall that in 1939, after he had become executive assistant to John Cahill, United States Attorney of New York (who was later attorney for Sterling), when I called upon him to discover if possible what his official attitude might be with regard to the investigation of the drug industry, he made a vituperative attack upon a visitor whose assistance in those matters had already been solicited and acknowledged by the Justice Department.

This attack came after Mr. Fulton had stated to me that because of his former connection with the Cravath law firm in cases involving the drug industry, he would take no part in the official investigation of that industry then getting under way.

However the controversy about Tommy Corcoran's influence with Mr. Biddle and others in the Justice Department was not to die completely because of the refusal of the Truman Committee's counsel to act on its Chairman's earlier announcement that Mr. Corcoran was to return and explain things. The entire humiliating record was revived and considerable new light was thrown upon it when Assistant Attorney General Norman M. Littell began airing his side of his row with Mr. Biddle in December 1944 about

the Corcoran influence. And after Mr. Biddle attempted to reply to the Littell charges, the latter let loose a blast which was so strong that the Senate Committee on National Defense (of which Mr. Fulton had been counsel) now headed by Senator James M. Mead, of New York, refused to make it public.

But on January 22, 1944, Republican Representative Lawrence H. Smith, of Wisconsin, to his everlasting credit, courageously rose to the occasion by inserting the Littell statement in the Congressional Record, along with his own accusations and a resolution demanding an investigation of the conduct of Biddle as Attorney General with special reference to the influence exerted by Mr. Corcoran in the Sterling case.

The Littell statement started with the indictment that the settlement of the Sterling case "marks the lowest point in the history of the Department of Justice since the Harding Administration."

After summarizing the history of Sterling and its subservience to Farben and the Nazi Government, also Sterling's subversive activities in Latin America (as discussed in Chapter XIII), Mr. Littell turned his guns on the record of the Sterling case when Mr. Biddle became Acting Attorney General and traced, step by step, the actions of Thomas Corcoran in "defeating the indictment of the companies and individuals involved."

"Corcoran," said Littell, "was engaged in a race with time to (1) stop the investigation before it reached such a conclusive stage and (2) get the cases filed on a civil basis with consent decrees merely restraining further violation of the Anti-Trust Laws, and above all things (3) prevent the presentation of the evidence to a grand jury."

Mr. Littell also stated that the anti-trust staff working on the Sterling case were apprehensive because Corcoran was in and out of the Justice Department and it was also known that he was working hard to secure Mr. Biddle's appointment as Attorney General and "Biddle was then to urge Tommy's appointment as Solicitor General, which he later did but without success."

In a time table of events leading up to its final disposition Mr. Littell, with his prestige and knowledge as recently one of the

highest officers of the Justice Department, confirmed in substance and in fact the statements and reports heard back in 1941 (as told in Chapter IX) about how Tommy Corcoran rode rough-shod through the Department with Mr. Biddle's approval.

This Littell blast also placed new light on certain aspects of the matter, including the hiring by Earl McClintock and William E. Weiss, of David Corcoran, brother of Tommy, to be an executive of Sterling's subsidiaries which handled Latin-American business in the Farben partnership. This engagement of a brother of the court favorite took place in the early 1930's when Tommy Corcoran was the White House piano player and legislative deviser.

Other aspects of the case which Mr. Littell revealed were: that Sam S. Isseks, friend and classmate of Tommy Corcoran, was moved mysteriously into charge of the Sterling case over the heads of those handling the investigations. That anti-trust violations had been clear, but far more sinister facts appeared on the record because Sterling in its subservience to Farben had in fact become an agent of Nazi Germany, carrying out policies aimed at the security of the United States; that some of the Justice staff believed not only anti-trust indictments were justified but also indictments for criminal conspiracy (against the Government of the United States) under Section 88, Title 18, providing fines of \$10,000 and two years imprisonment; that while the battle was going on inside the Justice Department Mr. Biddle was merely Acting Attorney General, until August 24, 1941, when his nomination for the office was announced, events then moving rapidly as it thus became clear he would have authority to act. So on September 4th the Senate confirmed the appointment and the next day the notorious consent decrees and nominal fines were announced. And finally the fact that in the meantime the new Attorney General had ordered the Justice Department staff to stop the Sterling investigation and mark the case closed (with no indictments), after some thirty thousand documents had been assembled revealing as conclusively as any case in the history of the Justice Department the means employed by Farben, in World War II as in World War I, to serve the purposes of the German Government in the Western Hemisphere.

Following his timetable, Mr. Littell attacked Mr. Biddle's crude attempt to defend his conduct at another Senate Committee meeting. He denounced as false several of the Attorney General's statements, especially an assertion that the only conference Biddle had had with Corcoran was in October 1941, after the consent decrees were filed. This, commented Mr. Littell, was obviously untrue, as the pressure prior to September 5, 1941, because of the interference of Tommy Corcoran was so great that resignations were threatened within the staff of the department.

As one commentator put it, Tommy Corcoran hung his hat in the Attorney General's office during this period.

Other allegations by Mr. Biddle which drew the fire of his former assistant were that Biddle had asked for maximum fines in the Sterling case and that jail sentences were never imposed in any anti-trust actions.

The "maximum fines" said Mr. Littell, were assessed not after action of a grand jury but upon an information which "by no means includes all of the acts or refers to all of the evidence in the Department of Justice."

"And, furthermore," Mr. Littell declared, "Mr. Biddle's statement (regarding prison sentences) is untrue" as in some 184 other anti-trust criminal cases tried, 786 months of prison had been imposed.

Mr. Littell also expressed his own opinion, as a prosecutor, that many other laws might have been invoked against the Sterling conspirators, including those Federal Statutes dealing with trading with the enemy, espionage, and interference with our foreign relations, also that actions under the law requiring registration of agents of foreign principals might have been invoked because that law affects any:

. attorney for, or any other person, who receives compensation from, or is under the direction of a foreign business, a foreign political organization, or a domestic organization subsidized directly or indirectly in whole or in part by any of the above.

A grand jury, said Mr. Littell, might well have reached the conclusion that Tommy Corcoran as well as executives of Sterling fitted into the above definitions of terms prescribed by the Attorney General as foreign agents.

Finally, Mr. Littell dismissed as unfounded allegations by the Attorney General that the action by the Justice Department had purged Sterling of German influence.

Taken all in all, Mr. Littell's accusations were so specific and so forcefully presented that immediate challenge and reply might have been expected from Mr. Biddle, Mr. Corcoran, and Sterling. But no reply in public was forthcoming. Nor was reply ever made to the charges of Representative Smith, which included statements that Sterling supplied the Nazi Government with funds in 1938; that Sterling had had fake offices and secret hideouts in New York and New Jersey where funds could be diverted to pay for German propaganda and Gestapo agents, and that the Sterling officials "were concerned not with the protection of American interests, but with advancing the interests of our common enemy."

Along with the resolution introduced by Representative Smith was a second demand along the same lines which was proposed by Representative Jerry Voorhis of California. The latter, who has earned a name for himself similar to that of the late Senator Norris for sincere, forthright action regardless of who may be involved, also introduced a resolution demanding investigation of the allegations of undue or improper influence upon officials of the Justice Department and the truth or falsity of the charges made by Mr. Littell.

Coming from Representative Voorhis, who was a strong supporter of the Roosevelt Administration, his resolution, to some, appeared of even greater significance than that of Republican Representative Smith. And Mr. Voorhis had already paid tribute to Mr. Littell on November 30, 1944, and had demanded an investigation of the situation in an earlier speech in the House at the time when Biddle had induced the President to remove Mr. Littell for alleged insubordination, but before the latter's counter-accusations had been made public.

Both the Smith and the Voorhis resolutions were referred to

the Rules Committee, which promptly sat upon them, and, almost a year and a half later was still withholding action which would permit the Congress to take a vote on whether to investigate Mr. Biddle, or Mr. Corcoran, or the Sterling case settlement.

One voice was raised in public, feebly, to defend Corcoran and Sterling. Thurman Arnold from his dignified retreat in the Court of Appeals was reported to have indicated publicly that his opinion as expressed in September 1941, after the Sterling decrees had been filed, remained unchanged. This reference to the weird press release issued from Mr. Biddle's office in the name of Mr. Arnold on September 25, 1941, may not appear to be much of a reply to the Littell charges, in view of the inaccuracies (noted in Chapter IX) in this earlier makeshift exoneration issued over the Arnold name.

Aside from its startling revelations, the greater significance of the battle between Biddle and Littell appears to be in the familiar pattern; that charges of so specific a character could have been made during war-time on the floor of the House against one of the highest officials of the Government, involving collusive immunity for those accused of collaboration with I.G. Farben and the Nazis—and thereafter, while the war went on into peace, the charges remained hushed, and the immunity continued.

During my war-period efforts to bring about an investigation of matters relating to I.G. Farben, Dr. J. B. Matthews, celebrated researcher for the Dies Committee explained to me in August, 1942, that such an undertaking would be difficult because the committee had no investigators competent to make such an inquiry. Furthermore, Dr. Matthews, with asides from R. E. Stripling, the Dies chief investigator, lectured me on the thesis that I should distinguish between the commercial and political significance of international agreements, such as Standard Oil had with Farben. This argument may well indicate the competency of the Dies investigational staff.

Another example of Congressional war-time silence on matters relating to Farben was the squelching in October 1942, of one of the most robust two-fisted members of the lower house, Representative John M. Coffee. Mr. Coffee, in a fiery speech, did not

mince words in describing an attempted sabotage of the war effort by Farben allies, but his resolution to explore the matter was then buried in the trash basket of the House Rules Committee.

Other incidents of hush and immunity will be related, but those mentioned should suffice to show how soon the pattern of hidden protection for Farben's allies which prevailed during the long pre-war years had actually begun to reappear, after the brief period of partial exposé and abortive prosecutions which followed Pearl Harbor.

Perhaps the most disturbing aspect of this renewed defiance of the integrity of a Nation's war-time mobilization was in the Congress of the United States, where no member of either house, with ample knowledge of these facts, was permitted to stand up and hold the floor in protest until his colleagues and the Nation should have been compelled to listen, and to act.

Even in the Senate, with its unlimited debate and its high powers, no such voice was raised.

This aspect of the Farben pattern has never been described more concisely than it was in a public address delivered by Supreme Court Justice Robert H. Jackson, in June 1941, shortly before he retired as Attorney General of the United States. Mr. Jackson appealed for assistance to defeat what he defined as the

. pattern of a premilitary and nonmilitary invasion of business, finance, labor, public opinion and political organizations alien-directed and financed propaganda against the policy of our Government at Congressional hearings in court against investigational officials and agencies, prosecution policies, and law enforcement itself.

It was just at this time that pressure was being brought to bear upon members of the Attorney General's staff to relax their efforts in several investigations and prosecutions which Mr. Jackson had ordered into Farben's long-standing illegal tie-ups and subversive activities in the United States. As Attorney General, Mr. Jackson had given Thurman Arnold the green light to get tough and clean out the Farben framework. In view of what occurred

thereafter, it is unfortunate that Mr. Justice Jackson did not remain as Attorney General until the last vestige of the Farben pattern should have been rooted out and eradicated in this country, in anticipation of a similar clean-up by America's Prosecutor Jackson in Europe.

CHAPTER XX

Plans for Peace—In Time of War

I. G. FARBEN,

unlike the governments and the armies of Germany, never surrenders and never dies. Win, lose, or draw, the pattern of Farben goes on. When the first World War ended, Farben turned abruptly from the production of munitions no longer needed by a defeated army to rebuilding its international framework in preparation for the next attempt at world conquest. Again, this tenacity of purpose and flexibility of pattern are clearly discernible in the events which developed so speedily in those hectic weeks following the surrender of Germany on May 6, 1945.

An important phase of this pattern of eternal life and perpetual war is found in numerous carry-over agreements or understandings already referred to between Farben and certain of its affiliates in the United States, all of which provided for, or promised, resumption of pre-war arrangements when the war should end.

Aside from written agreements are the verbal understandings such as that described in Chapter II in the 1914 letter from the German Hoechst to Herman Metz:

Our entire relationship is really a confidential relationship

and it will be and must, without agreements, so continue in the future as in the past.

A similar relationship may be observed in a report of the duPont Foreign Relations Department, dated February 9, 1940, in which reference was made to various current agreements with Farben relating to nylon and plastics, and to an arrangement made to return to Farben certain funds advanced to purchase shares in Duperial, the duPont-I. C. I. dye subsidiary in South America. The British I. C. I. had objected to Farben's purchase of the shares, so duPont was arranging to repay the money. The report went on to say:

The duPont Company informed I.G. that they intended to use their good offices after the war to have the I.G. participation (in Duperial) restored.

Senator Bone was indignant at this and other evidence of an intended resumption of "business as usual" with Farben after the war. Said the Senator:

Everything that has been revealed so far on the relationship between these big private outfits indicates clearly that as soon as this bloody war is over the gentlemen are going to get their feet under the table and restore their antebellum status as soon as that can be accomplished I am wondering if the high officials of this government are aware of the fact that these gentlemen, who have parcelled out this world, have intended to make such adjustments of this property after the war. That is a picture which should be very clearly presented to Congress, and Congress should have something to say about it. I am disposed to think that it will.

Senator Bone was mistaken. Congress had nothing to say about it.

On one other occasion before his Committee closed up shop, Senator Bone warned of the future, saying:

You recall how we were caught up after the last war? We took over a lot of German patents in the pharmaceutical

and chemical fields and our business entrepreneurs proceeded to fix things so that they were given back to the Germans through finagling devices After this war, unless we are wiser or smarter than I think we may be, we will probably find that the block of patents that the Alien Property Custodian has will ultimately find their way back into the hands of smooth German operators, and we will go through this same wretched process again, in spite of the fact that there may be a million of our boys who have paid the price with their blood and broken bodies.

As the events of the war progressed favorably, confusion increased at home and a new voice was raised in opposition to a future renewal of international cartels in general and that of Standard Oil-Farben in particular.

On July 26, 1943, Vice-President Henry A. Wallace, smarting at having been removed as head of the Board of Economic Warfare, delivered a political comeback speech in Detroit in which he took a slap at cartels; a few weeks later, in Chicago, on September 11, he became more specific, referring to the "creators of secret supergovernments."

Prior to the Chicago address the Vice-President had received a mass of data on the subject from William Floyd II, Chairman of the Standard Oil Minority Stockholders Committee. His attack was so specific that the following day Standard's president, R. W. Gallagher, replied defending his company's tie-up with Farben and bitterly criticizing the Vice-President for the attack. In passing Mr. Gallagher mentioned his own opposition to cartels and a few days later, Standard's pugnacious public relations pacifier, Robert T. Haslam, permitted Sylvia Porter to quote him in the *New York Post* that the dispute between Mr. Wallace and Mr. Gallagher was all an unfortunate mistake because Standard was already in agreement with the Vice-President.

Next, Assistant Attorney General Wendell Berge, now returned to anti-trust as its chief, called Messrs. Gallagher and Wallace into conference and it appeared that a semblance of harmony was restored; both parties seemed to oppose international cartel agreements (with Farben) unless such agreements were to be

registered with the State or Justice Department. This quaint reservation hardly indicated much hope of action which would do away with cartels as such in the future, or to eradicate I.G. Farben and its pattern for all time as the primary essential for an enduring peace in the post-war era. A week later Mr. Berge published an article in the *New York Times Magazine* entitled "Can We End Monopoly," in which he first admitted that for the last forty years, "emotional promises to enforce the Sherman Act" by both political parties resulted in elected officials who "with equal consistency did nothing about it."

Despite this painful admission, Mr. Berge also naively asserted that during the present war "the spirit of the anti-trust laws has not only been preserved, but much of the effect as well." Perhaps the new anti-trust enforcement official was thinking of the adage, "the spirit is willing but the flesh is weak."

Mr. Berge also paid unconscious tribute to the official Farben policies of hush-hush and immunity by saying that:

The full story of our unintentional industrial contribution to the German war effort has not been told

He finally concluded that

. . . . enforcement of the anti-trust laws is being pressed as vigorously now as available manpower permits.

It was hardly an optimistic forecast.

It may appear that the outspoken opposition of Henry Wallace to cartels in general and to Farben in particular was not the least important of the reasons which cost him the renomination as Vice-President. The truth regarding President Roosevelt's health was even then known, or at least suspected, by the inner councils of his party leaders. They chose his successor.

The foregoing brings this story, for a brief space, to France and North Africa, through which, when the Nazi doom became visible, the leaders of I.G. Farben established a bridgehead of escape to a financial bomb shelter in Algiers. It was then reported that certain Vichy French financial collaborators, hoping to salvage some of the Nazi loot by aiding in its concealment, had joined hands with Farben in a scheme to transfer the huge funds Farben had

accumulated by absorbing four of the largest chemical and dye industries in France, to North African banks, where they might remain safe regardless of who won final victory in Europe.

The United States appeared in this picture with the landing of its troops in North Africa in October 1942. Then, while thousands of American youths were dying—to end what Farben had started—there came the disquieting rumor that the on-the-spot representative of the State Department of the United States was in accord with the obviously German-inspired proposal to freeze the financial *status quo* in North Africa.

Here the same old pattern reappeared, hazily perhaps, but nonetheless the outline of a *modus operandi* of survival—a bridge-head out of the war zone of beaten Germany by which Farben could emerge as a going concern, financially strong and ready to resume business.

Meanwhile there appeared on the stage the obscure figure of Fritz Thyssen, whose steel trust had been tied in with Farben since 1927. Thyssen, in a true-confession story, "I Paid Hitler," whined, repented his error, and proclaimed that the one way to insure the next peace would be for "men of good will" to reestablish the new Germany as a corporate state.

So Thyssen emerged at a propitious moment as a leader who might induce the thoughtful citizens of the Fatherland to throw out the vile Hitler and join hands with the Allies in a plan which would save Germany's industries and industrialists, and create a reformed Reich and a peaceful world.

After the landing of the Allies in France and as the war speeded toward its inevitable end, discussions of how best to handle a defeated Germany centered around German industry in general—and I.G. Farben in particular.

So the struggle beneath the surface of official Washington continued, between those who favored Farben survival and those who did not.

While the late Commander-in-Chief was under stern compulsion to devote time and energy to global war, the greatest of all time, he was forced to rely upon subordinates and upon Congress to defeat and destroy the pattern of Farben. And it may appear that already certain of those underlings and their legislative col-

leagues fell in step one by one, and blindly took places assigned to them in the nooks and crannies of a new Farben framework as it was to be revised to fit the new peace.

Let it be said here, again, that there is no force which can restrain or turn such men from folly save only the lash of public indignation aroused by revelation of facts now hushed.

They are not stupid men who reach through all the barriers of war or peace to seduce other men who are stupid to new betrayals—with specious arguments of a better, normal world, or potent draughts of suggestion, of power to come. The dispute raged—should professors, politicians or plutocratic leaders of industry direct the war and build the peace. As to which of these Farben does not care. Its pattern has always found places for all three and can do so again.

For one more moment go back—go back—to Bayer's Schweitzer telling Ambassador von Bernstorff in 1916 not to worry about the future as it would be easy to choose a President with the "right politics" to respond favorably to a post-war comeback of I.G. Dyes in the United States. So does history repeat.

Or go back again, not so far, to the aged Gerard still politically powerful, in June 1943, defending Standard refusal to abolish all ties with Farben because:

Some of those who are thinking what is to happen after the war, are contemplating universal cartels.

Officially there could be no doubt that President Roosevelt favored a hard peace for Germany and the most vigorous handling of Farben. On September 8, 1944, Mr. Roosevelt made this clear in a letter to Secretary of State Hull, which he made public and in which he said:

The history of the use of the I.G. Farben trust by the Nazi reads like a detective story. Defeat of the Nazi armies will have to be followed by the eradication of those weapons of economic warfare

Prior to this blast by the President it was reported that the soft-peace sentiments of certain members of the European Advisory Commission had produced a proposed handbook of directions

for officers of the Allied Military Government (A. M. G.) which so favored a survival of the I.G. Farben set-up that Secretary of the Treasury Henry Morgenthau, Jr. hit the ceiling, protested to the President and, as a result, was summoned to the second Quebec conference which was held by the President and Prime Minister Churchill in September 1944.

The so-called Morgenthau Plan was then revealed, calling for the elimination of German chemical and metallurgical industries and the conversion of that nation largely to an agricultural economy with no peacetime industries save those which could not contribute to a future war.

Mr. Roosevelt and Mr. Churchill initialed and approved a memorandum which outlined this plan and which concluded with:

The program for eliminating the war-making industries in the Ruhr and the Saar is looking forward to converting Germany into a country primarily agricultural and pastoral in character. The Prime Minister and The President were in agreement upon this program.

When the Morgenthau Plan was made public the storm broke over his head, and the same barrage of epithets was aimed in his direction that had previously been hurled at England's leading advocate of a hard peace, Lord Vansittart.

President Roosevelt thereupon, in December 1944, through United States Ambassador John G. Winant in London, outlined to the Allies his demand for a complete and ruthless abolition of German war industries, but as this outline allowed for some survival of chemical industries for civilian requirements, it appeared less severe than the Morgenthau plan.

At Yalta, in February, 1945, Mr. Roosevelt, with Churchill and Stalin, stepped back a bit more from a program of total elimination of Farben by declaring merely an "inflexible purpose" to "eliminate or control all German industry that could be used for military production."

This was to be the last official pronouncement of policy on this subject by President Roosevelt. Those who were closest to him believed that he never wavered from his determination that

As for Germany, that tragic nation we and our Allies are entirely agreed that we shall not leave them a single element of military power or potential military power.

However in April, after Harry S. Truman became President, there was issued and then withheld from public knowledge, a Joint Chiefs-of-Staff order (J. C. S. 1067) instructing General Eisenhower for the governing of occupied Germany. This order required basic objectives "to the full extent necessary to achieve the industrial disarmament of Germany." It prohibited all research laboratories save those necessary to the protection of the public health, and stipulated abolition of all "laboratories and related institutions whose work has been connected with the building of the German War Machine." Also it forbade all research that would in any way contribute to Germany's future war potential.

These vigorous directives were softened however by a later reference to the "pending final Allied agreement on reparation, and on control or elimination of German industries that can be used for war production"

The Potsdam Agreement, arrived at in July and August by Prime Minister Attlee of England, Marshal Stalin of Russia, and President Truman, followed closely the earlier directives "to eliminate Germany's war potential" by control and restriction of industry "to Germany's approved postwar peacetime needs" and ordered that:

In organizing the German economy primary emphasis shall be given to the development of agriculture and peaceful domestic industries.

On July 5, 1945, under instructions contained in J. C. S. 1067, the U.S. Military Government in Germany (O.M.G.U.S.) promulgated General Order No. 2, which directed seizure of Farben for the purpose of making its plants available for reparations, and for destruction of all Farben arms or munitions of war or of any ingredients for same, which are not generally used in industries permitted in Germany.

Special Order No. 1, of the same date, appointed a control officer for Farben to prevent the production by and rehabilitation of these plants except as might be specifically determined in accordance with objectives of United States.

However, within a few weeks of the promulgation of this order Brigadier General William H. Draper, formerly of the New York banking house of Dillon, Read & Co. (which floated the thirty million dollar bond issue of Vereinigte Stahlwerke, Fritz Thyssen's Steel Trust, in the United States) was reported in a published dispatch from Berlin to have declared that a considerable portion of Germany's pre-war industry must remain if Germany was to survive. General Draper was chief adviser to General Eisenhower on German industry.

This apparent defiance of official military orders appeared strange, but no more so than the address delivered by the Honorable John J. McCloy before the Academy of Political Science in New York City on November 8th. Mr. McCloy, who had just resigned as Assistant Secretary of War, argued that Germany could never be made into an exclusively agricultural or pastoral society. He belittled the capacity of the enemy's remaining industrial plants and indicated that their plants should be put to work as soon as possible to pay for food that was to be imported. Concluded Mr. McCloy, "For a long time to come there is no justifiable fear that Germany's war potential is being rebuilt."

The Assistant Secretary of War, until 1940, was a member of the law firm of Cravath, de Gersdorff, Swaine & Wood, which firm as mentioned in earlier Chapters had been representing I.G. Farben or its affiliates in the United States. It may appear to be a coincidence that Mr. McCloy should have turned up in the War Department in 1941, in a position in which he could speak with authority on such matters as handling the destruction of that mainstay of Germany's war potential—I.G. Farben. The coincidence may also be recorded here that other members of the Cravath law firm also held responsible places in the War Department, including Alfred McCormack, and Howard C. Peterson, as assistants to the Secretary. Another former member of this firm, Col. Richard A. Wilmer, was commissioned after the war began and had to do with such problems.

One fact is apparent—General Dwight D. Eisenhower was definitely not in accord with those who favored softness. While on a visit to Washington on October 20, 1945, the General publicly demanded the complete dissolution of I.G. Farben in order to assure future world peace. That this was his intention may not be doubted. But the General of the Armies in Europe, with all his powers as a combat soldier, did not make policy and did not select many of the men who were sent to Germany by the State and War Departments and the F. E. A.

The retreat from the official policy of eliminating I.G. Farben continued with a statement by Secretary of State James F. Byrnes, in December 1945, in which he announced that German administrative agencies should be set up to control foreign trade and industry, and that German industrial production should be permitted to increase, and German exports permitted to finance necessary imports.

In August of that same year President Truman had been persuaded to send the well-meaning former war censor, Byron Price, to Germany to survey conditions. Mr. Price's report, while highly informative, ignored completely the lessons of Farben's quick emergency after the first World War by stating that

There certainly is not the slightest evidence that Germany can become, within the foreseeable future, sufficiently strong to permit diversions of production for German war purposes.

In the Halls of Congress, Senators and Representatives were bombarded by the forgive-and-forget brigade and the advocates of immediate restoration of German industry—so that the dear little baby Nazis would not starve.

Some of this special pleading was sincere idealism, and some of it arrant hypocrisy all too similar to the brazen demands for the restoration of the German dye trust after the first World War. History repeats.

One very informative speech, which indicated the under cover struggle in official circles on the future of I.G. Farben, was delivered in the Senate on January 29, 1946 by Nebraska's distinguished funeral director, Republican Senator Kenneth S. Wherry. This mortician-turned-statesman referred to the

Bitter rivalry between Mr. Morgenthau's henchmen in the Treasury Department and representatives in the War and State Department as far back as 1942;

and stated that:

Mr. Morgenthau finally won his battle and forced the incorporation of his plan into the new infamous document J. C. S. 1067 despite the repeated warnings of Mr. Stimson and of many high officials in the State Department.

Unfortunately, the speech was received with acclaim by all too many members of the Senate of the United States.

As illustrative of the non-partisan pattern of all such legislative propaganda, Senator James Oliver Eastland, Democrat colleague of Bilbo from Mississippi, contributed a fine appeal to passion and illogic on December 4, 1945, in a lengthy diatribe against Secretary Morgenthau for wanting to eliminate German war industry—and at Russian soldiers for, allegedly, raping German maidens.

In associating these two varieties of injury to the German people as a single great humanitarian issue, the Senator propounded this disingenuous query:

Why blur the easily defined distinction between peacetime industry and wartime industry? to de-industrialize German is not necessary to render Germans powerless again to wage war. We are concerned instead with the great issue of humanitarianism.

However, it remained for that great Republican statesman from Indiana, the Honorable Homer E. Capehart, to win the Senatorial humanitarianism sweepstakes with an outburst on February 5, 1946, in which he denounced Mr. Morgenthau and the advocates of his plan, rather than the Nazis, as responsible for mass starvation of the German people and the deliberate destruction of the German state. Accusing them of "burning with an all-consuming determination to wreak their vengeance," the Senator stormed at his colleagues that their "technique of hate" had earned for Mr. Morgenthau, and Colonel Bernard Bernstein, the titles of "American Himmlers."

The thesis that the eradication of Farben's war potential was all wrong because people were starving in Germany was also found in a November 1945 report of a House of Representatives Committee on post-war planning, of which another Mississippi statesman, William M. Colmer, was chairman. This report stressed the pre-war dependence of other European countries (Farben's victims) on Germany's industry. Ignoring the obvious fact that chemical and metallurgical industries could operate just as efficiently for peace if moved out of Germany into adjoining countries where the lust for world conquest does not exist, Representative Colmer's report naïvely proclaimed that to strip Germany of its ordinary industries would injure industrial production in other countries (those ravaged by Germany) and also would impose a heavy burden on the United States or widespread starvation and dangerous conditions all over Europe.

Over the air and in the press the pleas to save Farben were heard in a great variety of argument. Among the gems of radio propaganda against the Morgenthau plan was the conclusion expressed by Saul K. Padover, biographer of emperors and former college professor, who is credited with effective work in the Army's Psychological Warfare Division. Professor Padover in a World Peaceways broadcast on December 16, 1945, ended his plea that we must re-make the German mind (he admitted that this would take decades) with a caution that there was an element of danger should we punish I.G. Farben or destroy its plants. "Destroying factories will achieve nothing" concluded the Professor.

Then he left in a hurry to return to his official duties in Germany. Months later, after Professor Padover had re-examined the stealthy resuscitation of the German industrial war potential in the guise of a peace-time economy, he changed his views. On September 9, 1946 in the newspaper *PM* the Professor expounded ably on the necessity to deprive the Reich of its industrial might in order, as he said, to turn it into "a giant without weapons, and consequently not to be feared."

However, as will appear later, the Professor's recognition of the menace of the Farben war potential did not appear until after our Secretary of State had taken one more step away from the Roose-

velt program of destruction for all time of the real menace to future peace.

Meanwhile Raymond Moley, the kiss-and-tell hero of early New Deal days who had openly advocated a new era of German industrial cartelization to be directed by Americans, broadcast his conclusion that already the Morgenthau plan was gone, and that Farben, "one of the most unusual and important organizations in the world," need not be destroyed as it could be properly *controlled*, now that Americans had taken over.

Among the columnists, Dorothy Thompson, strangely changed from her earlier attitude, was probably the most vociferous and certainly the most hysterical opponent of Franklin Roosevelt's announced determination to eradicate the industrial war potential of I.G. Farben.

As justifying her attacks on "de-industrialism," as she called it, Miss Thompson made the point that "Only a limited number of industrialists helped Hitler in any way to come to power," and stated that her criticisms were based upon:

Unswerving allegiance to the principles of democracy, the rarely practiced ethics of Christendom, the long range interests of America, and an unflagging defense of humanism.

Sylvia Porter, brilliant rival of Miss Thompson, replied in her column in the *New York Post* that the fundamental issue was to so direct Germany's post-war economy that she would never again be able to threaten world peace. Summed up Miss Porter on August 6, 1945:

The Nazi party didn't make Hitler. Germany's industrialists made him and made his invasion possible.

And Farben's friends did not have it all their own way in the United States Senate. In June 1945 a few weeks after the surrender, Democratic Senator Harley M. Kilgore returned from an early postwar trip to occupied Germany with the announcement that he had uncovered proof of the plot to revive I.G. Farben and other German war industries, and that German industrial leaders were already preparing for the next world war.

Senator Kilgore, made Chairman of the Sub-Committee on War

Mobilization of the Senate Military Affairs Committee in 1943, had done excellent work in uncovering and recording evidence of Farben's prewar criminal conspiracies in the country and had also explored some aspects of the cartel problem in general.

In fact, Senator Kilgore became the first member of the Congress to express written approval of my own earlier efforts to expose the influences which were protecting the Farben prewar conspiracy when he wrote me in February 1944 that:

If Congress had only investigated this (Farben) lobby in 1931 as you recommended, we should have had a more healthy realism about Germany and cartels rather than the realism of war.

On June 22, 1945 Senator Kilgore called the Honorable Bernard M. Baruch as a witness, and the latter, to his everlasting credit and to the dismay of many of his Wall Street friends, delivered a most devastating blast at Germany's industrial war potential which, he demanded, must be smashed for all time. Bluntly he described Farben's industrialists:

War is their chief business and always has been Her war-making potential must be eliminated; many of her plants shifted east and west to friendly countries; all other heavy industry destroyed

The elder statesman's testimony constituted a substantial approval of Secretary Morgenthau's proposals and as such went further than the Yalta agreement of the three heads of state. Over and over Mr. Baruch denounced the German industrial leaders as equally guilty of murder as were the Nazis.

"German industry is a war industry," he said. "You cannot industrialize Germany and keep her from being a war agency."

Other witnesses who followed Mr. Baruch before the Kilgore Committee included Assistant Secretary of State William L. Clayton, who testified regarding evidence uncovered in Germany of the grandiose plot engaged in by I.G. Farben and other war in-

dustries in concealing their capital assets and technicians in "safe havens," as he termed them, in foreign countries in order to prepare for the next war.

Perhaps the most important testimony presented to the committee, in its significance as regards the postwar administrative policy on I.G. Farben, was a lengthy program outlined by Leo T. Crowley who, at the time, was still wielding his great powers and influence behind the scenes as Foreign Economic Administrator. In the outline of his program of economic and industrial disarmament Mr. Crowley indulged in a series of contradictory allegations and proposals which, facing both ways, would appear to be merely aimless double-talk if it were not for its more serious aspects. Mr. Crowley's thesis at the start very ably pointed out that:

It was not the amount of military material which Germany was able to save from destruction by the Allies nor the handful of military material which Germany was able to manufacture during the years which immediately followed the defeat of 1918. . . . Rather it was the fact that Germany retained intact a vast aggregate of economic and industrial war potential and was able to continue to experiment, plan and prosecute its development in terms of future war production that was important" and "that later enabled the German nation to organize itself completely and entirely for war"

The above appears to be an extremely well expressed recognition by Mr. Crowley of German's real war potential. However, in concluding, Mr. Crowley openly advocated another era of control instead of eradication, saying that "economic security from future German aggression must," among other things, "recognize the differences between a powerful war economy and a healthy peacetime economy" and "be achieved by affirmative industrial and economic controls as a first step."

Among the gems in this list of "musts" relating to the control but not the elimination of Germany's war potential were requirements that the control ". . . . be possessed of a maximum of administrative feasibility and simplicity. Complicated and detailed controls may be practical during the period of occupation. . . . Be simple and understandable for the common people of the world"

With gibberish of this sort emanating from one of the highest ranking administrators in Washington, is it any wonder that minor O. M. G. officials who wanted to do a job were discouraged and ineffective.

It is appropriate to recite here statements of necessity for the disarmament of Germany which are set forth in the summary of the final program prepared under Mr. Crowley's direction and made public some months after his statement before the Kilgore Committee.

One of these necessities is stated to be that "The achievement of security from future German aggression should be the primary and controlling element in our foreign policy toward Germany."

Another admits the inadequacy of any program which merely stops the direct production of arms and munitions and states:

Military potential in a total war is a combination of modern industrial, scientific, and institutional components of such a nature as to make them equally useful for war or civilian productions.

Having thus ably stated the necessity to eliminate completely I.G. Farben and its allied metallurgical industries, the Crowley program and its appendix in some 660 closely printed pages of figures and discussion then recommends the continued operations of these same industries with the trained management and scientific research which must accompany them—all this to be "controlled" for an indefinite period. In other words a substantial repetition, step by step, of the control of German industry instituted by the Allies after the first World War which fumbled and fozzled until it was abandoned, while the men of Farben went right along with their plans for the next war.

With respect to Mr. Crowley's contradictory recommendations on German industry it is only fair to state that Henry H. Fowler, Director of the Enemy Branch of the F. E. A., who did much of the work on the problems, also presented numerous exhibits to the Kilgore Committee on June 26, 1945 which were notable contributions to the unmasking of Farben's war potential.

Having contributed his final compendium of governmental policy which related to the survival of I.G. Farben, Mr. Crowley re-

tired from his numerous and onerous government jobs to his duties as president and chairman of the Standard Gas & Electric Company and other public utilities in which he held office. However, criticism of Mr. Crowley did not cease with the end of his governmental duties, as the Federal Power Commission on June 18, 1946, issued an order forbidding him to continue as chairman of one electric light company and director in two other utilities, giving neglect of his duties as the reason for thus ousting him.

Another Farben Peace

SENATOR KILGORE in October, 1945, publicly expressed his concern at reports that high officials were planning a revival of I.G. Farben's export trade instead of dismantling its facilities.

In December, after his committee had assembled and made public voluminous records extracted from the I.G. Farben files in Germany which proved its war guilt beyond question, the Senator called as a witness Col. Bernard Bernstein, formerly Treasury Counsel, who, as Director of the Division of Investigation of Cartels and External Assets in the O. M. G., had recently returned to the United States, having been sent back, according to report, because he was too insistent in his efforts to uncover the part Farben played in the war and in searching for the accomplices through whom its assets were still hidden.

Colonel Bernstein, in a lengthy statement prepared from original documents with meticulous care, brought out the startling fact that 87 percent of Farben's industrial war machine was ready to operate, and instead of being destroyed as required by the Yalta and Potsdam Agreements, was actually being put back into operation. His testimony showed conclusively that the German war

machine could not have functioned without Farben, and that Dr. Carl Krauch, pre-war Nazi Chief of Germany's entire chemical industry, and chairman of Farben's board of directors, along with the other Farben leaders, had long known of the Nazi plan of aggression. The witness expressed the hope that the criminal role played by Farben's officials would result in their indictment and conviction as war criminals. Vain Hope.

Shortly after this, Col. Bernstein resigned from the Government service. His successor in the O. M. G. set-up in Germany, Russell A. Nixon, a former member of the Harvard faculty, let loose a blast in Berlin, saying that Farben's high officials who had been arrested were being released, their plants were not being destroyed, and the uncovering of their hidden assets abroad was being hindered by State Department officials.

So Mr. Nixon was also returned to the United States and he, too, gave his testimony before the Kilgore Committee.

Mr. Nixon was now out of the Government service and was free of official restraints. He minced no words in stating that O. M. G. officials directly engaged in carrying out Order No. 2 of July 5, 1945, were deliberately violating it, and that the I.G. Farben war potential was being actually rebuilt and reintegrated instead of being destroyed. Among high points of Mr. Nixon's testimony were detailed charges that: no I.G. Farben plants had been destroyed, those widely heralded as having been blown up were in reality government-owned plants. No law to destroy cartels in Germany had been promulgated and no policy existed in this respect. Farben officials and employes who had been arrested had then been released from custody—in some cases were actually assisting in the activities of the O. M. G. The instructions for a complete mobilization of Farben's external assets had not been carried out.

Farben's stock had gone up and up on the Munich and Frankfurt Stock Exchanges (from 68 to 142½) because the German people on the spot knew what was going on.

The State Department and the British Foreign Office had acted together in preventing the seizure of Farben's foreign assets.

Possibly the most significant item in Mr. Nixon's story was his statement that Farben's re-growth followed closely the expecta-

tions which had been expressed by the notorious Max Ilgner, in a letter discovered by the O. M. G., which Ilgner wrote in 1944 to several of his associates and in which this Farben foreign-espionage head confidently advised his pals to stick together because he, Ilgner, could assure them that the American authorities would eventually come to their rescue and permit I.G. Farben to resume business as usual.

Mr. Nixon not only minced no words in denouncing the official malpractice by which every order to destroy Farben was being aborted, but named some of those individuals in the O. M. G. set-up in Germany whom he believed to be responsible for this ghastly repetition of the sabotage of Allied control of this same German dye trust in the years following World War I.

Among those Mr. Nixon indicated had taken the attitude that the Morgenthau plan was hysterical or impracticable were Ambassador Robert D. Murphy, representing the State Department; General William H. Draper, Director of the Economics Division; Col. E. G. Pillsbury, control officer; Major Petroff, former attorney for General Motors; Laird Bell, Chicago attorney who had been outspoken in his disagreement with Potsdam and J. C. S. 1067; and Col. Joe Starnes, former member of the noxious Dies Committee of the House of Representatives who, when defeated for reelection, was rewarded with a commission in the Army and as a member of the O. M. G. urged that the de-Nazification order should be ignored and German industry should be started.

Mr. Nixon went into some detail regarding the peculiar actions of Col. Carl B. Peters, former president of Synthetic Nitrogen Products, director of Chemnyco, and an official of the Advance Solvents Corporation, all Farben subsidiaries, who was quietly removed from Germany for engaging in numerous relations with high I.G. Farben officials.

Col. Peters, Swiss-born American citizen and a Major in ordnance during World War I, was active in the chemical industry and took a leading part in Farben's false front set-ups in the United States. Then in 1939 he was indicted in two of the synthetic nitrogen ammonia cases which were kept secret from the public and later were mysteriously *nolle prossed*. And on September 5, 1941 he was defendant in the civil complaint and consent decree involv-

ing the same conspiracy with Farben to restrain synthetic nitrogen production. Colonel Peters reentered the Army and was sent to Germany originally by Mr. Crowley's Foreign Economic Administration, coming to grief as Mr. Nixon stated, when United States Counter-Intelligence decided that his relations with Farben personages were improper and indicated that he looked forward to renewed inter connections between Farben and American interests.

Readers may ponder at this typical example of the familiar pattern, of the way a man who served Farben purposes during the pre-war period in its American fronts and was thus personally involved in court actions for conspiracy against this country, should then have been commissioned in the Army and sent by Mr. Crowley to help carry out the destruction—or control—of I.G. Farben's war machine in Germany.

While Senator Kilgore was making a direct attack upon the Farben conspiracy, one other robust member of the Senate, the Hon. Joseph O'Mahoney, Wyoming Democrat, had been approaching some aspects of the Farben mess by indirection with an insistent demand that the Government of the United States take a forthright position on the total abolishment of all international cartels—particularly those by which Farben had disarmed this nation and its other victims.

In May, 1945, Senator O'Mahoney held public hearings before Senate Committees which were considering cartel legislation, and his first two witnesses, Attorney General Francis Biddle and Assistant Attorney General Wendell Berge, distinguished themselves by expressing conclusions that executives of the corporations who signed and carried out the illegal tie-ups with Farben were innocent of any attempt to injure the national security and did not present any moral problem in so doing.

This gratuitous effort to apply a coat of official whitewash to men whose acts had contributed to obstructing the national defense, was more remarkable in view of Mr. Biddle's admission that some of those same individuals were parties to carry-over agreements through which the illegal agreements were already being resumed. And Mr. Berge's friends and admirers were chagrined when he ignored official records to the contrary, and expressed the absurd opinion that the United States Government

had "no knowledge" of Standard Oil's partnership agreements with Farben during the thirteen-year pre-war period. Out of my own high admiration for Wendell Berge let it be said that whoever induced him to put such statements into a public record was not a real friend of this kindly gentleman.

Leaders of the oil industry also appeared, including Orville Harden, vice-president of Standard Oil of New Jersey, and other executives of that company—each to express, quaintly, their bitter opposition to cartels. They each appeared at first to hate these infamous arrangements. Then the words *nevertheless*, *however*, and *but* would creep in, in a way which indicated that just possibly the speakers were afraid that perhaps we could not afford to be too harsh in future about such tie-ups with foreign companies. The oil magnates put on a good show.

On the last day of these hearings Senator O'Mahoney called on me, as an authority on cartels and I.G. Farben, and thus made it possible to put into a Senate record a few of the pertinent facts (which now may be found in this book) about the vicious political influence by which I.G. Farben during the pre-war era had so profoundly molded opinion and policy inside Germany and also in other countries, including the United States.

I utilized this opportunity to refute the earlier allegations of Messrs. Biddle and Berge that none of their so-called innocent American industrial cartelists knew that the national security was involved in their partnerships with Farben, and that the United States Government was not informed about these illegal agreements until after Germany began the war. The documentary proofs which I cited to disprove the Biddle-Berge allegations were received in painful silence, especially those which clearly indicated that the political influence of I.G. Farben might have been responsible for the innocuous results of flabby Anti-Trust Law enforcement against those whose tie-ups with Farben did weaken our national security.

It was merely a coincidence, but surely a pleasant one, that Mr. Biddle resigned from his position as Attorney General the day after my testimony recorded some of the weird results of his tenure of that office. However, rumor had it that he had been slated to go ever since former Assistant Attorney General Norman Littell

forced into the record some of the proofs relating to Mr. Biddle's relations with Thomas Corcoran.

How and why Francis Biddle under these circumstances later wound up as the United States member of the Nuremberg Court by appointment of President Truman remains a mystery on which the readers of this record may well ponder.

As the aftermath of having thus placed on a record of the Senate for the first time evidence that the political influence of I.G. Farben had been reaching inside the Government of the United States, the printing of the record of these hearings was held up for months, while parts of my testimony were suppressed.

However, it developed that the Wyoming Senator was unwilling that political influence of I.G. Farben should prevent his colleagues in the Senate, and the public, from reading testimony on that same political influence of I.G. Farben which had been recorded before his Committee. Thus, in the final printing of these hearings, there appeared a reproduction of my 1931 Chart or Flow Sheet (described in Chapter VII) showing I.G. Farben's control in that early pre-war era, of our munitions industries, its influence on our press and our government. Thanks to the courage of Joe O'Mahoney, this proof that it was then known what Farben had planned for ten years later, became a public record fourteen years after it had been sent to members of the Congress.

On December 12, 1945, after Colonel Bernstein's public testimony, Senator Kilgore, in an off-the-record conversation with me, expressed his indignation at incidents which I related as illustrations of Farben's influence in security immunity for some of its American stooges. I was then advised that I would be called back to Washington as a witness before the Kilgore Committee. Instead, a letter from the Senator advised me that the public hearings were discontinued and would I kindly send him a written statement to be printed with the Committee's other testimony?

On December 21, 1945, a few days after our private conversation on Farben's political influence, Senator Kilgore issued a ringing public statement dealing with this same subject of influence. And in restrained but unmistakably critical language the Senator discussed the conduct of affairs in occupied Germany with this query:

For what private and selfish ends are our national security and the security of our allies placed in jeopardy?

He became more specific as he continued:

The attitude of these military government officials is an outgrowth of their connections with industrial and financial enterprises which had close pre-war ties with the Nazis.

His statement also named some of the same O. M. G. officials mentioned in the Nixon testimony, but unfortunately Senator Kilgore did not bring out clearly the basic issue of Farben's continued political influence inside government at Washington, where obviously the real responsibility lay for putting into the O. M. G. men who would deliberately sabotage the orders issued by General Eisenhower to smash I.G. Farben. These men did not appoint themselves to office.

As one way to remedy the silence on this issue I included in the statement which the Senator had requested for his Committee's hearings some of the ample proofs available that the most dangerous aspect of the German war potential was the political influence of Farben inside the Government of the United States. Incidents, a few of the many in this book, were recited.

My medicine was too strong for Senator Kilgore—the heat was on for what he had already put into the record. My statement was returned with advice that it could not be published because: "It is not the policy of the Sub-Committee to make charges against individuals" (which was a rather peculiar allegation in view of the charges against members of the O. M. G., and many others made in the Kilgore Committee Hearings). Tactfully, the Senator's letter added:

"I am not questioning your veracity."

Friends of the Senator then complained to me that I was causing him embarrassment. Be that as it may, his probe of I.G. Farben had already caused such dismay and resentment that no appeasement policy would suffice and the Kilgore Committee's investigations were marked for the same end as those of the Bone Committee.

Following Mr. Nixon's testimony in February, it was announced

that witnesses from the State Department would appear before the Kilgore Committee to refute the Nixon charges. But no such witnesses appeared. Instead, the Audit and Contingent Expenses of the Senate reached out to strangle Senator Kilgore's brave effort to defeat the Farben revival plot, by cutting the appropriation for his Sub-Committee to a fraction of the sum required.

This is not to imply that this action, by the Senators involved, was not motivated by a desire for economy or was influenced by the I.G. Farben lobby.

While the tug-of-war was going on in the United States Senate between the save-Farben and smash-Farben teams, important contributions were made by those two valiant battlers, Representatives Voorhis of California and Coffee of Washington. Among the several forceful speeches by Mr. Voorhis touching on the I.G. Farben tie-ups in the United States was that delivered on May 21, 1945, in support of his House Concurrent Resolution 55, which demanded that the Government prevent the economic financial or technical resources of Germany from rebuilding the future war potential of the enemy in any other nation, and to prevent any citizens or corporations of the United States taking any action "through cartel agreements or otherwise" which would contribute to the rebuilding of that future war potential.

Again on July 20, 1945, Mr. Voorhis complained bitterly that:

Some of the very people who hold top positions in the American Control Commission in Germany are men who either in the past or at this very moment are officials of American companies who had connections with some of the very German companies which the Senate (Kilgore) Committee has warned about

Mr. Voorhis also put his finger on the issue by saying that:

To select men with connections of this sort and to pass over the thousands of other American businessmen whose companies never had any such connections is, to put the matter very mildly indeed, a mistake which may have the most serious consequences for the future peace of the world.

Representative Coffee also has a long and notable record of well-documented and forthright attacks upon the cartel as an institution and I.G. Farben tie-ups in particular. On October 4, 1945, while Colonel Bernstein's battle against the sabotage of the directives to destroy Farben was at its height in Germany, Mr. Coffee delivered in the House a blasting attack upon I.G. Farben political influence in which he paid me the honor of referring to my own efforts, citing among other things my exposé of the way the Geneva Economic Conference in 1927 was influenced by Farben's Dr. Lammers.* Mr. Coffee then put into the record his own views on the way Farben influenced both international and our own domestic affairs, including the following:

We have all, I think, felt the impact of such influence here at Washington, at times like these, when investigation and legislation which may affect any cartel activities is under discussion, or pending. Then it is that some visitor—in plain language some lobbyist—attempts his persuasions with quaint sophistries, or more subtle argument. Now what essential difference can anyone point out between the lobbyist—or fixer—exerting pressure here at Washington or in Europe in our reconstruction set-up, in 1945, for cartel survival; and Farben's Dr. Lammers at Geneva in 1927 successfully persuading that international assembly not to act against the cartel.

In the light of events since then, which are known to all of us, it may be admitted that should the Geneva Economic Conference in 1927 have protested at the evils of the cartel, and had it even raised the lid a fraction of an inch to peer within the Pandora's Box of I.G. Farben. then those beastly, tragic human ills, which later were loosed from that casket of evil and death, might not have brought us, now, to a war and a victory so dearly won with the blood of American youth. In 1927 I.G. Farben's leaders had to prevent action by the League, so Farben's distinguished Dr. Lammers was on the spot to do so.

Who shall dare to say that some other Dr. Lammers, dis-

* In monograph, *The Cartel*, published in the *Encyclopedia Americana*, 1945.

guised in sheep's clothing as a learned technical adviser, or in the raiment of an apostle of democracy and peace, has not been around Washington to advise anyone so credulous as to listen to him; or is not among those who at this very time are in Europe to help decide on the spot what to do about saving German industries, or what punishment, if any, shall be meted out to guilty German industrialists.

The eloquent Representative summed up his conclusions with:

. the one great national and international issue which the cartel presents to us at this time, and which we must face before it is too late, is that of the cartel's political influence, as we see it now revealed in preparation for this war, and as it must be met if its impact upon the next peace is to be immunized. We have won the war in Europe and in Asia, but are we doing those things which must be done if we are to win the peace, while the friends and allies of I.G. also plan and connive in secret to reconstruct their private cartel super-state? Remember, too, that much of the propaganda which clandestinely attempts to foment discord among the Allies in this war and in this peace has its origin and its motivation among the adherents of another era of world cartelization.

These references to the influence which might effect what punishment, if any, shall be meted out to guilty German industrialists are a reminder that up to the time this is written there appears no record of the indictment or the punishment of any officer or employe of I.G. Farben, in Europe, save for the gentle protective custody in which some of them have been held, until they were released by influences exerted upon subordinate officials in the O. M. G.

As one of the few columnists who wield an objective pen and cite names and facts on the I. G. Farben problem, Tom Stokes followed up Jerry Voorhis' exposé in the House with a series on the same subject, of the official folly of putting men in the O. M. G. in Germany to eradicate Farben who were officers of American Companies tied in with I.G. Farben and in some instances under indictment for such offenses.

One of those identified by Stokes in his column of May 26, 1945, was Col. Frederick Pope, who had been with the Office of War Mobilization before being selected as Chairman of the F. E. A. Committee on Chemicals which prepared that section of Mr. Crowley's Program for German and Industrial Disarmament (already mentioned).

Without questioning Mr. Pope's high standing as an industrial engineer, or the good faith of his recommendations relating to the peacetime control rather than the destruction of Farben's production of war chemicals, Mr. Stokes pointed out that Mr. Pope was a director or official of more than one of I.G. Farben's American affiliates.

These have included Mr. Pope's directorship of the American Cyanamid Company (fined \$10,000 in April, 1946, for conspiring with I. G. Farben) and of the Southern Alkali Co. (defendant in action filed in 1944 for conspiracy with Farben in the alkali industry) and prior to 1939 Mr. Pope was also closely associated with the Farben subsidiary Synthetic Nitrogen Products Co., along with Col. Carl Peters, which company's record has also been presented.

The press in general, as has been mentioned in earlier chapters, continued its customary reluctance to publish all of the real truth which came out of Germany.

As the struggle inside of the O. M. G. proceeded, between those like Bernstein and Nixon who wanted to be harsh, as ordered, with Farben, and those opposed, there were increasing protests from news correspondents stationed in our occupied zone in Germany that either direct censorship or indirect pressure was making it difficult to send back home the real facts on what was going on behind the scenes. Correspondents of even the conservative *New York Times* joining in these protests justify a belief that they were well grounded. It remains fortunate that Messrs. Bernstein and Nixon, when they returned to the United States, resisted such efforts to silence them as we may be quite sure were made.

This may be the appropriate place to cite that dramatic incident which took place in the courtroom in New York on June 6, 1945, when, as told in Chapter xviii, Farben's chief Counsel, Dr. August von Knieriem, flown from Frankfurt, in custody in a military plane,

was produced as a surprise witness by Philip Amram, Assistant Attorney General, and testified regarding the celebrated fake agreement made by Standard Oil of New Jersey with Farben at The Hague in September, 1939, after Germany had invaded Poland.

Dr. von Knieriem produced from the Farben files a signed copy of the so-called Hague agreement which he identified as his own original, and on its margin in his own handwriting there were numerous notations made at the time to explain the various clauses in the agreement. One of these conclusions recorded by Farben's chief legal adviser in 1939, when the Farben leaders' vision of world conquest held no possibility of the tragic revelations in 1945, was a short pungent phrase in German which, translated, shouted out the fraud and the confident expectation of a future renewal of the mesalliance between Farben and Standard. The words were "Post-War Camouflage."

We may well ask how much of the contemptible double talk and worse relating to Farben which has been uncovered comes within lawyer von Knieriem's definition of *camouflage* to deceive the Government and the people of the United States.

James S. Martin, previously mentioned in Chapter xv, succeeded Mr. Nixon as control officer for I.G. Farben in the American Military Government for Germany. After he had appealed for the establishment of another tribunal to try the guilty industrialists, Mr. Martin was permitted to organize a unit to be devoted specifically to the de-cartelization of Farben and its affiliates. However, the efforts of this group to eliminate Germany's industrial war potential appeared to be restricted to surveillance and control of the so-called peacetime economy, which, since Potsdam, the higher ups had found so conveniently elastic and expandable.

Meanwhile, as the trial of Nazi leaders at Nuremberg proceeded, many Americans sought in vain for some sign that punishment would be inflicted upon the Farben leaders who were in the custody of the American authorities. The criminal acts of these men had again been established by countless original documents uncovered in their own files, as not only responsible for Hitler and Hitler's armed might and the weakening of Germany's victim

countries, but also as directly involved in some of the most beastly deeds of the Nazi regime.

These included such acts of criminal depravity as direct participation in the Nazi slave labor practices which had their origin "in the blackest periods of the slave trade," by which Farben war plants had been manned with forced labor of hapless captives; in manufacturing and knowingly supplying the deadly poison gases used to murder millions of helpless humans in the death chambers at Auschwitz (Oswiecim); and, after these mass murders, in the conversion into fertilizer of the ashes remaining from the cremation of the corpses.

It so happens that ample evidence of all these unbelievable practices was produced at the trial and recorded in the final judgment of the Nuremberg Tribunal.

With relation to this evidence of depravity, it may be mentioned that Georg von Schnitzler, called by some the No. 2 Farben criminal, admitted to our O. M. G. officials long before the Nuremberg trials began that he, and other Farben directors, had known that poison gases manufactured in a Farben plant were being used to murder human beings in the Nazi concentration camps, and did nothing about it—save to continue the supply.

However, at Nuremberg all this evidence was not related to the guilt of Farben's leaders—they were not on trial. The senile Krupp was the only one indicted who was publicly identified as an industrialist (with side-door ties to Farben). He was not even tried.

And, as the trial dragged on, the slimy Schacht, close associate of Farben, and involved in Farben's pre-Hitler preparations for war, but usually referred to as a mere financier, boasted complacently that he would not be convicted.

To some it may have seemed strange indeed that there were no Farben figures in the Nuremberg dock, especially in view of earlier insistence of United States Prosecutor Robert H. Jackson that some of them should be. The indictment, where it dealt with certain vital aspects of aggressive war—for which Hermann Schmitz and his associates obviously were responsible—included the following:

The Nazi conspirators, and in particular the industrialists among them, embarked upon a huge rearmament program and set out to produce and develop huge quantities of materials of war, and to create a powerful military potential

Dr. Schmitz, indicted in the United States in 1941, remained untried for those offenses; and at Nuremberg he was not even indicted with other and lesser criminals.

In view of the record thus summarized it is not surprising that on May 1, 1946, former Secretary of the Treasury Henry Morgenthau, Jr., broadcast a denunciation of the State Department policies on elimination of Germany's war potential, with careful analysis which included this positive statement:

We have failed to de-industrialize Germany.

The speaker then reflected the views of many others by saying:

It is still not clear to me whether Mr. Byrnes intends to scrap the Allied program of Quebec, Yalta and Potsdam If it is Mr. Byrnes' intention to scrap the Potsdam pact and allow Germany to remain industrially powerful, then I prophesy that we are simply repeating the fatal mistakes of Versailles, and laying the foundation for World War III.

Mr. Morgenthau's query to Secretary Byrnes was a voice crying in the wilderness of synthetic public clamor which demanded the survival of German industry--of Farben. This appeal was disguised in a confusion of many voices, of hysterical pleas for a starving Germany and fears of a Russian menace.

In July 1946, Russia's Molotov had made an obvious public bid for the favor of an unrepentant Germany. Then late in August Lieutenant General Lucius D. Clay, Deputy Military Governor of the American Zone in Germany, contributed what may appear as the first of a series of answers to Mr. Morgenthau's query. As reported, General Clay's statement included inaccurate and rather naïve allegations that Germany no longer had any physical war potential of her own and could only be a threat if some other power with the industrial wherewithal used her as a mercenary.

A week later, on September 6, 1946, Secretary of State Byrnes made his counter-bid for the friendship of the prostrate nation in a broadcast at Stuttgart, in which he threw overboard all pretence of implementation of the plan to eliminate Farben's war potential--which the Potsdam conference had decreed.

In double talk decrying the oversight that no allowance had been made in fixing levels of industry for reparations and a self-supported Germany, Mr. Byrnes assured his listeners of a balanced industrial economy to be controlled by trained inspectors, and an export-import program out of which reparations (and industrial profits) might come.

Described in the press as America's bidding against Russia for German favor, columnist Edgar Ansel Mowrer aptly called it Byrnes' plan "to fight fire with fire," while expressing the vain hope that "we come through unharmed."

And Upton Close complacently termed it "a cardinal principle of democracy," and "a reminder to the Reich that we recognize the right of every nation to govern itself."

The Secretary of State then returned to the Paris Peace Conference and his bi-partisan foreign policy which, whatever else it may or may not be, does have the unqualified approval of that good friend of Standard Oil's late Mr. Farish, Democratic Senator Tom Connally, and the learned legal adviser of Farben's Mr. Halbach, Republican statesman John Foster Dulles.

President Truman, nudged rather violently on foreign relations by the man he had displaced as Vice-President, then publicly indicated his full support of the policies of the Secretary of State.

With another swift turn of the wheel, one more completed design in the pattern of things to come was unfolded when, on September 30, 1946, the Nuremberg Tribunal handed down its verdict convicting the Nazi ruffraff and military gangsters, but acquitting both Franz von Papen and Hjalmar Horace Greeley Schacht. Subsequently mysterious press reports intimated that Francis Biddle, as American Judge, had voted to convict Schacht. However, Mr. Biddle declined to say how he voted. The Judgment states "The Tribunal finds Schacht not guilty . . ." Of the four Judges, American, British, French and Russian, only the last dissented.

The dissent of Russia's Judge J. I. Nikitchenko appears as an understatement when he declared that:

Schacht's leading part in the preparation and execution of a common criminal plan is proved.

In the light of damning facts, showing the involvement of Schacht, which were recited in the verdict itself, he was obviously guilty on Counts 1 and 2 of the indictment, of:

. . . . participation in a common plan or conspiracy to commit crimes against peace in the planning, initiation or waging of a war of aggression.

But after reciting the evidence of Schacht's guilt the judges who wrote the weasel-worded acquittal then accepted the Schacht alibi that he "didn't know" that the rearmament for which he and his Farben associates were responsible was intended for aggressive war. The naïve judges who concocted this decision attempted to justify the Schacht innocence on his plea that "when he discovered the Nazis were rearming for aggressive purposes he attempted to slow down the speed of rearmaments."

So this close associate of Dr. Hermann Schmitz and other directors of Farben and Vereinigte Stahlwerke, who sat with him on the board of the Reichsbank, went free on that moth-eaten alibi of Farben's allies: "I didn't know," despite a showing of guilt which included substantially each of the various offenses that can be proved against Dr. Schmitz and the rest of the Farben brood—if and when these gentry are tried.

So out of Nuremberg has now emerged the judicial dictum and high precedent behind which immunity for the leaders of Farben may be made secure.

Disheartened, Robert Jackson (who five years earlier, as Attorney General, had complained of the "pattern" of non-military invasion which interfered with "law enforcement itself"), was quoted as agreeing fully with the Russian dissent. "I'd rather see any man but Schacht get off," said the American prosecutor, and "the further prosecutions of industrialists which have been planned, will have to be studied from the text of the opinion."

What he might have said was that it now had become an almost

futile task either to indict or to try the Farben criminals. Unless an outraged public opinion—when the truth is revealed—will smash down the pattern of immunity which has protected war criminals of two world wars.

With his acquittal, many of Schacht's close friends outside Germany, industrialists, financiers and politicians, breathed in relief from the fear that had been haunting them; fear that the vengeful tongue of a Schacht, if convicted, would have spilled the beans; a fear now abated because stupid men on a high bench had been persuaded to say that Schacht's guilt had not been "established beyond a reasonable doubt."

A verdict so bad that it outraged many of the German people themselves may give rise to the query whether the Nuremberg trial was arranged to provide a judicial warning of the hangman's noose to gangsters who may plan aggressive war in future; or to provide judicial safe havens for respectable criminals who created the gangsters thus condemned—a crowning example of the unwritten law of the Farben jungle.

Following quickly on the heels of the Schacht fiasco was the announcement of an official economic mission to study the possibility of advancing United States Government funds to German industry to implement its controlled peace-time economy by a revival of the German import-export trade. This mission was headed by George Allen, as director of the Reconstruction Finance Corporation, and Howard C. Peterson, Jr., as assistant Secretary of War.

Time will reveal whether any Farben plants or Farben affiliates now in dire need of financial aid will be judged as deserving it by Mr. Allen, friend of Victor Emanuel, and director of Farben's General Aniline; or by Mr. Peterson, former member of the Cravath law firm which represented Farben, and official successor of that other ex-Cravath firm lawyer, John J. McCloy.

Then came a significant resignation at Nuremberg. Abraham Pomerantz, distinguished American attorney and Prosecutor of the industrial war criminals (who had asked me to serve as his advisor on I.G. Farben) quit the job in protest at the calibre of the Judges designated to try these cases.

Other reports, not confirmed, indicated that Dr. Herman Abs, one of the most powerful of Farben's directors, had been immunized in the British Zone, where he was acting as adviser to the English officials; and that Fritz Thyssen, safe in his pleasant quarters on the Island of Capri, was also immune from prosecution.

Meanwhile Schacht announced that he had a plan to solve "Germany's economic problems." Thyssen had already produced his plan for a German corporate state in his true-confessions book. And surely the Geheimrat Hermann Schmitz, with the help of nephew Max Ilgner and of Georg von Schnitzler, could supply a plan—if not convicted.

Schacht-Thyssen-Schmitz—what a team that would be to rebuild German's peace time economy, and direct it jointly with a select group of Anglo-American industrialists, financed with American taxpayer's funds!

The foregoing constitutes a small part of the record, and of the proofs available that the conspiracy to save the Farben war criminals from punishment, to revive the Farben structure, and to renew the Farben carry-over tie-ups, here and elsewhere, is proceeding on schedule.

Just as Max Ilgner told his criminal associates in 1944 that it would be, this plot is proceeding in the pattern of another false peacetime tragedy which, in reality, is another intermission for rebuilding of a superstate and another era of secret preparation for World War III.

That the same influence which reaches into high places to make a treason's peace is also active in promoting friction among the victorious Allies of World War II may be in some respects the most dangerous manifestation of that cancer in the vital organs of government.

That Great Britain under Attlee, as under Churchill, has favored a soft peace for Farben and has changed little from its pre-war dependence upon cartel trade restrictions, and that Moscow has severely criticized the Anglo-American policy of hard talk and soft action regarding Farben has been apparent in many news items coming from London, from Berlin and from Moscow.

This book is not the place for appraisal of the post-war relations between the United States and Great Britain on one side and Rus-

sia on the other, nor to comment on the manners and tactics of Moscow or the pin prickings and vacillations of Washington.

It is, however, within the purposes of this book to point out that ample proofs have been recorded here of many aspects of the pattern of I.G. Farben which show a purpose always to divide and conquer, and that this pattern very definitely traces its slimy threads into the sabotage of the eradication of I.G. Farben's war potential by the same influences inside the Government at Washington which have been pressing our foreign policies and our stand in the United Nations away from a possible rapprochement with Russia.

The arguments heard that the recrudescence of Germany's armed might by a revival of Farben's industrial war potential may be desirable to provide a buffer, or a threat, to Russian expansion (call it imperialism, or demand for security as you will) appear as cockeyed and as vicious as would be a demand for the reorganization of Max Ilgner's spy ring in South America in order to help us protect the Panama Canal.

Readers of this book may perceive emerging now the shadow of the Frankenstein's monster rebuilt—by folly, or by treason—no less alive in now socialistic Britain than in capitalistic United States. This creature may introduce that culmination of final world conquest for which Farben's leaders have already planned and made possible two World Wars.

Of what avail a victory at arms, with its ghastly sacrifice of sweat, and blood, and tears; of youth destroyed, or warped, or wrecked—if out of it shall come another peace of Farben's pattern, a peace disguised this time as a union of nations to rule by force, by the atomic bomb, if you will, with men of Farben's choice to make up that super-state?

If that shall be the sacrifice and the victory and the profit, then this ghastly price will have been paid merely to yield our own destinies, and those of all the world, to the tender mercies of a supreme corporate state guided by men of Farben's choice; a union of nations, as a super-world-government, which, call it by what name you will, in reality will be the consummation of the world conquest planned by faceless Farben figures to be consummated by Farben's faithless dupes.

C O N C L U S I O N

Democracy at its worst — and at its best.

THIS, THEN, IS THE PATTERN of Farben, as it has appeared and re-appeared before and during two world wars—and as that same pattern has already re-appeared in the peace.

This story has been cut in length and cut again, in order to bring it within the covers of this book. For lack of space many facts which should be told have been omitted here. But those which are presented are sufficient to show that the people of this nation must clean their own house of Farben before hoping to instruct other peoples of the world how to eradicate for all time this obstacle to an enduring peace.

The accusation of muckraking which will be made has its own reply in the fact that those who claim to be accused by this story may not again plead ignorance of the facts presented here, facts which bear so vital a relation to the peace which is to come.

There will be those who will allege that Pan-Germanism and

the Teuton lust for world conquest were conceived and thrived many centuries before the era of modern warfare and the German dye cartels. I reply that since the age of modern war began all of the so-called military groups of Germany, including the Prussians and the Junkers, would have been helpless without the munitions supplied by Farben; nor have those groups ever had any important influence inside the United States save that created through Farben's pattern of conspiracy—as revealed in this story.

It is not necessary to conclude that some of those named here were knaves and some were fools, nor does the author so assert. And, just so, it must not be assumed that any individual, merely because his name appears in this story, is accused by the author of guilty acts or of guilty purposes.

We may disregard all issues of intent, and on the sole issue of intelligence the reader is entitled to say whether leadership by men who thus did Farben's bidding must be rejected now, so that the pattern of Farben may be uprooted. Otherwise we will again be led astray by Farben's guile—even before the grass grows green or the tears are dry upon the graves of those who have died and are dying now for the blind stupidity of those who would reject the lessons of World War I, and again of World War II.

Grant that it be not treason, grant that it be not greed, it remains that unforgivable folly because of which men and women of America—who hate war because they love liberty—have thrust the bodies of sons and brothers, of husbands and fathers, twice in one generation before the war machine conceived by German science, in the hands of Farben outlaws, while Democracy's leaders sat shamelessly silent and now cry out "We did not know." I say that these leaders did know. I say that the facts assembled in this story should prove to all that those things which the German dye trust planned to do, and then did with the assistance of key men in its framework in the United States, had long been revealed as in an open book to those in high places who cared to listen or to examine the record. I say that those facts have been known from the days of the dying Wilson Administration by lead-

ers of high and low degree of all three branches of our Federal Government and by leaders in industry, in finance, and in public opinion.

Somehow, the public has been kept in ignorance. A purpose of this book is to rectify that wrong. I say that the immunity which these men of Farben's pattern have enjoyed—and which still endures—shall not prevail unless these facts remain concealed. These facts must be made known now, this pattern must be recognized NOW, if final disaster is to be averted.

To those who may protest that I overdraw my canvas I say that the youth of this generation have had this war to fight because they and many of their elders were not permitted to learn in time the facts told here. Is this to happen again while they—those who have come back—move on from youth and their sons in turn shall have another war to fight because the spawn of I.G. Farben again shall make a mockery of those two keystones of human liberty, free speech and free press?

I say that those two phrases are futile, senseless words so long as they are subject not to statute, but to secret fiat or corrupt subservience. I say here that much of the responsibility for the tragic era of two senseless, wicked wars is upon those who for any reason have refrained from revealing such facts and their meaning to the people of this nation. Perhaps that era came to a close when fortune and enduring faith at the end of a long and dreary path has finally resulted in this publication of the story of that pattern which survives in war and endures in peace.

This is the story of democracy at its worst. The fact of its telling here without restraint of censor, and despite opposition from high places—is democracy at its best.

FINIS

A P P E N D I X

Those names listed below have been identified from official sources as companies located in the United States which, at some time during the period between the two world wars, had financial relations, patent agreements or other alliances involving direct or indirect ties with I.G. Farben.

Many of those named here are not mentioned elsewhere in the book. The list has been compiled solely to illustrate the width and depth of I.G. Farben's penetration in American industry. Identification here, as was stated at the end of Chapter iv, does not imply impropriety or illegality in relations with I.G. Farben by the company thus named.

In those companies marked with asterisk (*) Farben is reported to have had a controlling financial interest, or relations approximating control. In those marked with dagger (†) Farben is reported to have had a limited or minority financial interest.

- | | |
|-------------------------------------|---|
| Abbott Laboratories | * American I.G. Chemical Corporation |
| Acetol Products Co. | * American Magnesium Corporation |
| * Advance Solvents & Chemical Corp. | American Potash & Chemical Corporation |
| * Agfa Ansco Corp. | American Solvent Recovery Corporation |
| * Agfa Photo Products Co. | American Window Glass Company |
| * Agfa Raw Film Co. | American Zirconium Company |
| * Alba Pharmaceutical Co. | Anaconda Sales Company |
| Allied Chemical & Dye Corp. | Anglo Chilean Nitrate Corporation (N. Y.) |
| Aluminum Company of America | * Ansco Photo Products, Inc. |
| American Active Carbon Co. | |
| American Bemberg Corporation | |
| American Cyanamid Co. | |
| American Enka Corporation | |
| American Glanstoff Corporation | |

- Antidolor Company
- Atlantic Refining Co.
- Ayerst, McKenna & Harrison
(U. S.) Ltd.
- Baker & Co.
- The Barrett Co.
- Barnsdall Corporation
- Bayer Company, Inc.
- Bayer-Semesan Co.
- Bell and Howell Co.
- Bernuthe Lambecke Co.
- Berst-Forster-Dixfield Co.
- Board of Trade for German
American Commerce, Inc.
- Bohn Aluminum & Brass Co.
- Borden Company
- Bradley & Baker
- Bristol Myers Co.
- Calco Chemical Company
- California Alkali Export Asso-
ciation, Inc.
- Carbide & Carbon Chemicals
Corporation
- Carnation Co.
- Carter Oil Co.
- Casein Company of America
- L. D. Caulk Company
- Central Dyestuff & Chemical Co.
- Central Scientific Company
- Chemical Marketing Co.
- Chemnyco, Inc.
- Chilean Nitrate and Iodine Sales
Corporation
- Chilean Nitrate Sales Corpora-
tion (N. Y.)
- Chipman Chemical Engineer-
ing Co.
- Church & Dwight Co., Inc.
- Ciba Company, Inc.
- Cincinnati Chemical Works
- Cities Service Co.
- Climax Molybdenum Co.
- Columbia Chemical Co.
- Commercial Pigments Co.
- Consolidated Color & Chemical
Co.
- Continental Oil Company
- Cook-Waite Laboratories
- R. B. Davis Company
- Davis Emergency Equipment
Company
- Diamond Alkali Company
- Diamond Match Company
- Dow Chemical Company
- Drug, Inc.
- Dry Milk Company
- duPont Cellophane Company
- † E. I. duPont de Nemours Co.
- Eastman Kodak Company
- Ellis Flotation Corporation
- Ellis-Foster Company
- Ethyl Gasoline Corporation
- Federal Match Co.
- Ferrocarril Corporation of Amer-
ica
- Fezandie & Sperrle
- Firestone Rubber Company
- Fitchburg Yarn Company
- Fleischmann Company
- Ford Motor Co.
- Frey Engineering Company
- Gasoline Products Company
- Company, Inc.
- General Aniline & Film Corp.
- General Aniline Works, Inc.
- General Chemical Company

- General Drug Co.
- General Dyestuff Corporation
- General Electric Company
- General Mills, Inc.
- General Motors Corporation
- General Motors Research Cor-
poration
- General Tire and Rubber Co.
- Glidden Company
- Goodyear Tire and Rubber Co.
- William Gordon Corporation
- Grasselli Chemical Company
- Grasselli Dyestuff Corporation
- Greene Cananea Copper Com-
pany
- Gulf Oil Corporation of Penn.
- Gulf Refining Company
- Hercules Powder Co.
- Hoffmann-LaRoche, Inc.
- Hooker Electrochemical Com-
pany
- Household Products, Inc.
- Hutz & Joslin (law firm)
- † Hydro Carbon Synthesis Cor-
poration
- Hydro Engineering and Chem-
ical Company
- Hydro Patents Co.
- Imperial Chemical Industries
(N. Y.) Ltd.
- Indiana Condensed Milk Com-
pany
- Interchemical Company
- International Catalytic Oil Pro-
cesses Company
- International Hydro Patents
Company
- International Match Company
- International Nickel Company
- Interstate Chemical Company
of Rhode Island
- Jasco, Inc.
- M. W. Kellogg Company
- Kennecott Sales Corporation
- Kerr Dental Manufacturing
Company
- Koppers Company
- Koppers Construction Company
- Krebs Pigment and Color Cor-
poration
- Kuttroff Pickhardt and Com-
pany
- Lautaro Nitrate Company, Ltd.
- Lever Bros.
- Life Savers, Inc.
- Louis K. Liggett Company
- Lion Match Co.
- Loose-Wiles Biscuit Company
- Magnesium Development Cor-
poration
- Marion Company
- Mathieson Alkali Works (Inc.)
- Mead Johnson & Company
- Wm. S. Merrell Company
- Metal & Thermit Co.
- H. A. Metz Company
- Metz Laboratories
- Mid Continent Petroleum Cor-
poration
- Molybdenum Corporation of
America
- Monsanto Chemical Company
- National Aniline & Chemical
Company
- National City Company

National Distillers Corporation
 National Distillers Products
 Company
 National Lead Company
 Nestles Milk Products Company
 New Jersey Zinc Company
 New York Match Company, Inc.
 Niagara Alkali Company
 North American Rayon Corpora-
 tion

Ohio Match Company
 Okonite Company
 Oldbury Electro-Chemical Com-
 pany
 Owl Drug Co.
 * Ozalid Corporation
 * Ozaphane Corporation of Amer-
 ica

Pacific Alkali Co.
 Parke Davis & Company
 Penn-Chlor, Inc.,
 Pennsylvania Salt Manufactur-
 ing Company
 Pet Milk Company
 Phillips Petroleum Company
 Pittsburg Plate Glass Company
 * Plaskon Company, Inc.
 Polymerization Processes Cor-
 poration
 Proctor and Gamble Company
 Pure Oil Company

Remington Arms Company, Inc.
 Richfield Oil Company of Cali-
 fornia
 Röhm & Haas Company, Inc.
 Sandoz Chemical Works, Inc.
 Selden Company

Semet-Solvay Company
 Shawinigan Chemicals, Ltd.
 Shell Chemical Co.
 Shell Development Corporation
 Shell Union Oil Company
 Sinclair Refining Company
 Skelly Oil Company
 Socony-Vacuum Oil Company
 Solvay Process Company
 L. Sonneborn & Sons, Inc.
 Southern Alkali Corporation
 E. R. Squibb & Sons
 Standard Alcohol Company
 Standard Brands, Inc.
 Standard Catalytic Company
 † Standard I. G. Company
 † Standard Oil of California
 Standard Oil Development Com-
 pany
 † Standard Oil Co. of Indiana
 Standard Oil Co. of Louisiana
 † Standard Oil Co. (New Jersey)
 Standard Oil Co. of New Jersey
 Standard Oil Co. of New York
 Standard Oil Co. of Ohio
 Standard Oil Co. of Texas
 Stauffer Chemical Company
 † Sterling Products, Inc. (Now
 Sterling Drug, Inc.)
 * Synthetic Nitrogen Corp.
 Synthetic Patents Co., Inc.
 Texaco Development Corpora-
 tion
 Texas Company
 Three-in-One Oil Company
 Titan Company, Inc.
 Titanium Pigment Company,
 Inc.
 Transamerican Match Company

Uniform Chemical Products, Inc.
 Union Oil Company of Cali-
 fornia
 Union Carbide and Carbon Cor-
 poration
 United Drug Company
 United States Alkali Export As-
 sociation, Inc.
 * United States & Transatlantic
 Service Corporation
 United States Rubber Company
 Universal Match Corporation
 Universal Oil Products Com-
 pany
 Urbain Corporation
 Vacuum Oil Company
 Vegex, Inc.

Vernon-Benshoff Company
 Vernon-Morner Company
 Vick Chemical Company
 Virginia Chemical Company
 Viscose Company
 Visking Corporation
 Vulcan Match Company

West End Chemical Company
 Westvaco Chlorine Products
 Corporation
 West Virginia Match Corpora-
 tion

* Winthrop Chemical Corporation
 Wisconsin Alumni Research
 Foundation, Inc.
 Wyandotte Chemical Company

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