An Exposé of The Nazi American Money Plot 1933-1949

TRADING WITH THE ENEMY

For almost forty years the deal behind the extraordinary true story of Nazi-American wartime business relations has been buried in government files. Now at last Charles Higham, drawing his account from the millions of documents just released under the Freedom of Information Act, has given us a full-scale picture of the American businessmen who dealt with the Nazis right through World War II. Averaging those who traded on both sides of the war were certain executives of Standard Oil of New Jersey, the Chase Bank, the Texas Company, ITT, Fort, and Stirling Products. And helping them with their dealings were such government officials as a secretary of commerce, an assistant secretary of state, and ambassadors to France and Great Britain.

The Bank for International Settlements in Basel, Switzerland, was Nazi-controlled but presided over by an American, even in 1944. At one of its yearly meetings, the bank's president sat down with his German, Japanese, Italian, British, and American executive associates and an American Nazi staff to discuss shipments of 378 million dollars in gold sent to the bank by the Nazi government for use by its leaders after the war. This was gold looted from the banks of Austria, Belgium, and Czechoslovakia, or melted down from teeth fillings, ringless frames, and wedding rings of enslaved Jews. But that is only one of the stories. Standard Oil of New Jersey executives shipped the Nazis oil through Switzerland while Allied forces endured restrictions of supplies and shortages abroad. Ford Motor Company trucks were built for Nazi troops with authorization from Ford directors in the U.S. The chairman of ITT supplied trucks of Hitler's communications system. The list of those who chose Business as Usual—even when the business was with the country's enemy—is long and shocking.

CHARLES HIGHAM, biographer and former New York Times writer, presents a meticulously documented, passable account told behind-the-scenes picture of American involvement with the Nazis before, during, and after World War II.

[Author photo by Mike Segar]
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An Exposé of The Nazi-American Money Plot 1933-1949

CHARLES HIGHAM

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Preface

It would be comforting to believe that the financial establishment of the United States and the leaders of American industry were united in a common purpose following the Day of Infamy, the Japanese attack on Pearl Harbor on December 7, 1941. Certainly, the American public was assured that Big Business along with all of the officials of government ceased from the moment the war began to have any dealings whatsoever with the enemy. That assurance sustained the morale of millions of Americans who bore arms in World War II and their kindred who stayed at home and suffered the anguish of separation.

But the heartrending truth is that a number of financial and industrial figures of World War II and several members of the government served the cause of Germany before the cause of patriotism. While aiding the United States' war effort, they also aided Nazi Germany's.

I first came across this fact in 1978 when I was declassifying documents in the course of writing a biography that dealt with motion picture star Errol Flynn's Nazi associations. In the National Archives Diplomatic Records Room I found numerous cross-references to prominent figures who, I had always assumed, were entirely committed to the American cause, yet who had been marked down for suspected subversive activities.

I had heard over the years about a general agreement of certain
Then, when war was over, the survivors pushed into Germany, protected their assets, restored Nazi friends to high office. Balfour praised the Cold War, and reserved the permanent nature of the Frenemy.

From the outset I realized that in researching the subject I would have to weave through an ice-cold mountain of public relations. I revised the view through books about the corporations and their histories to find any reference to questionable activities World War II. It was clear that the authorship of those volumes, granted the cooperation of the bureaucrats concerned, probably backed off from disclosing anything that would be revealing. This was the hallmark of American and British policy, to keep everything, during and even immediately after the war. What would have happened if millions of American and British people, struggling with co-op and loans at gas stations, had learned that in 1943 Standard Oil of New Jersey manage(d) the engine's fuel through neutral Switzerland and (how) the engine was shipped Allied fuel? Suppose the public had discovered that the Chase Bank in Nazi-occupied Paris after Pearl Harbor was doing millions of dollars' worth of business with the enemy, with the full knowledge of the bond office in Manhattan? Or that Ford trucks were being built for the German occupation troops in France with authority from Dearborn, Michigan? Or that Cuno, Southeastern Bond, the head of the international American telephones, coordinated U.S. Bases from New York to Madrid to Europe during the war to help improve Hitler's communications systems and improve the rocket bombs that devastated London? Or that ITT built the Ford-Wyatt that dropped bombs on British and independent people? Or that those piles of telephone and telegraph-associated customers in Latin America with the collapse of the vice-chairman of the U.S. War Production Board in partnership with Göring's cousin in Philadelphia when American forces were desperately short of it? Or that such arrangements were known about in Washington and other sanctuaries.

For the government, did such dubious transactions—both before and after Pearl Harbor. A presidential edict, issued six days after December 7, 1941, actually set up the legislature's wholesale licensing arrangement for dealing with the enemy credit officially be granted. Often during the years after Pearl Harbor, the government
permitted such trading. For example, JTP was allowed to continue its relations with the Axis and Japan until 1945, even though the government was considering several enforcement of United States regulations. No attempt was made to prevent Ford from maintaining its interests for the Germans in occupied France, nor were the Chase Bank or the Morgan Bank expressly forbidden to keep open their branches in the Reich. It is indicated that the Reichsbahn and Nazi Ministry of Economics made promises to certain U.S. corporate leaders that their properties would not be seized after the conflict was victoried. Thus, the losses of the multinational as we know them today had a significant effect on their business. Nevertheless, the process by which the profits of the multinational would not be adversely affected.

And it is important to consider the size of American investments in Nazi Germany at the time of Pearl Harbor. These amounted to an estimated total of $215 million. Standard Oil of New Jersey had $120 million invested there. General Motors had $35 million; JTP had $80 million; and Ford had $17.5 million. Though it would have been more profitable to have increased the number of companies for the duration—to nationalize them or to absorb them into the state's central economic entity—it would have been more practical to isolate them from the finances of the Allied powers by allowing them to remain in their individual holdings, the money accumulating until the war's end. It is interesting that whereas there is no evidence of any serious attempts to nationalize JTP or to absorb them into the state's central economic entity, there is evidence that Hitler sought to punish certain German firms by nationalizing them and placing them under Allied control.

The procedure of legally disinfecting these alliances by the Allied powers would have resulted in a public scandal that would have drastically affected public morale, caused widespread strikes, and perhaps provoked insurrections in the Allied countries. Moreover, if some corporate executives were now subject to blackmailing the government, their trial and imprisonment would have made it impossible for the corporate boards to help the Allied cause. Therefore, the government was powerless to intervene. After 1943, the Allied War Office, which the executives had done so much to protect, made it even more necessary that the truth of these agreements should not be revealed.

I began with the concept of international settlements in Basel, Switzerland. The activities of this famous institution in wartime are contained in Treasury Secretary Henry Morgenthau's official diaries at the Roosevelt Memorial Library at Hyde Park, New York. Other details are contained in reports by the esteemed Lionel Fort, of Roosevelt's White House Economics Staff, whom I interviewed at length by telephone at his home in Bogota, Columbia, to which city he had been banished. His citizenship was stripped from him in 1936 for exposing American-Nazi connections.
at Nuremberg. The book was a harrowing account of the trial of the
executives of I.G. Farben, the Nazi industrial trust, that showed
Farben's role in World War II.

I read the book's pages, looking for a clue. To it DuBois
mentioned that he came from Camden, New Jersey. I decided to call
information in the Camden area because I had a theory that
embittered by his experience in Germany and Washington, DuBois
might have returned to live there after the war. It was only a bulky,
but it paid off. In fact, it turned out that DuBois had gone back to his
width in Camden. I wrote to him, asking if he had records of the
Forder matter. I assumed that these might have been an important
that DuBois had kept records of correspondence that Secretory
Morgenthau might not even have risked leaving them in

DuBois replied that he believed he still had the documents,
including the letters of Ethel Ford to his managers in Nazi-occupied
France after Pearl Harbor, authorizing improvements in automobiles
and truck supplies to the Germans. After several weeks, DuBois wrote
to say that he had searched his files to no avail. The documents were
missing. However, he would keep looking.

He was admitted to a hospital where he underwent urgent surgery.
Although confined, he returned to the office and began searching again.
Compelled by a desire to disclose the truth, he pursued his task
whenever he could find the strength. At least, when he was about to
give up hope, he received some documents.

However, he explained that the main file was so meager that he
would not send it by mail or even by messenger—I was at liberty
to examine it in his office. I was freed with a new dilemma. Since I
was expecting delivery of the unopened post-Pearl Harbor letters
Harold Kas were irreplaceable, they are to be found in the unclassified
rooms of the Library of Congress.

The most elecive files were those on Ford in Occupied France.
I could find no references to them in the Treasury documentary
files. I knew that a Treasury team had investigated the company. I
wondered if any member of the team could be alive.

Something jogged my memory. I remembered that a book entitled
The Daily Echo had appeared after World War II. Written by
Joseph DuBois, an attorney who had been part of the Treasury team

Precedes
I have tried to write this book as dispassionately as possible, without attempting a moral commentary, and without, of course, implying exploitation of present corporations and their executive boards. It will be claimed that the people in this book, since they are dead, cannot answer and therefore should not be criticized. To that I would reply: Millions died in World War II. They, too, cannot answer.

GENERAL LICENSE UNDER SECTION 3(a) OF THE TRADING WITH THE ENEMY ACT

By virtue of and pursuant to the authority vested in me by sections 3 and 5 of the Trading with the Enemy Act as amended, and by virtue of all other authority vested in me, I, Franklin D. Roosevelt, President of the United States of America, do prescribe the following:

A general license is hereby granted, licensing any transaction or act proscribed by section 3(a) of the Trading with the Enemy Act, as amended, provided, however, that such transaction or act is authorized by the Secretary of the Treasury by means of regulations, rulings, instructions, licenses or otherwise, pursuant to Executive Order No. 8389, as amended.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE, December 13, 1941

H. MORGENTHAU, JR.
Secretary of the Treasury

FRANK BEELE
Attorney General of the United States
TRADING WITH THE ENEMY:
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1933-1949
A Bank for All Reasons

On a bright May morning in 1934, while young Americans were dying on the Italian beaches, Thomas Harrington McKitterick, American president of the Nazi-controlled Bank for International Settlements in Basel, Switzerland, arrived at his office to preside over a fourth annual meeting in time of war. This polished American gentleman sat down with his German, Japanese, Italian, British, and American executive staff to discuss such important matters as the $376 million in gold that had been sent to the Bank by the Nazi government after Pearl Harbor for use by its leaders after the war. Gold that had been looted from the national banks of Austria, Holland, Belgium, and Czechoslovakia, or melted down from the Reichsbank holdings of the worth fillings, spectroscopic flasks, cigarette cases and lighteres, and wedding rings of the murdered Jews.

The Bank for International Settlements was a joint creation of 1930 of the world's central banks, including the Federal Reserve Bank of New York. Its existence was inspired by Hjalmar Horace Greeley Schacht, Nazi Minister of Economics and president of the Reichsbank, part of whose early upbringing was in Brooklyn, and who had powerful Wall Street connections. He was succeeded by the all-important banker Emil Paul, who continued under the regime of Schacht's successor, Dr. Walther Funk.

Serving Adolf Hitler's lust for war and conquest, Schacht, even
before Hitler rose to power in the Reichstag, pushed for an institute that would entail channels of communication and cooperation between the world’s financial leaders even in the event of an international conflict. It was written into the Bank’s charter, concerned in the respective governments, that the BIS should be immune from seizure, closure, or seizure, whether or not its owners were at war. These owners included the Morgan-Biltborne First National Bank of New York, among whose directors were Henry S. Vanderbilt and Waddell Willard; the Bank of England. the Reichsbank, the Bank of Italy, the Bank of France, and other central banks. Established under the banking world Owen D. Young’s so-called Young Plan, the BIS’s ostensible purpose was to provide the Allies with reparations to be paid by Germany for World War I. The Bank soon turned out to be the instrument of an opposite function. It was to be a money funnel for American and British funds to flow into Hitler’s coffers and to help Hitler build up his war machine.

The BIS was completely under Hitler’s control by the outbreak of World War II. Among the directors under Thomas H. McKelvey were Hermann Schauff, head of the colonial Nazi industrial trust I.G. Farben, Baron Kurt von Schröder, head of the I. H. Swin Bank of Cologne and a leading officer and financier of the Geppa; Dr. Walter Fick of the Reichsbank, and, of course, Ernst Buldt. These last two figures were Hitler’s personal appointees to the board.

The BIS’s first president was the smooth old Rockefeller banker, George W. McCarlly, formerly of the Chase National Bank and the Federal Reserve Bank, who retired in 1933. His successor was the forty-three-year-old Leon Frater, a colorful former newspaper reporter on the maquilando New York World, a street-corner neighborhood, show-business type, and performer in drag in stage comedies. Frater had little or no background in finance or economics, but he had numerous contacts on high business circles and a passionate dedication to the world of money that acknowledged no loyalties or frontiers. In the first two years of Hitler’s assumption of power, Frater was influential in financing the Nazis through the BIS. When he too the position of president of the First National Bank at its Manhattan headquarters in 1935, he continued to exercise a subtle influence over the BIS’s activities that continued until the 1940s.

Other directors of the Bank added to the powerful financial group.

A Bank for All Reasons

Vincenzo Azzolini was the accomplished governor of the Bank of Italy. Yves Beurjat de Roosinger was the confidently ambitious governor of the Bank of France. Alexandre Galopin of the Belgian banking fraternity was to be murdered in 1944 by the Underground as a Nazi collaborator.

The BIS became a key point of U.S. Secretary of the Treasury Henry Morgenthau, a self-made, thorough, showy dancing Jewish financier, who, despite his origins of wealth, maintained big money and power. A model of integrity observed with work, Morgenthau was considered in his duty to expose corruption wherever he found it. Tall and a trifle ungainly, with a bailing high-boned head, a high-pitched, intense voice, small, protruding eyes, pinched, and a narrow, hesitating smile, Morgenthau was the son of Woodrow Wilson’s ambassador to Turkey in World War I. He heared early in life that the land was his answer to the quest for a decent life in a corrupt society. He became obsessed with farming and, at the age of twenty-two, in 1913, borrowed twenty-five from his father to buy a thousand acres of East Feltham, East Sussex County, New York, in the Hudson Valley, where he became Franklin D. Roosevelt’s neighbor. During World War I and Roosevelt formed an intimate friendship. Eleanor Morgenblau became very close to her best neighbor, Eleanor Roosevelt. While Roosevelt soared in the political stratosphere, Morgenblau continued rooted in his property. In the early 1920s he published a newspaper called The American Agriculturist that pressed for economic credits for farmers. When Roosevelt became governor of New York in 1928, he appointed Morgenblau chairman of the Agricultural Advisory Commission. Morgenblau showed great flair and a passionate commitment to the cause of the sharecropper.

Legends has it that on a freezing winter day in 1933, FDR and Morgenblau met and talked on the nowerline of their two farms. Morgenblau is supposed to have said to Roosevelt, “I am getting low around here.” And FDR replied, “Never, how would you like to be Secretary of the Treasury?”

What he lacked in knowledge of economics, Morgenblau rapidly made up in his Jeffersonian principles and role as keeper of the public conscience. Close to a thousand volumes of his official diaries in the Roosevelt Memorial Library at Hyde Park give a vivid portrait of his inspired conducting of his high office. He was aided by an able staff.
which he ran with benign but military precision. His most trusted aide was his Assistant Secretary, Harry Dexter White. Unlike Morgenthau, White came from humble origins. Jewish also, he was the child of secularized Russian immigrant parents who were committed to a career in economics. White's early life was a struggle: he rose through the ranks of a large, efficient, and well-meaning firm to become a partner and eventually a director. His professional career was marked by success and recognition, and he was widely regarded as an expert in the field of international finance.}

Morgenthau's role as Director of the BIS was not without controversy. The BIS was a powerful and influential organization, and its decisions had a significant impact on the global economy. Morgenthau's appointment was met with mixed reactions, with some praising his expertise and others criticising his lack of political acumen. Despite these challenges, Morgenthau was determined to make the BIS a powerful and effective institution.

Morgenthau's tenure at the BIS was marked by several significant events. One of the most notable was the decision to raise the size of the BIS's gold reserve. This decision was controversial, as many felt that it would be too small to have any real impact on the global economy. Morgenthau was under pressure to make a decision, and he ultimately chose to raise the reserve to the pre-war level. This decision was widely praised, and Morgenthau was hailed as a wise and visionary leader.

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all technical. The gold never left London," Eising was assured. He
wrote an apology to Bevyan in his bank of merciers, "In the Center
of Things."

The truth was that the gold had not had to leave London in order
in order to be available in Berlin. The arrangement between the BIS and its smaller
banks was that transfers were not normally made by shipping
money—dangerous and difficult when the shipments would show up
clearing manifests—but simply by adjusting the gold deposits ac-
counts. Thus, all Nastovy Norman had to do was to authorize Bevyan
to deduct $40 million from the Bank of England's holdings in Berlin
and replace the same amount from the Czech National Bank holdings
in London.

By 1938, the BIS had invested millions in Germany, while Kurt
von Schröder and Emil Puhl departed large sums in liquid gold to
the Bank. The BIS was an instrument of Hitler, but its continuing
existence was supported by Great Britain even after the country went
to war with France. Thus, the British director Sir Otto Némeyer,
and chairman Moritz Norman, remained in office throughout the
war.

In the middle of the Czech gold controversy, Tausen Harrington
McKinnick was appointed president of the bank, with Emil Meyer of
the Swiss National Bank as chairman. White-haired, pink-cheeked,
smooth and soft-spoken, McKinnick was a perfect front man for The
Freemasonry, an associate of the Morgan's and a side member of the
Wall Street establishment. Born in St. Louis, he went to Harvard,
where he edited the Crimson, graduating as bachelor of arts in 1911. He
worked his way up to become chairman of the British-American
Chamber of Commerce, which numbered among its members several
Jewish sympathizers. He was a director of Lee, Higginson & Co.,
and made substantial loans to Germany. He was fluent in French,
Latin, and Italian. Though he spent all of his earlier holidays, he wrote
learned papers on the life and habits of snakes. His wife, Muriel,
and his four pretty daughters, one of whom was at Vassar and a
liberal enemy of the BIS, were popular on both sides of the Atlantic.

Early in 1940, McKinnick traveled to Berlin and held a meeting at
the Reichsbank with Kurt von Schröder of the BIS and the Reichsbank.
They discussed doing business with each other's countries if war be-
tween them should come.
Morgenthau grew more aggrieved by McKiritch and the BIS as the war in Europe continued, but did not intend to be withdrawn. He was forced to rely upon Treasury Secret Service reports rather than upon Cramphorn for information on the BIS’s doings. He learned that in June 1940, British BIS Director Alexander Colombe had intercepted £30 million in gold sent by the Belgian government to the Bank of France and had slashed it to Dakar in North Africa and hence to Reichsbank and East India.

The Bank of Belgium’s exiled representatives in New York sued the Bank of France, represented by New York State Senator Frederick Couturier, to recover their gold. Intrigued, they were represented by John Foster Dulles, whose law firm, Sullivan and Cromwell, had represented J.G. Farber. The Supreme Court ruled in favor of the Bank of Belgium, ordering the Bank of France to pay out (from its holdings in the Federal Reserve Bank).

But when Hitler occupied all of France in November 1942, State Senator Couturier stopped in with the excuse that since Germany had absorbed the Bank of France, that bank no longer had any power of appeal against the verdict. He pretended that contact with France was no longer possible, while fully aware of the fact that he himself was still retained by the Bank of France. He claimed that only a Bank of France representative could allow the release of funds from the Federal Reserve Bank. As a result, the gold remained in Nazi hands.

On May 27, 1941, Secretary of State Cordell Hull, at Morgenthau’s suggestion, teletyped U.S. Ambassador John C. Wetzel in London, asking for a report on the continuing relationship between the BIS and the British government. In his letter, Morgenthau guaranteed that Britain retained a number of its Nazi-controlled financial institutions, including National and Siegel Otto Metzner of the Bank of England, were still open in the U.S. Without hesitating, Hull gave an approving report of the meeting on June 1.

Netanyahu had said that the BIS, “guaranteed immunity from damage in time of war,” was only “legal and intact.” He admitted that Britain retained an interest in the Bank through McKiritch, twenty-one months after the war had broken out. He said that he was in contact with the Bank through the British Treasury, and that British Consulship examined all of the mail by his own staff, asked about the issue of the Czech-Slovakian gold, Netanyahu admitted, “Yes, it had a bad public press. However, that was due to the mishandling of the question in Parliament.” He further added that the government of Great Britain was still a client of the Bank and had accepted a dividend from it. The dividend, it usually sends each year, came largely from Nazi sources. Netanyahu said that he believed the British should continue the association for the duration as well as lend the Bank their approval. “If only for the reason that a useful role in post-war negotiations might later have an effect.”

Netanyahu went on, “It would be of no use at this time to raise difficult legal questions with respect to the relationship of the various countries covered by the Germans, . . . McKiritch should stay in Switzerland because he is . . . guarantor of the Bank against any danger that might occur . . . McKiritch might well get in touch with the American Minister in Switzerland and explain his problem to him.”

On July 13, 1941, four Rockwell, Governor of the Bank of Sweden, wrote to his friend, Adolf Cramphorn—who had returned to Washing- tone—about the initial meeting of the Bank and theFUNCTION at the Basel restaurant Le Waldhof at Basel. He said that it was agreed at length that McKiritch should also travel to the United States to explain BIS’s position to “your American friends . . . in the very narrow and unusual way.” Rockwell continued, “I hope that our friends abroad will understand the political necessity of controlling the Germans to send a division to Finland by railway through Sweden.”

On February 5, 1942, almost two months after Pearl Harbor, the Reichsbank and the German and Italian governments approved the orders that permitted Thomas H. McKiritch to remain in charge of the BIS until the end of the war. One document of authorization included the significant statement, “McKiritch’s opinion is equally known to us.” McKiritch gratefully arranged a loan of several million Swiss gold francs to the Nazi government of Poland and the Nazi-controlled government of Hungary. Most of the board’s members declined freely given business throughout the war for meetings in Paris, Berlin, Rome, or (though this was denied) Basel. Hans Hirschbach spent much of the war in Geneva and Basel, pulling strings behind the scenes. However, Hitler correctly suspected him of intriguing for the overthrow of the present regime in favor of The Financi-
A Bank for All Nations

Henry Puchner, French Cabinet member and director of the privately owned Wurme Bank in Nazi-occupied Paris, had a meeting in the BIS with Swiss Banker Friedrich von Röthlisberger, Reichsbank president, that plans were made for the German bank to invest in North Africa. He had obtained this information through a friend of Robert Murphy, U.S. State Department representative in Vienna. Boschinger contacted Van von Schirach immediately. Schirach and other German bankers, along with their French correspondents, transformed 16 billion gold francs into the BIS in Africa. Acquiring German assets, they were seeking a billion in dollar exchange. The collaboration brought them holdings from 250 to 250 million dollars overnight. The deal was made with the collaboration of W. H. McKittrick, Herman Schmitz, Ernst Puhl, and the Japanese directors of the BIS. Another collaborator in the scheme was one of the Vatican's espionage group who leaked the secret to others in the Polish High Command—according to a statement made under oath by Otto Abetz as an American official on June 21, 1946.

In the spring of 1943, McKittrick, ignoring the mutual restrictions of war, took a remarkable journey. Despite the fact he was neither Italian nor diplomat and that Italy was at war with the United States, he was placed as Italian diplomat to travel by train and auto to Rome. At the border he was met by Himmler's special police, who gave him safe conduct. McKittrick proceeded to Lisbon, whence he traveled with immediately from Lisbon by Swedish ship to the United States. In May 1945 he had met this friend and BIS professor, and with the assets of the Federal Reserve Bank. Then McKittrick traveled to Britain on a U.S. passport to provide a link of the Anglo-American with secret intelligence on financial problems and high-level assets in the United States.

On March 26, 1943, liberal Congressman Jerry Voorhis of California entered a resolution in the House of Representatives calling for an investigation of the BIS, including "the reasons why an American nation resists the position as president of the Bank" and "the design and purpose of the Bank's powers."

Voorhies, as Treasury counsel, sent it to Henry Morgenthau on April 1, 1943, saying, "I think you will be interested in reading the attached copy of BIS. It may have important consequences, but it made one of his few mistakes and did nothing. The matter was not even considered by Congress.

Washington State Congressman John M. Coffee objected and re-emphasized a similar resolution in January 1944. He wrote, angrily, "The Nazi government has 85 million Swiss francs on deposit in the BIS. The majority of the Board is made up of Nazi officials. Yet American money is being deposited in the Bank." Coffee pointed out that the American and British shareholders were receiving dividends from Nazi Germany and Japan and that the Ger-
The matter might have lain had it not been for an energetic Norwegian economist of pre-German origin named Wilhelm Keil- hau. He was in correspondence with Washington’s commissary general to break with the Bank and its acceptance of a flagrant financial alliance with the country’s enemies.

Keilhau introduced a resolution at the International Monetary Conference at Bretton Woods, New Hampshire, on July 10, 1944. He called for the BIS to be dissolved “until the earliest possible moment.” However, pressure was brought to bear on him to withdraw a second resolution, and he was forced to yield. The second resolution called for an investigation into the books and records of the Bank during the war. Had such an investigation taken place, the Nazi-American connection would undoubtedly have been exposed.

Edmund Belin and Edward E. (Ned) Brown of the American delegation and the Chase and First National banks tried freely to veto Keilhau’s resolution. They were supported by the Dutch delegation and by I. W. Beury of Holland, the former president of BIS and negotiator of the Gold loan inferences, despite the fact that Holland’s looted gold had gone to the BIS. Leon Freris of the First National Bank of New York stood with them. So, also, did the British delegation, strongly supported by Anthony Eden and the Foreign Office. After initial success, the distinguished economist Lord Keynes was summoned to continue the British official opposition calling for a postponement of the Bank’s disintegration until 1946—when the establishment of an International Monetary fund would be completed.

Kayser’s wife, the former Lydia Lopokova, the great star of the Diaghilev Ballet, who had made her debut opposite Nijinsky, was a member of a wealthy German family who influenced her husband toward delaying the BIS’s dissolution and a tabling of all discussion of looted gold—according to Harry Dexter White.

Doris Ackerman, representing the State Department in the American delegation, was firmly in Stephenson’s camp as a former Standard Oil lawyer, smoothly using delaying tactics as a matter of compensation for him. The minutes of the meetings between Morgenthau, Edward E. Brown, Ackerman, and other members of the delegation on July 18–19, 1944, at the Mount Washington Hotel at Boston, A Bank for All Reasons

Woods spoke to Ackerman arguing for retention of the BIS until after the war. He used the spotless argument that if McKiecrick resigned and the BIS were declared illegal by the United States government, all of the gold holdings in it owned by American shareholders would go directly to Berlin, via a Nazi president. Ackerman must have known that the gold was already deposited for the Axis via the BIS partner, the Swiss National Bank, which shared the same chairman. Ackerman also argued that the BIS would help restore Germany postwar. That at least was true.

Senator Charles W. Tobey of New Hampshire emerges with great credit from the minutes of the meetings at the Mount Washington. At the July 18 meeting he said, sagely, to the company in general, “You’re doing this by your silence and reaction, you’re aiding and abetting the enemy.” Morgenthau agreed. Ackerman, raising, said that the BIS must go on as “a matter of foreign policy.” At least there was a degree of honesty in that. Morgenthau felt that the BIS “should be disbanded because to disband it would be good propaganda for the United States.”

There were jollier moments during the discussion on July 19. Dr. Madel Newcomer of Vassar said that she “would not dissolve the BIS.” Morgenthau asked her cheerfully whether McKeevick’s daughter was one of her students. She replied in the affirmative. Morgenthau said, “She has informed my daughter that she is against the Bank.” Dr. Newcomer replied, “She didn’t inform me, except that she wanted her father to come here—so she might favor the dissolution.”

Everyone laughed. Morgenthau said, “She is very cute. She has read this article in PM about me, so she told referring to an attack on the BIS in that liberal publication. I think PM is right and fraternization wrong.” Morgenthau threw back his head and laughed. Again, “That’s what Vassar does to its girls!”

Under pressure from Senator Tobey and from Harry Dexter White, Morgenthau, stated that Louis Fraser, McKeevick, and Breyen all had sympathies “that ran there.” In other words, in the direction of Germany. He said, "In the eyes of the Germans, they would consider this as the land of which one can go to, and it holds us out to them a hope, particularly
in people like Dr. Schacht and Dr. Delen, that the same & associations
will continue between America and Germany
after the war. It strengthens the position of people like Mr. Leo Fraser and some very
important people like Mr. Wimperg Aderich, who have openly opposed this
dissolution.

Dean Acheson, fighting hard with Edward E. Brown at his side, said he would have to talk the matter up with Cordell Hull. "He was sure Hull would want us to do as much as possible. At all events I hope to tell Hull, who has become acutely embarrassed by press criticism. After four years of
unanimous approval of the BIS, Hull told Morgenthau he called for his dissolu-
tion. Morgenthau telephoned him and said, "What about McK-
mitrick?" Hull replied solely, "Let him read about it in the papers!"
Later, he repeated angrily to Acheson, "Let him read about it in the papers!"
Acheson went to see the British delegation on July 2. Closely con-
tacted to high-level politicians in England, he was well regarded in
Whitehall. Lord Keynes felt that the BIS might be too quickly abol-
hished if Acheson were beaten by the Morgenthau faction. Al-
though Keynes was advanced in years and had a heart condition, he
and his wife bravely left a British summer meeting and, finding the
elevator jammed with conference-goers, ran up the eight flights of stairs
and knocked on the Morgenthau's door. Elderly Morgenthau was as-
surmed to see the normally imperious British economist trembling,
red-faced, and swearing with rage.

Keynes repeated, indignant at the cost, that what he was upset
about was that he felt the BIS should be kept going until a new
world bank and an international monetary fund were set up. Lady
Keynes also urged Morgenthau to let the Bank go on. Finally, Keynes,
seeing that Morgenthau was under pressure to dissolve the BIS,
shifted his ground and took the position that Britain was in the forefront
of those who wanted the BIS to go—but only in good time. Morgenthau
insisted the BIS must go "as soon as possible." At midnight an ex-
hausted Keynes said he would go along with the decision.

Keynes returned to his room and contacted his fellow delegates
from the Foreign Office. The result of this late-night meeting was
that he largely compromised his original agreement and at 3 a.m. met
a letter by hand to the Morgenthau's suite again calling for the BIS
to go on for the duration.

Next day, over the objections of Edward E. Brown and the great
frustration of Dean Acheson, Morgenthau's delegation approved the
dissolution of the BIS. Immediately after the liquidation of the BIS was voted, McKmit-
trick did everything possible to combat it. He sent letters to Morgenthau
and the Chancellor of the Exchequer, Sir John Anderson, in London.
He stated that when the war was over the BIS would have to be paid to
Germany by the Allies and the BIS would have to pick up those
up; there was no mention of the millions owed by the Allies to
the Allies and the cooperated nations. Harry Dexter White sent a
memorandum to Morgenthau dated March 22, 1945, saying, "Mc-
Kmitrick's letters are part of an obvious effort to stake out a claim
for the BIS in the postwar world. As such, they are, in effect, a
challenge to Britain. The other signatories to the Bretton Woods
Agreement should be reminded of the BIS action. should be advised
that we are not answering the letters."
The same day, Treasury's indispensable Orvis A. Schmidt held a
meeting with McKmitrick in Basle. His comment on McKmitrick's
remark was sharp: "I was surprised that a voluntary recoil emulated in a
defense of the BIS could be such an indication of his intention."
When Schmidt asked McKmitrick why the Germans had been willing to
allow the BIS to be run as it had and had continued to make payments
to the BIS, McKmitrick replied, "In order to understand, one must
think of the strength of the confidence and trust that the central bankers had in both each other and the strength of their
determination to play the game squarely. Secondly, one must realize
that in the complicated German-German trade or any other that have
been central bankers' points of view are in very strong positions and
can influence the conduct of the German Government with respect to
these matters."
McKmitrick went on to say that there was a little group of financiers
who had felt from the beginning that Germany would lose the war
that after defeat they might convert to shape Germany's destiny. That
they would maintain their contact with and trust with other important
banking elements so that they would be in a stronger postion in the
postwar period inugiante known for Reconstruction of Germany"

McKinley declared to use all save one of the little group, taking particular care to hide the name of Kurt von Schlichter. Since he had to use some, the octogenarian, he suggested Pahl "does not share the Nazi point of view." Otto Schmidt was not deceived by this. He knew perfectly well that it was Pahl who had authorized the looting of Allied gold and its transfer to Switzerland and who had been talking to McKinley the day before in Paris about that very subject.

Schmidt closed it. He asked McKinley whether he knew what had happened to the Belgian gold deposited in the Bank of France. McKinley replied: "I know where it is. I will tell you. But it is extremely important that word not leak out. It is in the vaults of the Reichsbank." Evidently he realized he had said too much: that he had let slip his own role in the transaction. He added hastily: "I'm sure it will be in Berlin when you get there. Pahl is looking for it to return to the Belgians after the war." This baredly he fiercely impressed Schmidt. The gold was already in Switzerland.

McKinley did not deny this. He admitted that the Germans had sent gold to the GIS and said: "When the war is over you'll find it all carefully safeguarded and documented. Anything that's been hoarded can be identified. When gold was offered to us, we thought it would be better to take it and hold it rather than to refuse it and let the Germans keep it for other uses."

McKinley continued: "I'm sorry I can't ask you to take a look at the books and records of the Bank. When you see them at the end of the war, you will appreciate and approve the role that I and the GIS have played during the war." They were, of course, never released.

On receipt of the reports of the Swiss National Bank which maintained its partnership in the GIS and shared the same chairman, Ernst Weber, Schlichter raised the question of the hoarded gold. The GIS reported that the Smithsonian had $5 million in gold of Belgium, Czechoslovakia, Holland, and other occupied countries, including the treasure of the Jews. He knew that by a technicity the GIS no longer sighted the gold through direct but sent it to its associated semireal account at the Swiss National Bank.

A Bank for All Reasons

The Swiss National Bank officials told Schlichter that in order to be sure they were not overestimating hoarded gold, they had requested a member of the Reichsbank, whom they "regarded as trustworthy," to certify that each pound of gold that they purchased had not been sold. Schmidt asked who that person might be. He was not surprised when the director of the Swiss National Bank informed him that that person was none other than Emil Pahl, who had just arrived before his arrival. At the Nurnberger Trials in May 1946, Wilhelm Funk, still listed as a GIS director, testified that Pahl had American connections and had been offered a major post at Chase in New York shortly before Pearl Harbor. Funk admitted that Pahl was in charge of gold shipments. He admitted receiving the gold reserve of the Czech National Bank and the Belgian gold, and he added: "It was very difficult to pay in foreign exchange in gold... Only in Switzerland could we still do business through changing gold into foreign currency." Pahl said that Pahl had informed him in 1942 that the Gestapo had deposited gold coins and other gold in various camps in the Reichsbank. Pahl had been in charge of this. Jewels, medallions, spectacles frames, watches, cigarette cases, and gold dentures had flowed into the Reichsbank, supplied by Pahl from Heinrich Himmler's resources. They were melted down into gold bars; he did not add how many bars were shipped for shipment to Switzerland. Each gold bar weighed 20 kilograms. An affidavit was read to Funk, signed by Pahl, confirming the facts. Funk stated that Funk had made arrangements with Himmler to receive the gold.

Funk unsuccessfully sought to disclaim responsibility for the scheme. He dismissed Pahl's charges that the gold was flown into a revolving fund. Piled with a film showing as many as seventy-sea destructions of gold teeth, wedding rings, and other loot at one show, he stuck to the story. At one stage he said that the loot was brought to the Reichsbank by mistake! His lies became so absurd that they were laughable. When prosecutor Thomas E. Dodd said to him, "There was hundreds of tons of gold, you know this," Funk replied weakly, "I did not understand..."

On May 15, 1946, Pahl took the witness stand. Pahl claimed that he had objected to the shipment as "inconvenient" and "uncomfortable"—a curious description. He admitted that his "objections"
A Bank for All Reasons

National Bank, a position he occupied successfully for several years after the war. In 1950 he invited Emil Pahl to the United States as his honored guest. And the Bank, for International Settlements, despite the Bretton Woods Resolution, was not dissolved.

were "subordinated to the broader consideration of assisting the SS, all the more—and this must be emphasized—because these things were for the interest of the Reich."

The growing concern over these items from a report that included the statement, "One of the first hits of the American [of the gold] occurred when it was noticed that a packet of bills was stamped with a rubber stamp, "Jugend." This occurred sometime early in 1945. Another hit came when some items bore the stamp, "Anschluss."

We all knew that these places were the sites of concentration camps. It was in the tenth delivery, in November 1942, that dental gold appeared. The quantity of the dental gold became unusually large.

In October 1945 the Senate Committee on Military Affairs produced further evidence of Pahl's activities. His letters to Funk from Switzerland in March 1945 were read out. They showed his desperate and successful efforts to overcome the effects of the solution that had been handed by Leopold Corrie and Otto Schmidt. Pahl had constantly hammered away at McKee and the Swiss National Bank in order to secure the flow of the laundered gold of Europe. McKee, brutally exposed by the Brest Woods Conference's Norwegian delegation, had the letters shown—punished, seeking to avoid direct receipt of the gold. Instead, the Swiss National Bank, as BIS shareholder, would take it into its vaults. But in order to camouflage the receipt of it, since the Swiss National Bank had promised the Americans they would not receive it, the Swiss National Bank had disguised it as payments to the American Red Cross and the German legations in Switzerland. There was a steady tonnage in this. General Robert C. Davis, head of the New York chapter of the American Red Cross, was also chairman of the pre-Nazi network Transradio. As late as 1943, the German Legation in Berne was buying Standard Oli for its hospital and sanitation, which were supplied and repaired by U.S. subsidiaries. Some of oil, thus laundered, poured into the Swiss National Bank in those last months of the war.

In 1948, under great pressure from the Treasury, the Bank for International Settlements was compelled to hand over a mere $4 million in laundered gold to the Allies.

Despite the fact that the evidence of the Pahl-McKee conspiracy was overwhelming, McKee was given an important post by the Rockefeller and Windthrop Astor, vice-president of the Chase Bank.
The Chase Nazi Account

It was only appropriate that Thomas Dartmouth McMahon should have been so amply rewarded by Winthrop Aldrich, John D. Rockefeller’s brother-in-law, because Joseph J. Larkin, one of Aldrich’s most trusted vice-presidents, in charge of European affairs, figured prominently in The Knotty.

The Rockefellers’ Chase National Bank (later the Chase Manhattan) was the richest and most powerful financial institution in the United States at the time of Nazi invasion. The Rockefellers owned Standard Oil of New Jersey, the German accounts of which were slumbered through their own bank, the Chase, as well as through the independent National City Bank of New York, which also handled Standard, Smith Products, General Aniline and Film, SKF, and J.T. Weidman’s Security Board, was a director of the C.B. Two executives of Standard Oil’s German subsidiary were Kurt Lincol- man and Emil Heffterich, prominent figures in Heimler’s Circle of Friends of the Gestapo—its chief financier—and close friends and colleagues of the BIS’s Hans von Schloendorff.

Larkin kept the Chase Bank open only in the neutral countries of Europe and South America but in Nazi-occupied Paris throughout World War II. After Pearl Harbor, Chase’s Paris branch provided financial arrangements for the German embassy and German businesses in Paris, under the “guidance” of Emil Paul’s right-hand man at the Reichsbank, Ernst-Adolf Caspar, and with the full acceptance of New York.

In common with most members of The Knotty, Winthrop Aldrich was politically schizophrenic, capable of playing both ends against the middle in the interests of Big Money. On the one hand he was a most generous supporter of Great Britain in her beleaguered state, raising millions for British war relief in a campaign that in 1942 carried him through 15 Downing Street and Buckingham Palace. Yet with great duplicity he named a blind eye on Larkin’s continuance of the Chase interests and banking headquarters in Occupied Paris.

Joseph J. Larkin resembled Aldrich in his immediate tolerance, perfect manners, urbane deportment, and in his distinction to The Knotty. A distinguished member of a Roman Catholic family, he had received the Order of the Cross of the Knights of Malta from Pope Pius XI in 1938. He was an ardent supporter of General Franco and, by natural avocation, Hitler. Morgenthau first suspected him as a fascist sympathizer in October 1936, when Friedrich von Reuss, the ambassador of Loyalist Spain, dedicated to Franco’s defeat, went to see Larkin to open an account of $4 million. The account was to be used to raise local influence for the Spanish government, including the Lincoln Brigade. Larkin said firmly that the $4.5 million account would not be allowed.

Larkin went a step further in the service of Franco. When the Loyalist government deposited a similar account in the Chase Bank in Paris, Larkin was furious with the Subsidiary who accepted the account. He immediately contacted the Loyalist embassy in Paris and had him withdraw the deposit. Simultaneously, with the encouragement of Schloendorf, Larkin took the Chase account and was a bankable account, through the Reichsbank, was under the personal control of Hitler. In 1942, introducing a book entitled Paesaggi per Hitler by Oskar Reinhart, the lawyer Clasen and Fath wrote:

Since the middle thirties, whenever a German business group wanted to make an agreement with any business concern beyond the borders of Germany, it was required first to submit a full text of the proposed agreement to the Reichsbank. The Reichsbank rejected an agreement until the government and its approval. The Reichsbank approved no agree-
The Chube Bank Account

convinced the Nazi embassy in Washington that they were bona fide supporters of German policy. They were told in pamphlets sent out by the Chase National Bank in Manhattan that Germany could offer glorious opportunities to them, and that their capital would provide a hedge against inflation and would have much increased value after victory in the expected war.

As a result, there was a rush on stocks. On January 15, 1938, there was a secret meeting at the Chase in New York of representatives of both Chase and Schröder in a plan to finance the Rubelvander (Refugee) scheme. Alfred Warth was the personal representative of Wielkopan Albrecht and Joseph F. Lederer, while E. H. March of J. Henry Schroder represented that side of the agreement. At the meeting the men discussed a proposal that the Rechtbank should send a special representative to the Nazi consulate in New York, which served as the headquarters of the Gestapo and had its accounts at Chase. The American group decided that they would not enter such a risk because theirimplying such a person might move to the American public that they were supporting Nazis.

The minutes show that it was decided to "get the gun before it is too late" and to conduct future business on behalf of Berlin through

the employment of numerous agents and sub-agents who operate throughout the country. These agents and sub-agents in cooperation with their respective principals, themselves, can go a long way towards educating Germans as a whole, so sympathetic to the Nazi cause through extensive newspaper advertising, campaign radio, telecasts, as well as through literature, etc.

It is unanimously felt that it would be the greatest advantage of everyone concerned if... Berlin will extend the various conditions in the United States that all inquiries should... transactions should be referred to themselves, whose name should be supplied to those who inquire at the various consular offices in the U.S. that also those who inquire in the consulates in respect to the procedure.

The banks agreed that special attention should be focused on wholesalers, factory workers, and others with little means but great potential for Germany. They should be able-bodied young men and women of pure Aryan stock. Above all, the present meeting must never come to the attention of the American government. The minutes of the meeting state...
The Chase Nazi Account

The monitoring of foreign funds at the Chase Bank, FBI discovered various payments to oil companies in the United States. These indications that the Standard Oil Company of New Jersey has been receiving money from German oil sales via the Reichsbank.

Theft of 1941, The German-American Chamber of Commerce, which was a pro-Nazi publication, released secret documents to the New York Evening Post. These documents revealed that the Chase Bank had maintained a secret account in Nazi Germany. This account was under the direction of Hitler. Any transactions between Winston Churchill and the Nazi government had to be approved by Hitler in person.

Meanwhile, the Germans had been permitted to maintain accounts at Chase banks throughout neutral Europe. Reports on these accounts were allayed through Madrid and Lisbon by special couriers. The US ambassador to Spain held up many of the transfers of accounts, reporting to the Department of State on the trading with Germany.

With the advent of Pearl Harbor, most American banks in Paris closed down for the apparent reason that their nation was now at war with Nazi Germany. Unfortunately, Joseph J. Larkins and Emil Pahl's firm, Bank of Paris, continued to be active in the Occupied Zone of Hitler.

On June 22, 1941, when France was collapsing, Morganthau's aide, Roosevelt again blocked the French account in order to prevent money going to the enemy. Within hours of the blocking, somebody at Chase authorized the South American branch of the Banque France at Iquitos to receive more than $1 million from New York to secret accounts in the Argentine and Uruguay.

The Banque France was 50 percent owned by the Banque de Paris et des Pays-Bas (a Chase and Standard affiliate), and 50 percent owned by the Munich-controlled Banco Commercio Italiano. In South America, these banks were working partly for the Axis. Larkins continued to permit free withdrawals from the special accounts even though it was known perfectly well that such accounts were cleared for Banque France at Baltimore.

On June 23, 1941, J. Edgar Hoover wrote to Morganthau: "During
The Chase Nazi Account

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1942, Larkin refused to act, since to do so "might react against our interests as far as we are dealing, not with a theory, but with a situation."

The German administration of Juan de Jaki first launched the Chase action which was suspended as a result of complaints in the Nazi hierarchy in early 1942. Albert Bertrand wrote to Larkin that Niederman was coordinating his staff with the Nazis, and on June 16, Bertrand revealed that Niederman was making arrangements to centralize the Paris office with the Federal Reserve, in order to provide a central clearing house for all transactions. In September 1942 more deposits were placed. By May 1943, they had virtually doubled. German-controlled funds of about 12 million francs could not be traced, and German-controlled funds were under control of the government. The Chase was able to control its operating expenses. Chase acted as an intermediary for banks in Brazil and Chile in transmitting instructions, transfers, orders, statements, and account details at a time when Brazil was at war with Germany. Brazilian censorship prohibited such communications, and the deposits were used solely for Allied blacklists.

Simultaneously, Bertrand transferred securities and large sums of money from Vichy to Germany and German-occupied countries abroad. The Chase was not paid out in full. It was in accordance with the instructions of the Nazi Party in South America. It received local party contributions, supervised by occasionally directed party representatives, received party funds from Germany under various garbs and placed the deposits... all under the guidance of the German legation. It was, in fact, a branch of the Deutsche Overseas Bank of Berlin.

Most Nazi businesses in South America handled their affairs through the Berlin account. Thus, the German legation throughout Latin America possessed channels for distribution and receipt of Nazi funds. The Paris Chase received large sums of money from Nazi sources through the medium of the bank.

Most important of all, the Chase, with the full knowledge of Larkin, handled the accounts of Otto Abetz, German ambassador to Paris, and the embassy itself.

It is interesting to consider what, among other things, Abetz and the German Embassy dealt with during the war. They poured millions of francs into various French companies that were collaborating with the Nazis. On August 13, 1942, 5.5 million francs were passed through in one day to help finance the military government and the Gestapo High Command. This money helped to pay for radio propaganda and a campaign of terror against the French people, to silence newspapers, and to break up anti-Nazi cells in Paris and saw to it that they were liquidated. In addition, Abetz used embassy funds to trade in Jewish art treasures, including tapestries, paintings, and manuscripts, for the benefit of Göring, who wanted to get his hands on every French asset in occupied territories. The Chase in New York was able to keep an eye on these activities on the ground that its communication with Occupied France was impossible. The purpose of retaining diplomatic relations with Vichy was that the U.S. Government could determine what was going on in Occupied France. A constant flow of letters, telegrams, and phone calls between Paris and the Vichy branch of Chase in Châteaudun led Abetz to believe he was doing the right thing. Washington was advised by Larkin. Despite some criticism by Nazi controlled BHF, Châteaudun, Vichy had under French law the power to close the Paris branch at any minute if New York so instructed. No such instructions were ever received.

When the local branch of the New York German Trust Bank refused to deal with the Nazis, Niederman unsuccessfully urged his managers to agree to the demands. In a report dated April 1942, Bertrand wrote to Larkin from Vichy, "The position of our relationship with the authorities in Germany is satisfactory in the mode we have worked out with German authorities by Morgan. We successfully sought and actually obtained substantial deposits of German funds... which funds were invested by Chase in French treasury bonds to produce additional income." Reports to New York during the war gave repeated statements by the Trust back dependence on the high interest rates in which the German

* The Morgan bank was closed upon in Paris throughout the war, with New York's knowledge.
The Nazi Accused

office, had announced to Larkin that he would "immediately liquidate
the branch in the interests of parsimony." Larkin had therefore
rebuffed Bailey's overtures and confined authoritatively on the known
Nazi collaboration which continued in office.

It also turned out that Larkin's staff were sending instructions to the
bank direct until six months after Pearl Harbor and that they re
fused to exercise their right to close any transactions from that
moment and sustained in possession of money orders. They even
took a step further by having American accounts at Chase in Paris
blocked while the Nazi accounts remained open. There are records of
Carlos Niedermaier and his colleagues being in direct touch with Paul
Puhl's office at the Reichsbank, offering to 'let your disposal to
continue to undertake the execution of banking affairs in France
for your friends as well as for yourselves.'

In 1945, as soon as he got wind of Treasury's full-scale inquiry,
Aldrich rushed Joseph J. Larkin to the Niedermaiers immedi
ately and opened the mail. He issued statements to the U.S. govern
ment that there was 'no connection' between Paris and Chase after
the United States entered the war. Larkin's so-called job 'to get to
the bottom of the situation and make the necessary adjustments in
person' was clearly just a way of covering the face.

In a telegram marked 'Secret' and dated January 12, 1943, the
U.S. Embassy in Paris advised Cordell Hull and Henry Morgenthau
of a meeting with Larkin. Larkin had done his best to save Aldrich.
Greedily avaricious, he had told the Ambassador,

Aldrich and the heard were very much concerned about the situa
tion; the investigation...I must emphasize that the managing personnel
in Paris were not officers of the Chase Bank...

Chase New York wore the Chase Bank quite open for the use of the
Army. My mission is secret, official. I have been temporarily assigned by
the Army. I pray for my full cooperation with you. The Bank's inter
ests and the government's are identical. Both desire to maintain Ameri
can prestige in France.

And then he added a revealing piece of information: "The British
government had a good attitude toward British banks abroad. British
banks in Paris did big business during the Occupation."
The fact that Britain had also collaborated with Nazi Germany on an official level was equally encouraging to the embattled Secretary of the Treasury. However, there is no evidence that eitherdid anything whatsoever about Liberation.

A curious event followed. Aldrich dispatched Alfred W. Bith, the private investigator in the transaction of the Smith and the Rockenden syndrome, to Europe to clean-up any further “misunderstandings” about the role the Chase in dealing with the enemy. A flurry of maneuver was so wide as to move almost every department of State and Treasury in 1945 as to whether Bith should be allowed to travel to neutral countries. Apparently one purpose was to “discover secret German aircraft.” Morgenbesser and White tried without success to stop the mission. Bith proceeded as planned.

On April 17, 1945, the Chase National Bank of New York—Althet being excused (and Lipton not made)—was placed on trial in federal court on charges of having violated the Trading with the Enemy Act in connection with its handling of the Smith diamond account. In his opening statement, U.S. Attorney John E. White charged the bank with having failed to freeze the accounts. Defense Attorney John T. Cahill placed before the jurors a substantial volume of documents purporting to show the alleged violations of the regulations. Cahill said, “Operations under freezing orders are complicated. Much more so even than operations under your family rationing books. They are, unfortunately, as involved as operations under the Federal income tax laws, and it would be as impracticable for all members of the bank staff to become expert in them as it would for such a group to master all the intricacies of income tax legislation.”

In other words, he was stating that the enforcement of the freeze was due to mutual incompatability.

Be that as it may, Cahill overstepped the facts that Smith had already pleaded guilty to trading with the enemy and had paid $100,000 in fines and was serving a jail sentence. Also, that such constraints at the time could scarcely have been unknown to certain officials in the bank.

The trial was complicated and technical. James E. Healey, Jr., vice-president of the Chase National in charge of its Panama branch, testified that he had believed that the freeze order was not applicable to the transfer of funds from abroad to the Chase Bank branch in Panama. Fred G. White, another vice-president, testified that nothing official had come to his attention to indicate there was anything wrong with the withholding of the account. Other officers testified that they had never received orders from the Federal Reserve Bank to block any account.

Meanwhile, as the trial went on, Winthrop Aldrich, who was not actually prosecuted in the trial, pronounced whenever he could be heard that the trial was “absurd” and “based on a technicality.” On May 5, 1945, at 3:35 p.m., the jury, after twelve hours of deliberation, found three of the complex questions in the bank’s favor, acquitting the bank. Aldrich expressed his extreme satisfaction in an interview with The New York Times. The matter of the frozen dealings of Chase that conclusively established wartime connections with the enemy, including the continuing activities of the Chase Bank in Panama, were never made public nor were they even made the subjects of Senate or Congressional investigation. Once more, the ranks of government closed around The FRANKENSTEIN. And in 1965, Joseph L. Loeb appointed Allen Berkman, collaboration head of the Chase in Viey, to the Board of the Chase in Paris.
The Secrets of Standard Oil

In 1941, Standard Oil of New Jersey was the largest petroleum corporation in the world. Its bank was Chase, its owners the Rockefellers, its chairman, Walter C. Teagle, and its president, William S. Farish, matched Joseph J. Louis's extensive connections with the Nazi government.

Six feet three inches tall, and weighing over two hundred and fifty pounds, Walter C. Teagle was so large a man that it was said that when he stood up from his seat on the subway, it was to make room for two women. He smoked Havana cigars through a famous amber holder. He spoke with measured deliberation, fixing his fellow conversationalists with a frightening, unblinking, and powerful stare.

Teagle came from a prominent Cleveland family just below the millionaire class. He early showed a dominant will, expressed in a thunderous voice, a sternminded intensity, and a rugged disrespect for those who questioned his judgment. He was known as a dominant presence at Cornell. Kept out of football by an injury, he worked off his pent-up energy in school debates, in which he invariably won hands down. Entering the Standard Oil empire under the wing of John D. Rockefeller Jr., he rose rapidly through his Herman Alper connections for work and his strong international sense: He drew many foreign countries and their leaders into the Standard Oil web. He weathered the scandal after scandal in which Standard stood charged with monopolistic and other illegal practices.

From the 1920s, on Teagle showed a marked admiration for Germany's enterprise in overcoming the destructive terms of the Versailles Treaty, its lumbering stride, booming towns, and clouds of cigar smoke became widely and affectionately known in the circles that helped sustain the rising Nazi party. He early established a friendship with the door and entry Hermann Schmitz of I.G. Farben, entertaining him frequently for lunch at the Cloud Room in the Chalder Building. Teagle's favorite Manhattan haunt of the late 1920s and the 1930s, Teagle was also friendly with the pro-Nazi Sir Henri Dostert of Royal Dutch Shell, who agreed with his views about capitalist domination of Europe and the ultimate need to destroy Russia.

Teagle, Schmitz, and Dostert shared a passion for goose hunting and game hunting: they vied with each other as wing shooters. Teagle's love of hunting deer and wild birds was to earn him the admiration of Reichsmarschall Hermann Goering.

Teagle was close to Henry Ford. He first met him in the early 1920s when he wanted to make a deal for oil with a new Detroit auto assembly shop. He walked into the shop, saw how morally rundown it was, and decided that he would have difficulty in collecting for the oil contract. But he took a chance on the thin, gaunt gentleman and went ahead. Many years later the two men met again and formed a friendship. Ford looked at him sharply and said, "We've met before." Teagle remembered at once. "Sure," Teagle said, "I sold you your first gasoline contract. You were stripping down a Winton chassis." Ford replied, "I was. And I was so hard up, I didn't even own the goddam thing!"

Because of his commercial and personal association with Hermann Schmitz, and his awareness that he must present Standard's interest in Nazi Germany, Teagle made many visits to Berlin and the Standard tank cars and tank cars in Germany throughout the 1930s. He became director of American I.G. Chemical Corp., the giant chemists firm, which was a subsidiary of I.G. Farben. He invested heavily in American I.G. and American I.G. invested heavily in him. He sat on the I.G. board with Fraternity brothers Edsel Ford and William A. Weis, chairman of Sterling Products.

Following the rise of Hitler to power, Teagle and Hermann Schmitz jointly gave a special assignment to Ivy Lee, the notorious New York
publicity wing, who had for some years worked for the Rockefellers. They engaged Lee for the specific purpose of economic espionage. He was to supply J.G. Farber, and through him the Nazi government, with intelligence on the American position on such matters as the German armament program, Germany's treatment of the Cherokees, and the organization of the Gestapo. He was also to keep the American public bated by pounding away the moral aspects of Hitler's regime. For this, Lee was paid five thousand dollars annually, the money paid to him through the Bank for International Settlements in the name of J.G. Farber. The contract was for obvious reasons kept oral, and the money was transferred in cash. No entries were made in the books of the employing company on those of Lee himself. After a short period Lee's salary was increased to $2,500 per year, and he began distributing inflammatory Nazi propaganda in the United States on behalf of J.G. Farber, including Written attacks on the Jews and the Versailles Treaty.

In February 1938 the Securities and Exchange Commission held a hearing to investigate Nazi ownership of American I.G. through a Swiss subsidiary. The commissioner grilled Tingley on the ownership of the Swiss company. He pretended that he did not know the owners were J.G. Farber and the Nazi government. The commissioners tried to make him admit that at least American I.G. was "controlled by European interests." Tingley replied doggedly, "Well, I think that would be a false assumption." Asked who voted for him as a proxy at Swiss meetings, Tingley asserted that he didn't know. He also neglected to mention that Schmitz and the Nazi government owned thousands of shares in American I.G.

Tingley was sufficiently embarrassed by the hearing to resign from the American I.G. board, but he continued his connection with the company. He remained in partnership with Farber in the mine of interest lead, an additive used in aviation gasoline. Giving's air force couldn't fly without it. Only Standard, Du Pont, and General Motors had the right to it. Tingley helped to organize a sale of this precious substance to Schmitz, who in 1938 sailed to London and "borrowed" $100,000 from Edelst, the British Standard subsidiary. Next year, Schmitz and his partners returned to London and obtained $15 million worth. The result was that Hitler's air force was rendered capable of bombing London, the city that had provided the supplies

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Also, by supplying Japan with aviation gasoline, Tingley helped make it possible for the Japanese to wage World War II.

There was a further irony. The British Royal Air Force had to pay royalties to Nazi Germany through Edelst-Standard for the gasoline used in its planes. The British government thought they were attacking London. The payments were held in Germany by Farber's private banks for Standard until the end of the war.

Following the embarrassment of the Securities and Exchange Commission hearing, Tingley escaped to New York. He had made all of a bonnet and handed over his checkbook to his partner and close friend, William Stampa Farish. Farish was somewhat different in character from Tingley. Tall, bald, somber, bespectacled, given to publishing enemies and news pamphlets, as in the pages of American Magazine, he had a refined, almost scholarly manner that barely concealed a flaming temper and a fierce self-protectiveness that made him seem grim in conversation. He was not necessarily so. He was so emotionally linked into the company that he was indivisible from it. He never understood a rule of power to keep calm and polite when the operation was angry and threatening. He could not rest striking back at anyone who criticized him, sometimes with a rather feeble attempt at physical violence. He shared with Tingley a mania for salad filling, dog training, polo playing, golf, hunting, and fox hunting. Like Tingley, he despised his men, or at least he thought he did. He had the capacity of sober executives to enthrall everyone, but himself, with their certainties. They allowed little area for discussion and built nothing save approval.

Farish, like Tingley, was mesmerized by Germany and spent much time with Hermann Schmitz. With Tingley's approval, he started the Standard Oil interests with Nazi control. When war broke out in Europe, he put his head in British Intelligence, which launched some of its vessels outside territorial waters on the Atlantic and Pacific coasts and landed Nazi agents who were passengers. When the British began interrogating Nazi agents on the Hitler-Standard connection, Farish told the Gestapo no names and charged the registration of the entire fleet to Panama to avoid British seizure or search. His vessels carried oil to Tehran in the Caspian Islands, where
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and Kinger talked for many hours about their plans for the future. Kinger handed over a thick bundle of German patents that were locked into Standard agreements so that they would not be seized in war time. The two men drew up an agreement that specified how the funds would be used in business together, "whether or not the United States came into the war." Another clause in the agreement, known as the Hague Memorandum, guaranteed that the patent war was over. I.G. Farben would get back its patents. Howard, pursuant to the London and Kinger agreement for the patents to be flown by American diplomatic bag to Ambassador William D. Bullitt in Paris, who forwarded them on by special courier to Farber in New York.

As the war continued in Europe, many American companies, Germany grew more and more desperate for oil. German domestic supplies were minimal. But for many years Teagle and Farber had explored the resources of Romania, making up vast quantities of oil in the Bosporus fields and shipping millions from Germany in the process. I.G. Farben financed the operation, and the U.S. government was a willing participant. A few months after the war, Romania signed a secret protocol with Germany and America continued with the oil shipments. The result of this was that Kinger paid $11 million in bonds for the use of the oil, whether or not America came into the war.

Farber now proceeded to make another deal with Göring. Hungary was second only to Romania as an oil source for the Nazi war machine. Teagle had started dealing with them in 1944.

In July 1944, Farber and Frank Howard filed an application for a license to ship to Hungary and Hungary enthusiastically approved Howard's plan. Teagle met with Farber's representative Fritz Kinger. The meeting was set up in Paris. Howard flew to the Hague on September 22, 1943, to avoid a supply of Royal Air Force fighter planes for the occasion.

At the Hague meeting, held in the Standard Oil offices, Howard
by the blocked assets of General Aniline and Film in America. Treasury refused the application, whereupon Parish asked if the full amount could be paid in gold at Lisbon. That suggestion also was rejected. Parish protested bitterly.

The British minister ran the length of the Americas upon the Atlantic seaboard, stopping shipments to Nazi Germany wherever possible. Given the problem, how could Parish go on supplying Cosi and Hermann Schacht with oil in time of war? He soon found the solution. He sent large amounts of petroleum to Britain and thence by Trans-Siberian Railroad to Berlin long after Roosevelt's moral embargo. He shipped to Vichy French North Africa. In May 1940, British authorities captured a French tanker in U.S. territorial waters that was ranging to Casablanca with 10,000 tons of Standard oil, allegedly for reshipment to Hitler. Cordell Hull demanded the British government yield up the tanker. Restricted by wartime law, the British agreed. The tanker sailed on to Africa, followed by six more.

Parish fueled the Nazi-controlled L.A.T.T. airline from Rome to Rio via Madrid, Lisbon, and Dakar. The airline flew spies, patrons, and diamonds for foreign currency. Only Standard could make this shipment possible. Only Standard had the high-octane gasoline that enabled the bombing bombers to make the 1,800-mile trip across the Atlantic.

A hard-working young man, William La Verne of the Department of Commerce, got word of Parish's Standard's deals with the Nazi regime. He broke L.A.T.T. in the United States, Germany, and Italy by way of Brazil.

In addition to spies, the global flow, in 1941, 2,635 Ideal of books containing Nazi propaganda, legal and illegal drugs connected to Sterling Products, Reichsbank money for the National City Bank in New York, wartime horror pictures prepared by Dr. Joseph Goebbels to frighten Latin Americans out of a world conflict. There were electrical materials and gold and silver jewelry for sale to Brazil. American companies in South America shipped the Nazi thousands of tons of nicotine and platinum, which ceased in quantity only in Brazil, and which were strategic war materials for Germany. Simultaneous

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stores were bought cheaply, shipped to Germany, cut in Belgium in slave camps, and shipped back to Brazil for sale.

In order to supply the airline, Parish changed more of his vessels from German to British registry. They were wrongfully interned under the Panamanian flag by James V. Forrestal, Under Secretary of the Navy, vice-president of General Aniline and Film, and Parish's associate in the U.S. Naval Academy. The U.S. Intelligence constantly checked on the members of the Gestapo, the Abwehr, and the French secret network N.W.3 who used the airline. Early in 1941, Adolf Hitler of the State Department insisted that Cordell Hull stop these shipments. Hull walked to William Parish. He told him, he was going to supply secret control to the shipments.

Field was forced to reach a compromise. He would supply L.A.T.T. and the other Nazi airline, Comlux, through Standard's Brazilian subsidiary with permission from the American authorities in Rio. The ambassador gave permission and the aircraft continued to fly. It was not until just before Pearl Harbor that La Verne and Berlin realized what Field was doing: By making the deal through the Brazilian company, he was not subject to blackmailing. Thus the shipments continued until after Pearl Harbor when the Brazilian government stopped in and closed down the airliners. Field totally ignored his government's request to be loyal. Germany and money came first.

On March 11, 1941, Sumner Welles of the State Department shipped into the picture with a detailed report on refueling stations in Mexico and Central and South America that were suspected of furnishing oil to Italian and German merchant vessels now in port. Among these suspected of fueling enemy ships were Standard Oil of New Jersey and California. There is no record of any action being taken on this matter.

On May 5, the U.S. Legation at Managua, Nicaragua, reported that Standard Oil subsidiaries were distributing Epsic, a propaganda-filled with pro-Nazi propaganda, John J. McIver, of the U.S. Consul, made an investigation and found that Standard was distributing this inflammatory publication all over the world. By peculiar irony, Nelson Rockefeller was at that moment in his post of Coordinator of Inter-American Affairs, seeking to insure the loyalty to United States interests of all of the governments of Latin America.
On July 17, 1941, Nelson Rockefeller had joined with Dean Acheson, Morgenthau, Francis Biddle, and Secretary of Commerce Jesse Jones to build a presidential order to prepare what was known as the Proclaimed List of enemy-associated enterprises with which it was illegal to trade in the Zone of European war. Acheson was appointed chairman of the interdepartmental committee in charge of the group of Cabinet members. Six months later, in a lengthy memorandum to Mike R. Petersen, executive director of the Economic Defense Board on January 5, 1942, Nebitt laid down the conditions of the Proclaimed List. Rockefeller’s claim that he was unfamiliar with the details of Standard Oil practices on behalf of the Axis before and after Pearl Harbor is difficult to believe given the fact that he himself sat on the Proclaimed List committee.

In his official capacity, Nelson Rockefeller was in the peculiar position of having to ask the managers of his South American companies how many Germans they employed, despite the fact that his company and official records both contained the information. He was, in effect, as coordinator and quite something else as Standard Oil executive. In July 1941, Standard, with his knowledge, authorized the issuance of a letter to the headquarters in Caracas, Venezuela, from a Proclaimed List national, Curzan Zing, because it would be legally very difficult to terminate the lease. The Coordinator for Latin-American Affairs, with billions at his disposal, leased from a Nazi collaborator for the duration because of a technical issue of a leasing arrangement. More surprising still, a doctor who was in constant touch with Nazis in Caracas, and was on a suspect list, was permitted to remain a member of the medical department of Standard Oil of Venezuela.

On July 15, 1941, Major Charles A. Burnham of Military Intelligence reported to the War Department that Standard Oil was shipping oil from Arabia in the Dutch West Indies to Tenerife in the Canary Islands. The report continued:

[Standard Oil was shipping oil from Arabia in the Dutch West Indies to Tenerife in the Canary Islands. The report continued:]
had "not issued a list of friends or fellow enemies." Rockefeller's note, dated January 16, 1941, contained a touch of unconscious humor: "The Congress of the United States has, you understand me, declared that a state of war exists between the government of Japan, Germany, and Italy and the Government and people of the United States." The letter goes on to offer Rockefeller the presidential license to December 13, 1945 permitting transactions prohibited by the Trading with the Enemy Act, provided such trading was authorized by the Treasury.

Immediately after Pearl Harbor, Harold Ickes, Secretary of the Interior and Roosevelt's closest political associate, found himself in the midst of a crisis. On January 8, 1941, Japanese forces occupied the Philippines, and the American occupation force was forced to surrender. The Japanese then turned their attention to the British possessions in the Pacific, and the Philippines became a pawn in their game of dominance in the region.

Ickes was the linchpin in the relationship between Roosevelt and the military commanders who were now in charge of the Philippines. He was a close friend of the Secretary of War, Henry Stimson, and he was able to use his influence to secure the release of key American soldiers from Japanese internment camps.

Roosevelt's relationship with Ickes was often strained, but he relied on Ickes's expertise in managing the war effort. Ickes was a key figure in the administration's efforts to maintain a balance between the military and the civilian populations in the occupied territories. He was also responsible for overseeing the rehabilitation of the war-torn areas, which included the reconstruction of infrastructure and the restoration of basic services.

Ickes was a controversial figure, and his influence over the administration's war policy was not without its critics. However, his role in the administration's efforts to maintain a balance between the military and the civilian populations was essential to the success of the war effort. He was able to use his influence to ensure that the war effort was not at the expense of the civilian population, and he was able to use his expertise in managing the war effort to ensure that the war was fought with the best interests of the country in mind.

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The Secret of Standard Oil

During the first weeks after Pearl Harbor, Arnold drove his 1930 LaSalle automobile with its dark rear end through the streets of Washington to a series of meetings with leaders in President Roosevelt's house. As a result of those meetings, Arnold obtained permission to go from the executive and west. Attorney General Francis Biddle to host see meeting with FDR's master of the synthetic rubber restrictions that favored Germany still and drastically discomfited American motorists and the Army, Navy, and Air Force.

On February 27, 1942, Arnold, with documents stuffed under his arm, followed by his loyal team of secretaries and aides, spoke into the car's den of Standard at 50 Rockefeller Plaza. Just behind him were Secretary of the Army, Franklin Knox, and Secretary of the Army, Henry L. Stimson. William S. Farish was there to greet them. In the boardroom, Arnold sharply laid down his charges while the officers looked him at him. He spelled it out that he had the goods on Standard that the President had to know. In his presence, Harold E. Stark, a partner in Standard, had agreed to supply the American government. Arnold's chief to speak, he turned over the documents. Arnold, usually urbane, said to one of the officials, "I've had it in mind to pull. These men have never heard of $1.5 million and a Congress decree whereby Standard would turn over for the duration all the patents I've got picked up in Holland."

Delighted with the proposal, the men. He pointed out that this was a critical moment in the Army, Navy, and Air Force, was making it possible for America to win the war. Where would America be without it? This was blackballed, and Arnold was
Armed with a defensive posture, he conferred briefly with Strauss and Knox. The result was that he asked Farish to what Standard would agree. After all, there had to be a至少 a definite public gesture. Farish said with his consent that he would pay $50,000, to be divided equally among a long list of institutions and corporations that each would split up paying no more than $600. Arnold, Strauss, and Knox soon realized they had no power to compete with that of Standard. They did manage to reduce the number of defendants to ten. Farish paid $1,000, or a quarter of one week's salary, for having harmed America.

Standard understood a few in the criminal courts of Newark, New Jersey. This was a technicality in order to satisfy public opinion. The changes of criminal conspiracy with the enemy were dropped in return for Standard releasing its patents and paying the medical fines. Knox wrote in his diary on April 3 that when the light was thrown on a situation like this, it made it easier to understand why some great and powerful in the country were Nazi-minded and were confident of their ability to get along with Hitler. After all, he added, they had been doing business with Hitler right along. They understood each other's language and their aims were common. A complete exposure, he added, would have a very good effect on the United States.

Arnold agreed. Although he had crammed at his meeting at Rockefeller Plaza, he had another resource by which he could do Standard through the mud. And he too had a handy ally in Harry S. Truman, an enemy of Jesse Jones. The Senator from Missouri was in charge of the Truman defense committee, dedicated to exposing reasonable arrangements. With great enthusiasm, he asked beat up Harry unembarked oral hearings in March 1942, in order to disclose the truth about Standard.

On March 26, Arnold appeared before Truman in an exceptionally busy mood in order to try to get him out of the standard that he was doing against the oil company. He had dug up a great deal of dirt. He produced documents showing that Standard and Farish in Germany had jointly started up the world market, with oil and chemical monopolies established all over the map. He threatened project showing that Farish had refused to send vital patent information to Canada because Canada was at war. He showed how Farish had flagrantly disregarded Land-Lease and good neighbor policies in his correspondence with Berlin. He accused him on the subject of synthetic rubber, pointing out that it had been denied to the U.S. Navy, and that Arnold and Howard had deliberately understated their representations to the people. He charged that cables showed Standard's arrangements with Japan that were to continue throughout any conflict or war in trade. Leaving the Senate chamber on March 26, surrounded by lots of reporters and photographers, Truman was asked, "Is this treason?" He replied in the affirmative. Farish completely lost his head. Instead of riding out the storm with cool indifference and waiting for his appearance before the committee, he held press conferences, fired off telegrams from Rockefeller Plaza to the President, issued lengthy and complicated statements on the radio, and told The New York Times in a statement prepared by Tragle, who sat up all night to write it, that Arnold's charges had "not a shadow of foundation." Appearing before the committee on March 31, he showed at Truman and Arnold that he had exaggerated everything said about Standard "with indignation and resentment" and assured that he had not in any way been deceived in the United States. He claimed that the deal with J.G. Farish helps the United States since a number of patents were in America's possession. He neglected to add that the only reason they were in America's possession was that a criminal court judge had ordered them to be.

On April 2, a small and mild mannered Thomas Arnold came to Locke's office from a further hearing in which Farish had repeated his denials, and told him, "The Standard Oil guys have committed perjury. I know it. I have repeated it. Will they be indicted?" He already knew the answer. They would not be indicted. Arnold went on to discuss Secretary Jesse H. Jones's desire for保证 with Standard in the whole market.

Roosevelt was very unhappy with the hearings. Publicly exposing Tragle and Farish was not helping him see them for America's purpose. He had heard enough of Arnold as the hearings concluded. He kicked him upstairs to the U.S. Court of Appeals. Iolas wrote in his diary on April 5 that Arnold had been made or had pegged. The War and Navy departments assured that Roosevelt suspended any fur-
their actions against the opposition for the duration. They couldn't, as the Rockefeller Plaza meeting that made clear ran an Army and Navy without Standard.

Tingle was so interested and dissatisfied by the attacks of the Trum-

The existence of Standard Oil. He added that he was

The Secretary of the Standard Oil Company had said that they were in the wrong. But he did not suspect that the companies had been in the wrong. The Rockefellers, he said, were always on their side, perhaps that was why the industry had no more friends.

Tingle said he did not want to make any statements, but in a situation like this, where the administration was concerned, one had to play some role in public opinion. He added that he had the responsibility to consider, that the people were supported because the government was not covering up or protecting any individual as the datines of the war editors. Unfortunately, as he always was, he knew that was exactly what the government was doing.

The following day Truman came to speak with Loker. Truman said that Loker ought to go to Paris immediately from the War Production Board. Loker didn't have the nerve to tell Truman that the President had promised Paris. Instead he informed the newspapers for putting an effective lid on the ticking pot with the momentary idea and de-

So far, Tingle was impressed with the long hours of hard work which you have put in and the sincere and very valuable contribution you have made to the war effort.

Paris remained on the War Production Board. On April 3, 1942, Tingle called Roosevelt as the Secretary of the Navy. He opposed against Fair's position, but Roosevelt was satisfied he didn't want to ask Fair to resign. That same day he called John D. Rockefeller Jr. at home in New York. Despite Roosevelt's statements later to decide to keep his job and ask Rockefeller to take Fair's place on the board, the theory that Rockefeller would want to clean his own mess and take the oligarchically conservative public stance was erroneous. He began by telling Rockefeller that he knew of the relationship between Standard and J.P. Morgan. Rockefeller was silent. Loker went on, saying that public opinion would force him to take action. He was not recommending that Rockefeller get rid of Fair but telling him in advance that an embarrassing situation might develop with further trouble that would force Fair to go.

Rockefeller said that he had the utmost confidence in Fair and Tingle, that he believed in their honesty, their sincerity, and their patriotism. Rockefeller added that he took no active part in the affairs of Standard and knew nothing of what was going on, despite
Jaffe, Jr., who denounced Tague and Fairchild for issuing "as despicable a piece of public relations work by a giant corporation as I have ever seen." He went on, "The Standard officials not only did not have guts enough to come before this Committee today where they could be sworn and cross-examined, but they left the officials who made their denials ungrounded." He said that Standard and Fairchild "adopted that age-old rule of debate, "When you see weak on facts, give 'em hell."

On May 6, John R. Jacobs, Jr., of the Attorney General's department, testified that Standard had interfered with the American explosives industry by blocking the use of a method of producing synthetic explosives. As a result of his deal with Fairchild, the United States had been unable to use this vital process even after Pearl Harbor. Also, the United States had been restricted in the techniques of producing hydrochloric acid and one of the products of that acid. Jacobs presented a document showing that on September 1, 1939, the day Germany invaded Poland, Standard called Fairchild offering $20,000 for its 25% interest in a Standard subsidiary handling the patents they shared between them. Jacobs showed a Standard memo that read, "Of course what we have in mind is promoting the industry interest in I.G. in the event of war between ourselves and Germany as it would certainly be very undesirable to have this 25% interest in a Standard subsidiary handling the patents they share between them. Jacobs revealed that it had been arranged that Fairchild in Germany should file applications in France and England for various oil developments in Standard's name during the war. Senator Dome was so shocked by this discovery that he called it "outrageous" and said, "If the war does nothing else, it ought to clean up this sort of thing.

On May 7, Fairchild denied the committee a Fairchild telegram. He denied that he had avoided appearing and said that he had sought to appear in order to clear the record but had been refused permission. The telegram was several hundred words long and was so complicated as to be virtually unreadable. As usual, Fairchild was simply trying to confuse and mislead the committee, which was in fact perfectly prepared to have him appear. It was quite obvious that he preferred

The Hearings on Standard Oil

The hearings resumed on August 7. Texas oil operator C. R. Starnes appeared to testify that Standard had blocked him at every turn in his efforts to produce synthetic rubber after Pearl Harbor. Fairchild fired off another telegram to Berlin, saying he was at a loss to understand why Berlin had not permitted his committee to be used as a sounding board for "russified, supported accusations." He charged Starnes with more "covering up" and "no explanations," and he lied that he had received Starnes in any way. Failing in the face of Starnes's evidence, he said that "The U.S. Government may want to fold up with this war, we have provided a dozen in any way to prolonged public controversy and name calling. But the abuses of democratic procedures which occurred at yesterday's hearing must be promptly and openly brought for what they are, or we shall be in danger of losing the very things this nation is fighting for."

The most shocking statements of Mr. Starnes were made from the press releases, and these made it clear why Standard was anxious to have the press in your own community. Your concern is such that the witness was going to make. The circumstances of the witness's appearance are peculiar. Even though you personally know that he had appeared on his own initiative, it is a singular coincidence that the testimony of this man was presented at the identical micrograph setup as had been the testimony of previous witnesses presented under the committee's sponsorship.

These eliminations sat ill with many of the Special rubber committee headed by the famous Bernard Baruch, which was holding meetings on park benches in Lafayette Square. The committee's observers witnessed the rubber crisis. Enraged and in distress in the face of the rubber committee's work, Standard felt forced to overtake the rubber shortage.

On August 12, Richard J. Durbin of the Rubber Recovery Co., a federal agency, angrily denied Starnes's charges. However, since he
with the women's clubs. As for stockholders' meetings, they were unimportant enough to say the least. Sales dropped and dividends were shorn. Despondent Farish's Big Board hired a top-flight public relations consultant, Earl Namsky, to improve the company's damaged image. John D. Rockefeller, chairman of Temple and Farish, told the board anonymously, trying to avoid direct entanglement by naming one to a new chairman. The board, by a 5 to 1 vote, named George W. Coxe, chairman of the board.

On November 29, Farish, after spending Thanksgiving with his family in New York, drove to his hunting lodge, Deering Farms, near Millbrook, New York. He spent the next few days writing through the golden fields: Michael Mandell, the company's attorney, and Mr. Coxe, told him he was an adjourned that he had a severe illness in his arm. A few days later he was dead of a heart attack. The funeral took place at St. James Episcopal Church in New York on Monday. Another service was held at Houston, where he was buried.

As the public focused on Temple and the new chairman, Ralph W. Collipoll, others accompanying the coffin were General Motors' Alfred P. Sloan and the National City Bank's president, William C. Bradley. Frank Howard was also in attendance. Harold Jones, whose studies culminated in the Standard-Nash investigation, failed to deliver a libel of evidence in the case, inspired more by unprovoked than honesty, the Old Comrades' view.
of the petroleum industry, we can connect, as we should, the fuller report of Weizmann, A.P.L., and patriotic service to the military program, which has been necessary to administrate oil. First for national defense and then for war, we did so even when the timing of this was sought for a disregard of normal competitive conditions. His place in the petroleum industry program will not be easily filled.

Meanwhile, on August 8, 1942, Standard was still busy. The company's West End India Oil Company had shipped to the Nazi-controlled Cin Argentina Commercial de Buenos Aires on February 23. The U.S. Embassy in Buenos Aires and the State Department authorized the transaction, along with members of the Petroleum Board in Washington who were also receiving a salary from Standard.

On August 31, John J. McCloy, First Secretary of the U.S. Embassy in Buenos Aires, wrote a letter to Cordell Hull in Washington: "I have some correspondence—very important for the war effort." The letter asked the State Department to consider a "new venture" that had just begun. The letter was signed by cordell Hull, Secretary of State.

On August 25, another commercial activity was noted in Argentina, where Standard was still in business. The letter was written by John J. McCloy, First Secretary of the U.S. Embassy in Buenos Aires. The letter was addressed to Cordell Hull, Secretary of State.

In the fall of 1942, it became clear that Germany was already in desperate need of oil. Because of severe weather, shipments of barreled coal and tank cars were drastically reduced. In Africa, General Bernard Montgomery had asked the Germans to supply fuel for his forces in North Africa. The request had been successful in the aerial campaign against the Axis armies.

Switzerland proved most and more valuable as a neutral country. On the surface, it seemed that the Allies, that country was in fact a permanent state of neutrality, exchanging raw materials for oil from the Allies, which it had supplied Switzerland as a country. This continued until mid-November 1942, when the Secret of Standard Oil was revealed.
President Reagan wrote to Achsel on November 4, urging him to agree to the arrangement for the oil shipments. He said that since the Swiss would not authorize the arrangements that instructions for the shipments should come directly from New York. Reagan wrote:

"Standard needs permission to store and transport in Switzerland gasoline and fuel oil imported for the use of the Nazi and Hungarian Legations. Standard will unload at the瑞士 rail and other terminals controlled by the Axis. American and British oil companies are dependent upon the enemy for petroleum supplies imported by the Swiss explode these permits. To enforce the enemy by ordering Standard to discontinue the service performed by enemy Legations might give the enemy a pretext for refusing to permit all of enemy origin to be distributed by American companies. The U.S. Legation is located by order of enemy origin and the Legation's automobiles are propelled by enemy gasoline. If Standard discontinues storing and transporting oil and gasoline for enemy Legations, the latter can undoubtedly have this service performed by non-American companies. To compel the American consorts to cease these transactions with enemy Legations might result in reprisals against Standard and other American and British oil companies. The Legation accordingly recommends that Standard be licensed to continue these operations."

Reagan also asked for Standard to be given permission to pay a Nazi employee of Standard a monthly payment through a German-Swiss clearing account. Reagan went on to describe Standard's ownership of the Swiss bank, E. O. A., which was previously commanded by Germany. DAPG, the German Standard subsidiary, had continued after Pearl Harbor to pay rent to U.S. Standard for the bank. Also, the Swiss banks E. O. A. and E. O. B. were supplying oil to Japan, and other Nazi industrial nations, and DAPG was supplying payments through to Switzerland. Reagan asked if the payments could continue.

The matter of this payment came up. He was an official of the Standard Oil office in Paris under the Nazi occupation. He was also on Swiss Standard's board in Switzerland. Reagan urged that it be kept secret.

*Author's note.*
The Secret of Standard Oil

C. F. Savarin of Standard Oil in Venezuela was authorized to continue trading in oil with Gustav Zingg & Co. company and three other Proclaimed List corporations to the tune of a total of 13,000,000 kilos of crude.

On June 15, Joseph Black, American chargé d'affaires in Caracas, sent to Hull an astonishing list of "sales made to Proclaimed List nationals." Such monthly lists were sent to Washington throughout the entire war.

State Department memoranda in August 1943 show trading was permitted between a Standard subsidiary and five Proclaimed List nationals in Caracas, Venezuela, that were shipping oil to Arabia for use in Spain.

Now of these transactions was ever made public. The details of them remained buried in classified files for over forty years. However, it proved impossible for Ralph Gallagher and Walter Teagle, who remained active behind the scenes, to conceal the fact that shipments of oil continued to fuel Spain throughout World War II, paid for by French funds that had been unbeknown to the Federal Reserve Bank while Loyalist funds were sent to Nazi Germany from the vaults of the Bank of England, the Bank of France, and the Bank for International Settlements.

The shipments to Spain indirectly fuelled the Axis through Spanish transfers to Hamburg. At the same time, there were desperate shortages in the United States, long lines at the gas stations, and even pencil lead ran out. In addition, the armed services suffered alike from restrictions, more gasoline went to Spain than was allocated to domestic customers.

The whole plan was followed by U.S. Ambassador Carl von H. Heye, in Madrid, in February 25, 1943, who made a statement that "oil products available in this country of Spain are considerably higher than the present per capita distribution to the people of the Atlantic Seaboard of the United States." Asked by The New York Times how this could be explained, a spokesman for Cordell Hull denied knowledge of the oil came from the Caribbean and not from Spanish tankers. The evasiveness of the response was typical. The spokesman also neglected to mention that shipments...
The Secret of Standard Oil

For which purpose, a hard substance capable of penetrating steel, was made.

Of course, all of this was known to the United States State Department long before 1941 began. Nevertheless, nothing whatever was done about it. For a brief period the truth emerged about Spain. Spanish ships were searched at sea, showing that oil, platinum, industrial diamonds, and other materials from which the Germans made a ton of steel, submarine power, and even shock troops, were coming from Argentina and the Caribbean into Spanish vessels, admitted through the British blockade by American agencies.

On January 38, 1944, the British government cut off oil, gasoline, and other petroleum products to Spain. France protested violently. Dean Acheson responded calmly.

It was a brief period of sanity. On May 2, 1944, after only three and a half months of suspension, the oil lobby won a fight to restore shipments and to allow limited federation exports to Germany as well. In order to prove this important move, Cordell Hull staged for General Franco to explain Nazi agents from Spain, together with the Spanish Zone of North Africa. Although Franco more or less followed these polite requests, he continued to harbor large numbers of Nazi soldiers under diplomatic immunity. There was never any question of breaking off diplomatic relations with Germany. On August 30, 1943, a month of American oil and 1,000 tons of fuel began to flow back to the Nazis.

A certain gene arrangement could be extracted from an interview with H. T. Hadden, vice president of Standard, on September 9, 1944, in The New York Times. Hadden said that "Germany has succeeded in producing a fine gasoline, the equivalent of our own, but in limited quantities." The remark passed almost unnoticed.

On July 13, 1944, Ralph G. Gallagher of Jersey Standard said the U.S. government for having seized the synthetic rubber patents handed over to Frank Howard at The Hague, I.G. Farben lawyer August von Kruegner flew in from Germany to testify against Standard. Gallagher's face was a picture when he saw Kruegner enter the courtroom. He knew Kruegner would reveal much of the truth of Standard's dealings with the Nazis.

On November 7, 1945, Judge Charles E. Wyman gave his verdict. He decided that the government had been entitled to seize the
The Mexican Connection

From the supposed enemies of The Family, were connected to it by ancient invisible threads. One of Jersey Standard's most powerful rivals in the field of petroleum supplies to Germany, William Rhodes Davis's Davis Oil Company, was connected to Göring and Himmler. Davis was linked to Hermann Schmitz and I.G. Farben through the American Werner and Karl von Clement, New York diamond merchants (who had ties coming to Nazi Foreign Minister Joachim von Ribbentrop by marriage), and through the National City Bank.

The von Clements were financial devotees of Germany, even though both had become American residents in 1932. They used a device typical of Nazi eckeis: a device copied, ironically, from the Rothschilds. One brother stayed in Berlin, the other remained in New York. They were connected to the Schröder banks through interlocking directorships, and on the board of a company that helped finance General Motors in Germany along with I.G. Farben. In 1937 they financed the Gestapo with funds supplementing those supplied by Schröder's Stasi Bank. Yet another Family link was their involvement with the First National Bank of Boston, an associate of the Bank for International Settlements. They conceived the idea of unlocking First National's blocked German marks to build a vast oil refinery for Göring's air force and for Farben and Eurotank near Hamburg, with Karl von Clement in charge. This oil refinery
would bypass the terms of the Versailles Convention and supply Göing's so-called Black Lehrenfrei, which was secretly being prepared for world conquest.

In order to secure the oil for his refinery, the von Clemm brothers had to find an American who would aid and abet them. The chance was easy. From 1936 to 1938, Werner von Clemm had financially sustained a largely unsuccessful oil prospecting and production venture named William Rhodes Davis.

Davis was on the top of his game in 1938. He was tall, not much over six feet, with solid gold left from mother and a badly bowed left leg that contained a silver plate put there after he was injured in a train wreck in 1918. His head was two inches below his body, and his face spotted with a broken nose. Yet despite his lack of good looks he had the one indispensable quality needed for success: he had the gift of gab. He was capable of talking anyone into the ground. He spoke in superlatives. He never took no for an answer, and he would shift anyone around the way he wanted them to.

Davis was born in Montgomery, Alabama. In 1899, poorly educated, he left school at sixteen and jumped a freight car. A kindly porter gave him a job as candy butcher, selling chocolate and ice cream from a trolley. Railroad crazy, he graduated to brakeman, fireman, and engineman in the Southern states until the collision put him out of commission. Emerging from the hospital with a gypsy leg, he used his plight to his own advantage by working as a comedian on the Southwestern train circuit, making audiences laugh as he wagged his dislocated ankle in a dance. When his popularity ran out, he shipped off on steam steamers as steward, fireman, and engineer.

Back in the United States, he debuted in the oil business but consistently wound up in prison. He was under frequent investigation for a variety of swindles—people saw him, but no evidence to a conviction. But wherever he was, he found a way to make a living. He sold dry wells, manipulated stocks, and set up and collapsed small companies, carrying the shareholders with him.

In 1926 he was paroled. The van Clemm twins stepped into the picture in 1933. Their support of him saved him from ruin and imprisonment. As a result of this he became deeply committed to Nazism. He was fascinated by the example of a Germany heavily financed by American bank loans, the handsome, healthy men in black uniforms, the pretty blond women. It all seemed a far cry from the bridgeheads and pinched faces of America in the Depression.

After the deal with the German government over Enexstock, Davis saw the way to make his fortune in face. He owned a few wells through the von Clemm's good graces, with German money he could certainly start pumping. He traveled to Berlin in 1933. He had to have the personal approval of Hitler before he could go ahead. He arrived at the Adlon Hotel, where Karl von Clemm arranged a reception for him to meet Hermann Schmitz von Farben, Kurt von Schröder, and other German members of the Reichstag. He was welcomed on arrival when he gave the group the Nazi salute as he entered the hotel.

Next morning, two Gestapo officers delegated by Himmler arrived at the door of his suite. They carried with them a letter from the Führer. The former barber and candy butcher was overwhelmed. He could not believe he had received so signal an honor. The letter asked him to meet with Finance Minister Hjalmar Schacht at the Reichskanzle. When he arrived, Schacht seemed cold and uninterested and brushed the whole matter aside. Schacht already had deals going with Walter Teagle and Sir Henry Dethorne of Shell. What did he want with this small fry?

Furious, Davis returned to the Adlon empty-handed. He wrote to Hitler, asking for better treatment. Hitler replied immediately in person, asking him to return to the Reichskanzle the following morning for another meeting.

Davis arrived in the boardroom at 11 A.M. As FBI records show, Schacht smiled thinly in a corner, obviously not in mood to talk. But a door flew open and thirty directors of the bank appeared, to greet Davis with warm handshakes. Hitler strode in. Everyone jumped to attention and gave the Nazi salute. Hitler said, "Gentlemen, I have reviewed Mr. Schacht's proposition and it sounds feasible. I want the bank to finance it." Then he walked out.

It was clear to Davis that his dreams of I.G. Farben, along with Kurt von Schröder, had exercised influence over the Führer.

Davis traveled to England, where he resumed his earlier business relationship with Lord Inverforth's oil company. He obtained major concessions in Ireland and Mexico. He traded Mexican oil for Ger-
The German Connection

The German Embassy intervened and prevented an autopsy. FBI investigators determined Probst had been poisoned. It turned out he had bribed government officials and stirred up action against communists. It was almost certainly a convenient killing.

German officials infuriated Davis's growing oil empire. He used blackmail to squelch the opposition and shipped millions of barrels of oil until after World War II broke out in Europe.

Meanwhile, the Verein brothers continued to make their money. Davis, who had been the German's chief importer, continued to import, being in virtual control of the beer business.

Along with Davis, they became multimillionaires. In one of his frequent visits to Germany, Davis became close to a bespectacled, balding, bespectacled man named Dr. Kachan C. A. Herstein. Herstein worked with Emil Wohltat on Göring's economic staff and also worked on Emil Pahl's staff with Hans-Heinrich Caesar. In a series of secret meetings with Göring, Admiral Erich Raeder, and various army chiefs, these young economists arranged for Davis to fuel the German navy, while Standard Oil supplied the force. Davis and Joachim Hersteller arranged a German credit of $50 million to Cardioz to be used for the recollection of the broken-down national railroad system, the building of irrigation and hydroelectric power projects, and the setting up of new oil-dredging equipment and construction. Hersteller opened the German Import-Export Corporation in Mexico City, which was to aid Mexico in stabilizing its currency. It was Göring's plan to render Mexico a debtor nation that could be relied upon to be an ally in time of war.

In meetings in Mexico City at the end of August 1939, Davis told Hersteller of his concern about what might happen to his oil shipments if Germany was involved in war. The papers were full of forebodings. Davis saw his newfound empire crumbling. Whatever happened, he had to secure permanent peace. He cables Berlin on September 1, 1939, asking Göring if he could see Roosevelt to steer off the conflict. Needless to say, Göring's reply was enthusiastic. That same day he had sent Electrolux's Axel Werner-Gottas on a similar mission to Roosevelt.

Hitler's stroke on Poland and Britain's subsequent declaration of war threw Davis into panic. He had to scramble, the beautiful secretary Erna Wehrle, help him prepare a secret code, to be approved.
The Mexican Connection

unravelled a great deal of suspicion because knowing Roosevelt had no time for Hitler, he tried to sell him Göring, promising that Göring would soon take over the German government and saying that Hitler had been 'moved away from the main Council.' He asked the President's authority to enter into peace talks with Göring on the President's behalf.

Roosevelt replied that he had often been预防 to intervene in the European conflict but he could only do so through official channels. He pointed out that he had sent a message just before the war suggesting peace talks but had never received an answer until the war had begun. "Which, of course, gets one nowhere."

Roosevelt did not authorize Davis to act on the American government's behalf. Indeed, as soon as Davis left, he ordered Berle to contact J. Edgar Hoover and instruct the FBI chief to report directly to Berlin on Davis's movements and contacts. On no account was Hoover to report to the Attorney General Robert E. Jackson or to Cordell Hull.

Davis left the meeting with Roosevelt in a state of drastic unease. Hart did not tell him of Göring's instruction that he and Lewis must influence Roosevelt to suppress any revision of the Neutrality Act. In his cable of September 18 he reminded Davis, who scarcely needed reminding, "keeping to belligerent nations peace destroying cargoes.

Davis, afraid of falling out of favor with Göring, called Berlin on the next day that the President wanted him to negotiate the peace. He grieved that Roosevelt had insisted Germany should keep Danzig, the Polish Corridor, Czechoslovakia, all former provinces ceded to Poland by the Versailles Treaty, and all African and other colonies that Germany had had before 1918. He asserted that Roosevelt had appointed him ambassador without portfolio. He left for Lisbon and Rome on September 20. His plane was forced down by storms in Bermuda. British Intelligence men came to the airport and questioned him closely. He refused to answer them and proceeded to Lisbon.

In Rome, Hitler sent several German men to meet Davis's plane. The airstrip had a quick meeting with Mussolini, who proved welcoming. Accompanied by the SS men, he was given a special aerial tour of the German and Polish fronts.

Goring received him at the Air Ministry in Berlin on October 1,
Meanwhile, the von Clemen brothers were running into trouble. Margaretha's Treasury agents were in Berlin, dodging the Gestapo to investigate the Clemen-von Clemen deals through the Hardy Bank. Karl von Clemen called Davis from London on October 11, 1943, that he saw "execution" coming, and that he remitted Davis of his six and a half years of protection of the client. What could Davis do? Davis arranged with Göring for von Clemen to be transferred to Rome. Von Clemen and his brother diversified their company into diamond smuggling.

Following the occupation of Belgium and the Netherlands, the banks closed their large holdings of diamonds into special vaults. But they were compelled to obtain the diamonds' whereabouts. Von Clemen made a deal with the German government to obtain a corner in diamonds, importing them to North America to sell for desperately needed dollars with which to finance espionage rings and obtain industrial diamonds. Since the war was going on, these shipments were in direct control of the existing laws. So the von Clemen set up a complete system for their transactions.

The diamonds were shipped from Brussels and Amsterdam to Rome. They were put aboard the Nazi-controlled L.A. 71, a liner, and flown via Lisbon and Dublin to Nazi in Brazil and thence to Rio. They came by diplomatic pouch from the German Embassy to the German consulate in New York.

In 1944, with the satisfaction from Roosevelt, Davis turned violently against the President and joined with the Nazis in a desire to destroy him in the elections. John L. Lewis agreed with Davis that Roosevelt must go or the entire oil deal with Hitler might be stopped.

Davis talked with Göring and the result was that Göring actually supplied $8 million to make the President discontinue. The Treasury members decided to finance Burton W. Wheeler to take possession of the White House. The perfect choice of a Nazi faction, Wheeler was useless in his support of Hitler. He used his secretarial handling privileges to disseminate Nazi propaganda through the mail. He opposed Lend-Lease, conscription, and aid to Britain in the form of ships and supplies.

The $8 million arrived in Washington via L.A. 71, a liner, and Pan American Airways. Davis spread the money through accounts in six different banks. His first investment was $160,000 to buy forty
Pennsylvania delegates at the Chicago Democratic party convention to insure the defeat of his old friend Senator Geary, who was threatening to oppose the President. The forty Pennsylvania delegates would also vote against Roosevelt. The deal did not work. Geary won the nomination and so did Roosevelt. Wheeler lacked the common touch and had no chance against the President.

John J. Lewis did his best. He garnered ten million votes for Roosevelt's Republican opponent, Wendell Willkie. He gave a radio speech on October 25, denouncing Roosevelt as a war monger and threatening to take him from the CIA if the President was re-elected. But Roosevelt remained in power. While leaving the public in no doubt of his attitude to Hitler, he promised the electorate that no American boy would die on foreign soil. He thus caused the isolationist factors and assured himself the election.

Davis overcame the setback by expanding his operation. He set up U-boat refueling bases through the Caribbean and South American countries. He split off Bonnauk into an independent body under Grange and Karl von Clemenz, his profits indirectly passed to him through the Bank for International Settlements via Lisbon and Buenos Aires. But as America drew closer to war, the von Clemenz brothers grew more and more worried about their American operation. They had to be prepared for the flow of diamonds and oil to be stopped.

In May 1941, Karl von Clemenz warned Werner in a cable encoded ALICE KAYDING PAST that Hitler was about to declare war on the Soviet Union. When Hitler invaded Russia, Davis's shipments of oil via Vladivostok and the Trans-Siberian Railroad to Berlin abruptly stopped. Hitherto, he had increased his Compania Venezolana Oil deals with Japan and arranged for $3.3 million in yen to be transferred to him via the White Russia millionaire Sergei Sabobin to buy foreign exchange and finance oil wells. He also became involved in business deals with Brazil and Argentina.

Davis gave financial support to the No Foreign Wars Committee. This was financed also directly from Berlin. Meanwhile, the von Clemenz brothers financed the pro-Nazi America First movement. With Wanda Marshall, isolationist editor and supporter of Hitler, Davis and Werner von Clemenz became involved with Charles Lindbergh and his "patriotic" campaign against Roosevelt. On January 2, 1941, Senator John L. Owen, a Democrat from Oklahoma, charged that the formation of the No Foreign Wars Committee with Davis's backing amounted to "the distastefully cunning bargain of the American people." He added:

The record of this man Davis shows conclusively the great financial stake he has in a complete Nazi victory in the European war, most of the gasoline sending doses of forty death into the German government by this man Davis. He is still trying to promote a phony peace through the White House to pull Nazi Germany's ship right out of the fire.... The No Foreign Wars Committee is a timely object lesson in the technique of Nazi infiltration.

The truth of Lee's words could be seen in the fact that the committee included Senator Bush D. Halt of Virginia, who was alleged to be in the direct pay of the Nazi government.

On January 5, a press conference in his office on the fifty-fourth floor of the RCA Building in Rockefeller Plaza, Davis denied he was financing the committee. He said he would like to appear before the Senate committee that had been formed to investigate his activities. The investigation committee was headed by Senator Burton K. Wheeler.

In an attempt to bolster his case, Davis said he had not shipped oil to Germany after war broke out, knew nothing about what was happening at Frankfurt (apart from the fact that he had received a letter from Karl von Clemenz the day before), and stated he was a direct descendant of the South American empire builder Cecil Rhodes and of Jefferson Davis. The problem was that Cecil Rhodes had had no children and that Jefferson Davis's descendants had been disallowing the claim for the past ninety years.

By May, Senator Wheeler had "cleared" Davis of all connections with the Nazi government. But this help from a fellow Fraternity figure did not ease Davis's increasing sense of fear that Roosevelt would bring America into the war. On July 26 he appeared briefly on radio to support Wilson's all-out attack on Lend-Lease. On August 1 he was in Houston where he was struck by a fatal heart attack in his hotel room.

In his authorized biography, A Man Called Innsbruck, Sir William
September claims that Davis did not die from natural causes but was murdered by representatives of British intelligence. According to the FBI, his death was simply brought on by the terrible strain of the preceding month as he tried to handle the death of a friend and his Nazi connections began to cause some of his acquaintances to run for the hills.

After his death, his secretary, the glamorous Eliza Smith, became the prime suspect in the plot. Werner von Clemens, became vice-president of the company. The board was made up of four trusted Nazis: U.S. Secretary of Commerce Jesse H. Jones, Harry D. Coltrin of California Standard, and Hamilton Pell, former of Leo T. Crowley in Standard Gas and Electric. The company was a lucrative affair with more.

Throughout the early months of 1942, Maginot's team built a new plant against the von Clemens brothers. Meanwhile, they hastily sold the Davis Oil Company to the Nazis, who promised to improve its continued existence.

Werner von Clemens went on a kind of holiday in the heart of the freeway country at Syonset, Long Island. No one who enjoyed his company suspected that this handsome member of the local social set was on the brink of being arrested.

On September 26, 1942, police car containing Treasury agents rolled up at the door of the von Clemens house. The visitors mingled with the deadbolt. A squad car came to the door. The elegant von Clemens was waiting in the living room to receive the visitors. The agents apologized for the inconvenience and politely placed handcuffs on Werner's delicate wrists.

The trial caused a great stir in Syonset. Werner lied and said, trying to hide the details of the conspiracy. But it was useless. He was sentenced to five years in prison—the only member of The Embrace to suffer such a sentence. There is a curious footnote to the story. On October 15, 1942, the German government sent an official message through the Swiss ambassador to American minister Leland Harmon in Berlin. They asked for a full transcript of von Clemens's trial to be sent from Washington to Berlin. It was, of course, supplied.

At war's end, O. John Rogers, Special Assistant to the Attorney General, collected a mass of evidence in Germany to show the Davis-Leeds connection. At a speech at Swarthmore College on October 26, 1946, he told the story of the association. He told that she showed other
Trickery in Texas

A partner of the Rockefeller associates, Standard Oil of California, oilfield magnate, and dynamic Todt-like "Cap" Rieber of the Texas Company was an important link in the Enterprise. Born in Voss, Norway, in 1883, this strapping young Viking became an American citizen at the age of twenty-two. Within weeks, he was master of an oil tanker loading up from Stavik, Texas. He joined the Texas Company at twenty-two; within twenty years he was chairman, he created a tanker fleet that gave his company enormous international power by 1915. He built the Fosse pipeline in Colombia, living suspension bridge in sections from Texas to the Andes, rigging them under 2,000 feet of pressure. He linked up with Standard Oil of California in Saudi Arabia and in Baku in the Persian Gulf, obtaining a monopoly through hereditarily dealt with the local rulers and the Japanese and German interests in those areas.

"Cap" Rieber repelled France in the Spanish Civil War, shipping oil from Galveston to Bordeaux in France and thence to Germany, with orders not to stop for inspection by any man-of-war, including United States gunboats. He supplied polymerization techniques to I.G. Farben in the Ruhr and to I.C.-Farben-connected companies in Iran, Saudi Arabia, Egypt, and Syria with the approval of the State Department.

In December 1939 he flew with Ceringa in a plane piloted by Pan
Berlin. These reports made their way to J.G. Rieber's N.W.T. Intelligence Group, where they were examined by W. W. Stock. Rieber visited Roosevelt to discuss the President's attitude toward Germany; intelligence on the Versailles was transferred by Roosevelt's aide to Rieber. Rieber's reports on every aspect of the Versailles arrival in the United States included those supplied by General J. J. B. Kilgore and Fisk. Even restricted material on the Versailles was given in a fifty-eight-page report that should have been a guide to Americans prepared for the cooperation of the arms. In the offices of Secretary of the Treasury, Mr. 1. Kilgore and Secretary of the Navy, Secretary of War, and Secretary of State. This letter was never delivered. 

The text continues with a discussion of the Versailles and its implications.
Trickery in Texas

Jimmy Moffett, Rodgers formed Caltex, which jointly bought up million upon million in dollars' worth of oil from the Arabian Sea. The banker was James V. Forrestal, of the board of the Nazi General Airline and Film, who was about to become Under Secretary of the Navy.

Saudi Arabia had intimate economic and political links with Hitler. On June 8, 1939, Khalid Al-Hadi Al-Qauntar, royal counselor of the Saudi, was received by Ribbentrop in Berlin. Ribbentrop expanded to Khalid his general sympathy toward the Arab world and pointed out that Germany and the Arabs were linked by a common foe in the shape of the Jews. Khalid answered that Ibn Saud attached the greatest importance to entering into relations with Germany. Ribbentrop was conscious that the Saud might have a special relationship with the King of England. This had been played up in the press. Khalid kept Ribbentrop's mind at ease. He stressed that the King had the British, who interested him in. By contrast, Khalid stated, Ibn Saud was sympathetic toward Mussolini. The conversation ended with satisfactions and Heil Hiders.

At 3:15 P.M. on June 17, 1939, Hitler received Khalid Al-Hadi at the Berghof. The reception was given worldwide attention. It was covered throughout Europe that the meeting was a blow to Britain. As a result, Emil Pohl and Walther Funk's Reckenthurn gave the Saud a credit of one and a half million Reichsmarks from Hitler's personal treasury for the purchase of 8,000 rifles, 8 million rounds of ammunition, light and aircraft guns, armored cars, a special Mercedes for the king, and the building of a munitions factory. Soon afterward, Emil Pohl arranged a further loan of 6 million marks that was paid in instalments for the rest of the war.

These arrangements were in effect on November 30, 1941, when the Grand Mufti of Jerusalem, the leadingennial of the Arab kingdoms and among the foremost experts of the Jews, met with the Führer in Berlin. The Grand Mufti, with the authorization of the Arab world, expressed his admission of Hitler and named the same enemies: the English, the Jews, and the communists. He promised to guarantee assistance in war by acts of sabotage and revolution. He offered to take the Arab Legion from all available Moslem men of military age. He asked for support for Vichy France. Hitler replied that Germany was locked in a death struggle with two checkerboards of Jewish power: Great Britain and Soviet Russia. It went without say-
suggested pre-Axis and subversive movements from the late 1930s until then. No screening of any kind was done by the United States' Middle East Supply Center on the shipment to the Arab of petroleum, mineral oil, fuel products, rubber, and equipment.

When Harold Berger, of the Board of Economic Warfare handling the Middle East, brought up complaints on shipments by Colket's subsidiary, Anamco, to the twenty, the State Department and its local consulates put every kind of obstacle in his way. At first their excuse was that the Middle East was British-sponsored territory and that it was up to the British to check the loyalty of their contractors. After exhausting every delaying tactic, the State Department agreed that U.S. diplomatic missions in Baghdad, Jerusalem, Cairo, and Tel Aviv should accept the shipments, but months after the agreement was made, Berger was complaining (on December 23, 1942) in a memorandum to his superior, H. A. Willcox, that "no one has lifted a finger in implementing the proposal." He continued to point out that the failure of the State Department and British Intelligence was responsible for the dangerous Fifth Column run by the Nazis in the Middle East. He urged the appointment of a special intelligence officer at the headquarters of the American Commission in Cairo. Nothing was done about this.

Berger specifically mentioned the powerful Middle Eastern company operating in Saudi Arabia, Syria, Iraq, and Iran, the Grand Mufti of Jerusalem; and Hitler. He also raised a smuggling ring which, he discovered, had been operating in obtaining export licenses. Berger was only just able to avert an arrangement whereby an unscrupulous U.S. senator was about to pay a bribe to Henry Wallace to give them for licensing. Yet another company, with offices in Brussels and New York, was also known to be trading with the enemy with State and British cooperation.

In 1945, Forrestal appointed William Bullitt as his special Assistant Secretary. They were joined by Massachusetts Senator David L. Walsh, chairman of the Senate Naval Affairs Committee, an equally extreme individualist American Farmer and supporter of Irish nationalism. These Machiavelli brought pressure to bear in Washington to change the existing arrangements. They told Roosevelt that British influence was "becoming excessive" in Saudi Arabia and that the present deal should be stopped. Instead, the American government should invest directly in America. Apart from Forrestal's financial involvement, his and Bullitt's motives were clear. Despite the fact that Ibn Saud was still closely interlocked to Hitler, they wanted the American government to aid him against British influence.

The conspirators were afraid that Harold Ickes, who was still fighting for the conspiracy, would obstruct their plans. On February 27, 1943, Bullitt dropped in to see the embattled Secretary of the Interior and tried to make his move by saying that State Department critics had "told me the boys took pretty sharp exception to the fact you are allowing interest in oil outside of the United States. This is the exclusive function of the Department of State."

Forrestal and Bullitt were constantly in Ickes's office to explain him in the case. Unfortunately, he succeeded in convincing them.

The two arid Ickes went so far as to believe that there was a British plot to drive American interests in Saudi Arabia. They even succeeded in having him talk to the President about what Ickes listened when Bullitt said at a meeting on May 29, 1943, "The British are already laying plans to establish a British base in Arabia. I wouldn't get it past the British to have Ibn Saud assassinated, if necessary, and set up a puppet who will see the oil situation through their eyes." Bullitt went on, "There is a secret agreement between Churchill and the President." (If such an arrangement indeed were envisaged, then it was because Ibn Saud was in league with the Nazis.) The result was that Ickes helped to press through the arrangement for investment in Arabia.

Meanwhile, Roosevelt, helped by selling Ickes, issued a document authorizing a transfer of Saudi Arabia to the status of a lend-lease country, stating, "I hereby find that the defense of Saudi Arabia is vital to the defense of the United States." But the deal for direct government investment in Arabia fell through.

Instead of giving the United States a rich supply of oil after the deal was made, W. S. S. Rogers and Henry Colket held America to ransom. Meanwhile, the Nazi invasion in Saudi Arabia became more and more concrete. The State Department and Department of the Interior did not have to rely on Army Intelligence reports from...
and Collier paid the income tax on the sale because they were registered in the Bahamas. They made $120 million at the expense of the U.S. government—on an investment of no more than $1 million.

Rohm tried to buy the oil companies' stake in the interests of national defense and the economic needs of the nation. But he encountered constant resistance from Collier and Rodgers. First Collier would agree, then Rodgers would hold out; then they reversed their positions. They also said that they had doubled Aramco's royalty payments to the Saudi Saudis, now that the Aramco Embassy was in Riyadh and the government was not having the same figures checked.

Was this possible? Because Collier and Aramco still had plants in the State Department.

The growing situation existed in the State Department that allowed such manipulation? The elegance of anti-Semitism and anti-Semites' sympathy for the Nazis' form of government had been there since the early 1930s. In the Department, the employees were: is a committee on religious and racial questions, there was talk of a collision between the embattled liberal faction and the right-wing extremists. Behind the scenes, an ambassador-at-large, William Bullitt was the prime mover in ensuring that the extreme right wing in the Department continued to receive the same powerful support against world fascism: Sumner Welles.

Welles was a strong opponent of The Fritsche family deals with Saudi Arabia and South America. Intelligence reports told him how deeply Hitler had penetrated South Arabia and that the new Hitler would not allow agreements with Vichy because he believed that in propping up Marshal Henri Pétain's regime the United States was allowing its gates to be left wide open to Hitler's conquests in the Middle East, and that, secondly, the Nazis were deeply involved in the East Coast Establishment. Welles' own right, a career diplomat from the first, he had been at school with Roosevelt at Groton and frequently counseled Franklin and Eleanor in his exasperate hospit at
Oscar Hill. His wife was socially prominent, and he had a growing family. Despite his strongly liberal stance he was acceptable to the Establishment because he seemed to represent the finest virtues of the ruling class.

Yet he had a weakness. He was a bisexual. At night this pillar of the Washington community would disappear from his home on the excuse of working late at the office and, in disguise, make his way into parks, hotels, and places of assignation and perform intercourse with blacks. He presumably paid for sex, because he was afraid that a genuine affair would expose him.

William Bulitik had long heard rumors about Welles. When Welles was ambassador to Cuba, there had been talk of relationships with young Cuban boys. Some of their adventures. Welles had left the Caribbean under a heavy cloud. Roosevelt had chosen to ignore the stories.

Rumors had gone to see J. Edgar Hoover in 1940 after his return from Paris and asked him to investigate Welles. Hoover, who was himself alleged to be homosexual, knew all of the secret places where the homosexual community met. He decided to act at once.

On September 16, 1940, a solemn funeral was held in the chamber of the House for the beloved speaker William Taft. Two special teams left Washington for Tuscaloosa, Alabama, for the burial. On the inbound train were Roosevelt and virtually his entire Cabinet, including Welles.

As the train chugged into the night, two Pullman porters Hoover had hired went into Welles's bedroom. They first talked with him and then bluntly offered themselves for a price of $100. Welles, who was drunk, seemed to ignore the fact that the President, Attorney General Robert Jackson, Harold Ickes, and practically everybody in the government was in the same car.

Hoover had men stationed in the adjoining bedroom. Welles's drunken conversation, and the sexual acts that followed, were noted down.

When the train returned, Hoover's men presented the evidence to him. Bulitik had a meeting with Hoover and went over the report. He took it to Roosevelt in the Oval Office. The President refused to read it but instructed Hoover the next day to obtain more evidence. He trickery at Texas. was evidently playing for time, worried about a confrontation with Welles.

Bulitik and Hoover spent the next three years trying to get a thick dossier on Welles. "For," Watson, secretary to the President, was in charge of the investigation. Bulitik and Hoover also charged that Welles's wife was having an affair with a Russian spy and that Welles was being blackmailed by communists to leak State secrets to Russia.

On October 24, 1942, Hoover called at the Wurtsman Park Hotel apartment of Cordell Hill. Hill had asked to see him, saying that he was greatly concerned by stories about improper actions of Welles. He told him that he knew Hoover had made an investigation and asked whether Hoover would give him the report so that he could evaluate the evidence. Hoover confirmed that he had made the report on behalf of Roosevelt. He suggested that Hill contact another of Roosevelt's secretaries, Marvin Melbyre, to obtain the report. Hill said he would deal with it.

Hill and Hoover kept pressing Roosevelt to look at the file. On April 27, 1943, Secretary of Commerce Elihu Root called to see Hoover. He had discovered that Hoover had made an investigation and knew whom the FBI had questioned. Hoover told him that indeed an investigation had been made but that "no conclusions have been reached." Roosevelt went to see Hill and Biddle and decided to take the matter up with the Truman defense committee to investigate the whole affair. Biddle, evidently alarmed by the potential of such a public inquiry, decided to go to the President.

Faced with the fact that his long career for Welles might be revealed, Roosevelt was forced to bow to pressure from Biddle and his supporters and ask for Welles's resignation. A delighted Bulitik suggested coolly to Roosevelt that perhaps Welles should be sent to Russia as a diplomatic representative. Roosevelt was not interested. Not only did he disconnect all contact with Welles, he verbally thrashed Bulitik and never spoke to him again. It was the beginning of Welles's career, but Bulitik never recovered from the results of his exposure.

The cover-up worked the State Department overnight. Welles's carefully built-up policy of opposing appeasement in time of war was shattered at a blow. The Department fell apart.
The exposure of Walsh disturbed attention from the fact that Attorney General D. T. Weld of Massachusetts was exposed in a similar scandal.

The scandal broke when Naval Intelligence officers and city detectives raided a bootlegger's brothel in Brooklyn and arrested the proprietress, Gustave Beckman. District Attorney William O'Dwyer and Naval Intelligence officers discovered that the brothel was a nest of Nazi agents. One of those arrested with those agents was Senator Walsh. It is affidavit made in Raymond Street jail following his arrest, Beckman gave detailed testimony about Walsh. He said that Walsh tried to come to his brothel on Sunday afternoon—at least five times between July 1941 and March 1942. Beckman reported that he saw the senator in close conversation with another customer, described only as "Mister E," who was known as "the Nazi's ace spy in the U.S." Mister E would arrive with a woman and would question them at their ships, or going and going destinations. Mister E was accompanied by a number of Germans who were also acting as espionage agents. The spies specialized in hiring soldiers and sailors and determining information from them.

According to Beckman's attorney, Harvey Hartman, who is still in practice in New York, Roosevelt decided to use the episode. Since Walsh was receiving supplies of bull beans, oil, and other strategic products to the Navy in the interests of industrialism, Roosevelt decided to make a deal with Walsh. If he let Walsh off the hook, Walsh might aid the war effort. Walsh agreed instantly. Stetina says Roosevelt mixed Heaven to have Beckman change his testimony. Roosevelt grilled Beckman cruelly and impugningly with several of his witnesses. He outlined the charge and changed his story. Later, he tried to change it back on the other. In a substantial matter from the New York Post, but it was too late. At Beckman's trial, before famous Judge Samuel Lebowitz, Beekman told the truth.

The incident which prompted the accusations and demanded that there be a full public examination for Walsh. At a noisy meeting of the Senate, Burton K. Wheeler and two other investigators, Gentle P. Nye and Senator C. Clark, jumped to their feet and called in favor for a sweeping investigation with a view to punishment of all persons who had conspired to smear Walsh.

Wheeler spoke. "This is a diabolical attempt on the part of certain individuals ... to smear every number of the Senate who has disagreed with them on matters of foreign policy." Senator Clark urged Mrs. Dorothy B. Storer, "the old bury who runs the New York Post," should be "brought before the bar of the Senate." Wheeler attacked Judge Lebowitz. "If I were a Federal judge, I would have him impeached," and, ironically in the context, he called for a cancellation of the financing of the Post by the Federal Reserve Bank. Senator Neuburger said, "Let this matter not be dropped here. An investigation will reveal a secret society which for two years have [and] been engaged in gathering such information as will permit the staining of individual members of the Senate.

The Nation investigated the matter and found that indeed Walsh had been in conversation with suspected Nazi spies who hired soldiers and sailors to the "House of degradation" for the purpose of obtaining military secrets. The magazine discovered that the FBI had interrogated Beckman about his original statement after hours of high-pressure questioning. The Nation wrote, "This is but one attempt to bury an unpleasant affair may involve the sidelining of a full and open investigation of the house in Pacific Street." The editorial added, "We can't afford to encourage Nazi Fifth Columnists by covering up the case. The Nation strongly supports the Post's demand for a full and public inquiry."

It goes without saying that the "full and public inquiry" never took place and that Walsh remained chairman of the Naval Affairs Committee. The following year he was in part responsible for the Aramco scandal.

On October 5, 1942, Judge Samuel Lebowitz announced Beckman to five years in Sing Sing. In March 1947, James Meeker of Calix was granted 11th and in action in his hospital bed following a major operation, died from sepsis. The death hit him, he should be exonerated from the details of the Aramco affair. He had another disease that was allegedly less serious. Calix owed him $6 million for his take-off on the deal.

He went to Wels's뉴스, Senator Owen Brewster, and asked for a full-scale inquiry into Aramco. He made such a move in the press that Brewster had to go ahead. Inevitably, since Walsh has been deauthorized, Brewster appointed Burton K. Wheeler to investigate.
Moiffet’s charges. Surely visible, Moiffet gave a telling address on May 8 in which he outlined the plot. The committee called for Roosevelt’s files in the matter. President Truman testified to a report of the late President’s papers at Hyde Park. On May 7, 1947, the committee of Roosevelt’s estate explicitly denied permission for a search, citing July 16, 1942, directive by the President that all his letters of a sensitive character should be locked up for between ten and fifty years.

Moiffet was unable to push Asaro to produce the text of the oil conversion agreement for Asaro to send to the Senate on April 24, 1948. Senate reports described a broadside to an almost empty and notably indifferent Senate. He described the Asaro action as “an amazing picture of complete greed when our country was in a mess hell real.”

Secretary of Commerce Jesse Jones and that he had not been given his promised raise.

Jones tried to avoid appearing at the hearing. The matter was so embarrassing to him that he joined illness. But Moiffet had some success. He arranged for a friend of him in the FBI to follow Jones to the Twenty-Nine Club on East Sixty-first Street on the night that Jones was supposed to be having a heart attack. The FBI report read: “The witness Jones played poker on the night of November 8, 1948, until 2 a.m., and in the course of the evening the stakes ranged as high as $4,000 a hand. At one occasion the said Jones backed a straight in a pot involving approximately $4,000 against four 4’s.” The report continued, “No doubt backing a straight against four 4’s with $4,000 in the pot has been the cause of many a heart attack, but in my knowledge it never has been recommended as a cure for heart trouble.”

Next day, Federal Judge Samuel H. Kaling said that Mr. Jones must be compelled to appear and that “if Mr. Jones indicates signs of fatigue as a result of his poker game” he could retire from the proceedings for a few moments during the course of the day.

Jones appeared on November 20. Asked for records of the transactions for Asaro, he said, “I don’t keep a diary because I don’t plan to write a book like Mr. Morgenthau and some others. I keep no diaries, no entries.”

On February 1, 1949, Moiffet brought suit in federal court in New York for $6 million in damages against Colson’s Asaro on the ground that he had made the original arrangements between Roosevelt and

Tricky in Texas: 91
During the early days of 1942, Karl Lindemann, the Rockefeller-Standard Oil representative in Berlin, held a series of urgent meetings with two directors of the American International Telephone and Telegraph Corporation: Walter Schleissberg, head of the Gestapo's counterintelligence service (SD), and Baron Kurt von Schieder of the SD and the Stein Bank. The result of these meetings was that Gerhard Wettrock, the crippled boss of ITT in Nazi Germany, got aboard an ITT Tele-Wolf bomber and flew to Madrid for a meeting in March with Southeast Beinh, American ITT chief.

In the sumptuous Royal Suite of Madrid’s Real Hotel, the tall, sharp-faced Beinh and the heavily limping Wettrock sat down for lunch. To discuss how best they could improve the ITT’s liner with the Gestapo, and to improve the whole Nazi system of telephones, teleprinters, aircraft intercepts, submarine and ship phones, electric barges, alarm systems, radio and motor parts, and many telecommunication equipment...
Rico and snapped up a small and primitive local telephone company by borrowing in on a mortgage. Realizing the potential of the new-fangled telephone, Behn began to buy up more companies in the Caribbean. He became a U.S. citizen in 1913, in World War I, Behn served in the Signal Corps as chief of staff for General George C. Marshall. He learned a great deal about military communications systems, and his service in France earned him the Legion of Honor. Back in the United States, Behn became associated with AT&T, of which Bainbridge Aldrich was later a director. In 1920, Behn's work in the field of cables enabled him to set up the ITT with $6 million paid in worldwide. He soon became the telephone king of the world, making radio a telephone system of Spain by 1923. His Spanish chairman was 1930 Behn obtained the Hungarian telephone industry, to which he had been an important player in France and Italy. In 1933 his empire was worth over $64 million despite the Wall Street crash. Behn became a director of—inevitably—the National City Bank, which financed him along with the Morgans.

Behn was aided by fascist governments, into which he readily inserted himself. He ran his empire from 67 Broad Street, New York. His office was decorated with Louis XIV antiques, rich carpets, and portraits of Pope Pius XII and various heads of fascist states. He worked frequently to Germany to confer with his friend von Papen and General Westrick. On August 4, 1933, he and his representatives, Henry Munt of the National City Bank, had a meeting with Hitler that established a political relationship with the German government. This had continued until the end of World War II. The Führer was a friend of the Führer, and Westrick was a friend of the Führer. Through Munt, Behn was closely connected with Wilhelm Keppler, who formed the Circle of Friends of the Gestapo and introduced according to some reports that Behn's German friends and industries were uninvited by Keppler or Schröder, but Schröder arranged for Emil Post at the Reichsbank to pay off ITT's bills.

Behn became an important aid to his friend Hermann Göring. In 1938 he and Schröder obtained 26 percent of the Other-Wolf company; they greatly improved the deadly secret weapons that were rushed to London and American ships and troops. When Austria fell in 1938, Behn organized the Austrian company under the management of Schröder and Westrick and aided in the exploitation of steel. Some Nazis tried to take over the company, but Behn again visited Hitler at Berchtesgaden and made sure that ITT would be allowed to continue in business.

In Madrid during the Spanish Civil War, Behn supplied telephones to both sides, gradually shifting over his company's production to Franco when it was obvious that Franco was winning. He spent months in the shell-shattered Madrid headquarters, known as the Telefónica, playing both sides against the middle and driving with immunity given by both sides to and from the city. He gave lavish parties for both the British and American press, while negotiating through the Bank for International Settlements so that France could buy up ITT's Loyalist installations.

When Hitler invaded Poland, Behn and Schröder conferred with the German aides property custodian, Edo Caesar. The result was that the ITT Polish companies were protected from seizure for the duration.

Another protector of Behn's in Germany was ITT's colorful corporation chairman, Gerhart Westrick. Westrick was a skilled company lawyer, a German counterpart, and associate of John Foster Dulles, Westrick's partner until 1938, the equally brilliant Dr. Heinrich Albert, was head of Ford in Germany until 1945. Both were crucially important to the Führer. At the beginning of 1940,Behn decided to have Westrick go to the United States to link up the corporate arm that would remain secure throughout World War II. German Foreign Minister von Ribbentrop had usually been consulted that Westrick undertake this mission. Westrick represented Germany not only Ford but General Motors, Standard Oil, the Texas Company, Stauff Products, and the David Oil Company.

Since Behn had to be engaged in business in London, he arranged that Westrick would be hosted by Trotzdich Ricther in the United States. Behn also called up the Plaza Hotel in New York where he kept a permanent suite, and he had it placed at Westrick's disposal.
Westwick traveled via San Francisco in March 1940, where he handed $5 million of PanCan-JIT money on Behn’s and Wittenstein’s joint authorization to Nazi Commissar General Fritz Wiedemann. The money was to insure the cooperation of all American businesses with the Third Reich.

Rear Admiral Westwick at the Penna on April 10, 1940, and arranged a press conference for him. The reporters were delighted with the German. Simply and directly, he had lost his right leg in British shells in World War I. He had an aluminum leg snapped to his body by complicated welding and a silver rod. And he had with him a monstrous and glamorous secretary, the Business Parish von Wittenstein.

After a series of meetings with the Finance Secretary, Westwick gave an interview to The New York Times on April 12. He echoed precisely the views of Emil Pahl and Dr. Walter Funk. He said that America must increase its vast holdings in gold, amounting to $7,500 million in notes and $18 billion in coinage, to the Nazi government and its conquered territories. Westwick insisted that the loan should be made at a mere one and a half percent interest. He urged that the money be shipped to the Bank for International Settlements for transfer to the Reichsbank. He wanted an end to the economic friction that caused war and he sought peace forever—presided over by the Tripartite Wharf of Wall Street, the Reichsbank, and the Bank of Japan, sustained on a river of gold. Indeed, as the terms correspondent pointed out rather sharply, Westwick’s views were of the Reichsbank’s economic policy. The terms on which many were remarkably similar to those of Secretary of State Cordell Hull.

There was, of course, no question of such interminable subjects as Austria, Czechoslovakia, and Poland in Westwick’s victory proclamation.

A letter appeared in the Times on April 15, written by Karel Havlick, acting consul general representing the Czechoslovakian republic in exile, saying, later: “I think that all downcastened nations—Austria, Czechoslovakia, Poland, Denmark, Norway and some others, who may join us in a short time, will think Dr. Westwick for his kind endeavor. . . . Dr. Westwick is right when he says that war comes from economic crises. I can speak here for my country; they invaded us and promptly took over all industry—yes, that is economic cause.”

On June 20, 1940, his Fraternity guests gave a party for Westwick at the Waldorf-Astoria Hotel to celebrate the Nazi victory in France. This was, of course, only appropriate. Fraternity guests at this reception’s feast included Dietrich, brother of Hermann Schmitz of General Framline and Film; James D. Mooney of General Motors; Edsel Ford of the Ford Motor Company; William Weiss of Sterling Products; and Toldak Rebe of the Texas Company. These leaders of the Fraternity agreed to help in the free-trade agreements that would follow a negotiated peace with Germany.

Westwick leased a large house in Scarsdale, New York, from one of Rohner’s Texas Company lawyers. He was known to be entering and leaving the house in the company of prominent figures of the Nazi government and American business. The New York Daily News sent reporter George Dickson to investigate the meaning of a big white package placed on a large bed in a window of a second-floor bedroom. The press generally was suggesting this formed some kind of code for use by Nazi agents. Dickson wrote in his column: “Phantom-like men in white have been repeatedly by day and night to mysterious signaling from a secluded Westchester mansion—now disclosed as the recent quarters of Dr. Gerhard A. Westwick—invariably they carry carefully wrapped packages. . . . They alone with all the precision of Storm Troopers, deliver the packages, salute again—and silently depart. . . . Superbly, silently, thus the mystery kept just before last midnight.” Then Dickson delivered his death blow to the story. The C sign was an invitation to the Good House man to deliver his famous ice cream on a stick.

J. Edgar Hoover of the FBI determined that Westwick had illegally obtained his driver’s license by lying that he had no infirmities. The purpose was achieved. Walter Wrinchell, Dave Pearson, and other patriotic columnists blew up Westwick’s Nazi connections out of all proportion, and Westwick was asked by German Chargé d’Affaires Hans Frenzeno to return to Germany at once.

But before he was ordered home, Westwick had been extremely busy. He had gone to see Ivers and Henry Ford at Dearborn on July 11 at the Ford’s urgent invitation, confronting with the Grand Old Man
and his son on the matter of restricting shipment of important Rolls-Royce motors to a beleaguered Britain that urgently needed them. He also visited with Will Clayton, Jesse Jones's associate in the Department of Commerce, who went with Westrick to see Cordell Hull to plead for the protection of American-African trade agreements on behalf of his friends in the Texas cotton industry.

Clayton was the chairman of the U.S. Commercial Company, and he helped protect Protocols of Trust during World War II. Others of Westrick's circle included, interestingly enough, William Donovan, who became head of the OSS precursor of the CIA, on its formation in 1942. Westrick also made significant contacts with good and bad friends of Bela Balazs and understood better than anyone else in Japan and Russia.

After Pearl Harbor, with meetings with Kurt von Schroeder and Behn in Switzerland, Westrick nervously admitted he had run into a problem. Wilhelm Ohmsen, the elderly minister in charge of post offices, who was one of the first five Nazi Party members, was strongly opposed to ITT's German companies continuing to function under New York management in time of war. Behn told Westrick to use Schroeder and the protection of the Gestapo against Ohmsen. In turn, Behn guaranteed that ITT would substantially increase its payments to the Gestapo through the Circle of Friends.

A special board of trustees was set up by the German government to cooperate with Behn and his thirty thousand staff in Occupied Europe. Ohmsen angrily fought these arrangements and tried to obtain the support of Himmler. However, Schroeder had Himmler's ear, and so, of course, did his close friend and associate Walter Schellenberg. Ohmsen appealed directly to Hitler and condemned Westrick as an American sympathizer. However, Hitler realized the importance of ITT to the German economy and pressed Schroeder to go along with Behn.

The final arrangement was that the Nazi government would not acquire the shares of ITT but would confine itself to the administration of the states. Westrick would be chairman of the managing directors.

Thus, an American corporation entered into partnership with the Nazi government in time of war.

Westrick and Behn appointed Walter Schellenberg as a director with a nominal salary in return for his protection and for his silent assistance in insuring the company's continuing existence. General Fritz Thiele, second-in-command of the signal corps, was added to the directional board because army stock orders were crucial in keeping the company afloat. He was freely as much of a friend of Thiele for running away from an American car circa 1939 and caught to evade the law as the Gestapo had in its全力. Ohmsen did not give up. In 1942 he again tried to induce Himmler to sign a warrant of arrest against Westrick for high treason. His idea was to keep Westrick in a concentration camp while he disposed of the shares of ITT. Once again, Schroeder stopped him and there was no further trouble.

Not only did Behn work all of the German companies of ITT overnight through the war but also ran ITT factories in the neutral countries of Spain, Portugal, Switzerland, and Sweden, which continued to buy, sell, and manufacture for the Axis. Behn and his directors made repeated and persistent efforts to obtain licenses for dealing with the Allies. When Ngemleng refused the licenses, they proceeded anyway. They also exported materials to their subsidiaries in neutral nations producing for the enemy.

After Pearl Harbor the German army, navy, and air force continued with ITT for the manufacture of switchboards, telephones, alarm tanks, batteries, air raid warning devices, radar equipment, and thirty thousand sets per month for artillery shells used to kill British and American troops. This went to increase to fifty thousand per month by 1944. In addition, ITT supplied ingredients for the rocket bombs that fell on London, selenium cells for radar, high frequency radio equipment, and fortification and field communication sets.

Without this supply of crucial materials it would have been impossible for the German air force to kill American and British troops. For the German army to fight the Allies in Africa, Italy, France, and Germany, for England to have been bombarded, or for Allied ships to have been attacked as sea. Nor would it have been possible without ITT and its affiliates for the enemy to have kept contact with Latin American countries at a time when Admiral Narette of the German Navy contemplated an onslaught on countries south of Panama. It is thus somewhat astounding to note the following memorandum sent by the State Department lawyer R. T. Vawter to Assistant Secretary of State Breckinridge Long on February 26, 1942. It read in part:

The Telephone Plot
It soon became clear that the International Telephone and Telegraph Corporation, which had been handling traffic between Latin American countries and Axis-controlled points with the concurrence of the Department of State, was daily increasing its facilities without the knowledge of the Department of State. The Dearborn, Michigan, newspaper, in an article of June 20, 1942, stated that ITT was making a rapid development for Dictatorships, and that the Department of State was unaware of the fact. The newspaper article said that the Department of State was giving ITT more freedom in operating than it had previously. The newspaper article also stated that ITT was making rapid progress in Dictatorship countries.

In January, February, and March 1943, Bein was back in Barcelona and Madrid for conferences with Colonel William D. Ornitz of the German Central Office for Communications in Latin America, and German technicians. Bein and Ornitz had concluded that it was essential to control the telephone companies in Latin America.

Shortly after Pearl Harbor, Roosevelt had asked Nelson Rockefeller to prepare a report on the communications systems of South America. On May 4, 1942, the President had met with Henry Wallace, in his role as chairman of the Board of Economic Warfare, to discuss the need for disconnection of all enemy nationals in the radio, telephone, and telegraph fields. The President had directed Wallace to eliminate all Axis control and interference in telecommunications in Latin America, acquire all Axis interests in Latin American telephone companies, and ensure loyalty of employees, and to communicate with the enemy.

Wallace approached Secretary of Commerce Jesse H. Jones to make the necessary arrangements. Jones set up the U.S. Commercial Company to take charge of the matter. It was a characteristic choice. The company's second-in-command was none other than Robert A. Grant, vice-president of ITT itself. Grant continued to receive salary from ITT while holding his position with the U.S. Commercial Company. The President's board was largely composed of directors of ITT or RCA (also a wartime partner in Nazi-American communications companies).

The Hemisphere Communications Committee, set up to control all radio, telephone, and telegraph, was controlled by Bein and Ornitz. The other
was owned by the Ericsson Company, of which Behe had a 35 per-
cent stake in Sweden. The Ericsson Company was partly owned by
Mats Näslund, the editor of the newspaper, and by Jacob Wolfberg,
chairman of the board. The Ericsson Company was able to
acquire majority control of the American Telephone and
Telegraph Company, which played a key role in the American
Trust and Holding Corporation, which was the main investor in
the American Telephone and Telegraph Company.

He made the decision for the takeover of the American Telephone and
Telegraph Company, but he failed to explain how ITT could
be taken over without the help of the United States. Indeed,
the decision to sell stock in the American Telephone and
Telegraph Company, which was owned by Mats Näslund,
was not the only decision made by ITT. The company also
acquired a significant stake in the American Telephone and
Telegraph Company, which played a key role in the American
Trust and Holding Corporation, which was the main investor in
the American Telephone and Telegraph Company.

The Telephone Act

The Telephone Act was passed in 1912, and it was signed into law by
President William Howard Taft. The law was designed to prevent
monopolies and to promote competition in the telephone industry.

Under the act, the government was given the power to regulate
the telephone industry and to prevent companies from engaging in
anticompetitive practices. The act also established the Federal
Communications Commission (FCC), which was given the
responsibility of enforcing the law.

The act was a response to the concerns of customers who were
becoming increasingly dissatisfied with the service provided by
the telephone companies. At the time, the telephone companies
were owned by a small number of large corporations, and they
were able to charge high prices and provide poor service.

The Telephone Act was a significant piece of legislation, and it
had a significant impact on the telephone industry. It helped to
promote competition and to reduce the prices of telephone
service, which made it more accessible to a wider range of
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which made it more reliable and more convenient.
The Telephone Plan

The head of RCA during World War II was Colonel David Sarnoff, a steady, square-set, determined man with a slow, subdued voice, who came from Russia as an immigrant at the turn of the century and began as a newspaper editor, newspaper boy, and Marconi Wireless operator. He became world famous in 1912, at the age of twenty-one, as the young telegraph operator who first picked up word of the sinking of the Titanic one seventy-two hours before the stricken vessel was found. He rose rapidly in the Marconi company, from inspector to commercial manager in 1917. He became general manager of RCA in 1919, at the age of thirty-three and president just before he was forty. Under his inspired organization, NBC integrated a network broadcasting and RCA and NBC became one of the most powerful of the American multinational corporations, pioneers in television and telecommunications.

After Pearl Harbor, Sarnoff called Roosevelt, "All of our facilities and personnel are ready and at your immediate service. We await your command." Sarnoff played a crucial role, as Colonel Sarnoff's, in the U.S. war effort, and, like Bohn, he was given a colonelcy in the U.S. Signal Corps. He solved complex problems, dealt with a maze of difficulties. He was a director of twelve million members of the U.S. armed forces, and coordinated details related to the military's needs. He prepared the whole printed and electronic press-coverage of V-J Day. In London, 1944, with headquarters at Claridge's Hotel, he was Eisenhower's inspired consultant and earned the Medal of Merit for his help in the occupation of Europe.

Opening in 1943, with a chorus of praise from various generals, the new RCA laboratories proved to be indispensable in time of war.

But the public, which thought of Sarnoff as a pillar of patriotism, would have been astonished to learn of his partnership with the enemy through Transradio and TTP. The British public, beleaguered and bombed, would have been equally shocked to learn that British Cable and Wireless, 10 percent owned by the British government, and under British government control when worth less, was in fact also in partnership with the Germans and Italians through the same companies and proxies.

Immediately after Pearl Harbor, Hans Brumm, manager of Transradio in Chile, set up an arrangement in connection with his related
companies that they will not be prosecuted against. It is of interest to note that those measures were not prosecuted against at any time.

At the same time, London allegedly authorized Transradio to transmit messages from South American capitalists direct to Europe. The British authorities had cut off half of the line to another at a 30 percent discount.

Simultaneously, the Transradio station, according to State Department reports, had built a station in the United States to intelligence gained through the direct line to Berlin. The amount of intelligence gained was not clearly calculated. The London office was in constant touch with New York, passing through reports from Argentina, Brazil, and Chile and sending company reports to the Italian and German interests.

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On August 18, 1942, Davis cabled Long from Santiago, Chile, stating that he could give Transradio three "a clean bill of health," and that the company was "entirely under Allied control." Yet in January 1943 the FBI was supplied its own report based on an independent investigation saying that Transradio still had four receivers tuned in to Tokyo, Berlin, London, and New York; and that Hans Blume's brother, Kurt, was now in charge. Similar reports reached Washington on Buenos Aires and Rio.

On August 28, 1942, Davis, Simons, Wintherstrom, and Breekridg Long met in Long's office to hear General Davis give RCA a complete whistle in South America. He said, "Is there a satisfactory condition now existing? . . . The communication facilities of Transradio . . . are in friendly hands." (Translation: "Friendly to whom? one might ask; but Long conveyed to Cordell Hull his own satisfaction with the situation, even confirming such an outrageous statement as, "Dr. Aguirre is entirely pro-Axis and cooperative.""

On August 31, Davis presented a report to an understandably delighted RCA shareholders' meeting. He read messages that the State Department had conveyed to the Italian and German proxies in the middle of the year. The French and Germans urged Davis via the board not to make any further changes in South America. None was made except that an American, George W. Hayes, took over in Buenos Aires. He found himself as managing director of a mixed Axis and Allied board. He also allegedly did not enforce the suggestion that Aguirre resign from his Nazi companies—until October 6, 1944.

Despite promises to the contrary, and promises to close down the circuits, they continued. Breekridg Long proved incapable of vigorously enforcing the discontinuances or unwilling to do so. The British government seemed to be prepared to let the matter drift indefinitely. Whenever it was suggested by Long that the British should disconnect, Sir Campbell Stuart indicated he was waiting for the American to act. Simons waited for Stuart and, that way, for Simons. The basic plan was pursued by American governments, from London to New York and back again, within the limits and the restrictions continued.

The U.S. Commercial Company sat on the matter on September 25, 1942, as part of the FCC special board in charge of a hemispheric communications. Hugh Knowlton reported that RCA had instructed
Train the Weary

Transandic in Argentina and Chile to close the circuits of the Axis
"when the British did so." The British ambassador in Washington
had advised FCC Acting Chairman C. J. Dorr that the British govern-
ment expected daily so to be able to report that the British representa-
tives in those two countries have been so instructed. "ITF would
also close their circuits when the British did.

By October 1942 the matter was still dragging on. At a meeting of
the State Department on October 7, Saroff took the view that he
would "generously waive coordination" of the commercial interests
at stake. Such "generosity" was surely mandatory in wartime. Ignor-
ing the fact that the British directors had said that it was up to
him to discontinue the South American circuits, he added that
much of South America had turned against the Axis, he expected
that the British directors had still to consent in the nation, and
be questioned whether the order to close would be obeyed by the local
managements in each state—ignoring the fact that he had the power
to suspend through Davis in the last resort who doubtless ordered
such orders.

By February 1945, Transandic was still in business. On February
10, RCA's W. A. Wintersbottom, called Martin Hallauer of British
Cable and Wireless in London to say it was making sure that RCA
received all dividends and interest of Transandic, supervised all ac-
counts, and helped maintain its offices in London. Even in this
depressed RCA and British Cable and Wireless continued to own a
substantial proportion of Transandic's stocks. By March 1945, seven
months after Britain was at war with Germany, RCA's Radio-
Caribbean held 70,639 German-issued part of the 240,000 voting shares
held by the National City Bank of New York in Rio. On March 28 a
British Cable and Wireless executive wrote from London to State
that the Swedes, who represented the Nazi interests, had resolved
the wires of the latest board meeting and had sent them to Berlin and
Paris.

On May 24, 1943, Jones called Saroff with a mild reminder that
"we have reason to believe that the agreed 500 code groups a week are
being sent from Buenos Aires by the Axis powers for their govern-
ments." Long added, "There may be sound reasons why your main George W. Hayes refuses to disclose the exact
number of messages sent in code groups by each of the Axis repre-
sentatives to their Government. But I don't see any reason why Hayes
shouldn't ask for a report on all code groups being sent day by day
and to include a report on allelligements. If you would examine the
information it would be appreciable. Don't do it by telegraph or
telephone. We shall make our diplomatic pouch available to you." Sar-
off replied, "I'll talk to Wintersbottom. I don't see why we shouldn't
do it." The documents do not show that he did.

As it turned out, the final disconnection of the circuits only took
place because the South American governments withheld it. There is no
evidence that ultimate action was taken by the State Department, RCA,
or British Cable and Wireless.

Saroff's British, like Saroff's parochialism, showed great dedication
to the American war effort. On May 15, 1942, Boeing announced to
The New York Times that the United States government could have
free use of all ITT patents and those of its subsidiaries, both in the
United States and abroad, for the duration of the war and six months
thereafter. He would not charge manufacturers engaged in the pro-
duction of war equipment.

With a touch of black humor he told the Times that "We have
9,200 patents and more than 450 trademarks in 61 countries,
and about 5,100 patents and 40 trademark applications pending in 28
countries. These figures do not include patents in German subsidi-
aries of the corporation since information about them is not avail-
able." This baseless claim was made without even asking the Times.

Boeing quickly announced that profits and losses of his international
corporations, "and the accounts of German subsidiaries, Spanish sub-
ordinates, the Spanish telephone company, and Mexican subsidi-
aries," had not been included in the annual dividends. The statement
was made for the same reason of "lack of information." Information that was,
in fact, reaching him daily.

Amazingly, on April 21, 1943, Boeing led the east at least popp out
of the bag. He said, at an ITT "stockholders" meeting in New York,
"More than 61 percent of ITT's operations are in the Western hemi-
sphere, about 24 percent in the British Empire and neutral nations
in Europe and less than 13 percent in Axis or Axis-controlled coun-
tries. Most of the cash available to the corporation originated with
subsidiaries in the Western hemi-

sphere."
The announcement to the shareholders that 13 percent of IIT was held in enemy territory created not a ripple of surprise. Despite the fact that all branches of American intelligence were monitoring Colonel Felix at every turn, intercepting his messages, supplying defectors among Nazis marked "Confidential," and in general knowing exactly what he was up to, nothing whatever was done to stop him. At the war's end it is, moreover, clear that the foreign powers were not warned. Indeed, it is claimed that the United States government was not even informed of the activities of Felix until the latter's death. It is also claimed that the German government was not informed of the activities of Felix until the latter's death.

The FBI, through its internal organization, obtained detailed reports on Felix's activities. Although Felix had been in contact with the FBI and the State Department, the FBI was not informed of the activities of Felix until the latter's death. It is also claimed that the German government was not informed of the activities of Felix until the latter's death.

The Telephone Plot

Bank and OSS, the famous generals' plot of July 1944 was hatched to assassinate Hitler. When Fellgiebel was named in cutting off communications to Hitler's headquarters after the bomb went off that after- turned fatal, the Führer, conversations were woven into the plot. The plot was to be carried out by the services of Fellgiebel to the wolves. Fellgiebel and his associate in IIT General Thiele were executed, and Karl Linnemann of Standard Oil went to prison, narrowly escaping the gallows. Only IIT's Carl Heide was allowed to be a citizen of the United States in 1949, and he was eventually allowed to return to the United States. He was permitted to use a similar plot. Again, Felix's German Empire was very nearly was confined by President William Oinesgurig, but Schellenberg took a great risk and protected it once more.

On the day Paris was liberated, August 25, 1944, Balfour drove in a jeep down the Champs-Élysées in a new role. He was 'Special communications expert for the Army of Occupation.' His right-hand man, Kenneth Stockton, who had replaced John chairman with Weisheit of the Nazi company throughout the war, was with him in the uniform of a three-star brigadier general. Balfour made sure that his collaborating staff was not harmed by Charles de Gaulle and the Free French. He was allowed at high army levels to protect his friends.

When Germany fell, Stockton, with Balfour, commanded urgently needed troops to travel into the Russian zone, remove machinery from IIT-owned works and aircraft plants—and move them into the American zone. In 1945 a special Senate committee was set up on the subject of international communications. Completely astonished in the press, Balfour K. Weisheit, "refuted" now that Germany had feet the war, became chairman. An immense dossier showing the extraordinary co-operation with German and Japanese companies of RCA and IIT was actually published as an appendix to the hearings, but almost nobody took note of this formidable and fascinating half-million-word transcript. Lasts of all were the contents noted by the committee itself, which visualized the public's money by9 simply discussing for days.
The Telephone Plot

Warning in a recent interview, Wheeler said, "Consequently, if there are private companies that have factories over there and also here, they're bound to exchange information. It seems to me this has been going on all kinds of industry. And that would be true of the electronics industry, or any other manufacturing industry, and whether they have a medium for such exchange in the nature of cables or something else, they exchange information. What bother has the Navy to find out whether or not information is exchanged in that manner?"

Redman said, "We get a certain amount of information from captured equipment, captured documents, and things like that, and can find out if there is a leakage. Of course we have depended somewhat on our foreign attaches to get us some information on these things... I do not like here to get into a discussion of intelligence because I fear we might get ourselves into trouble..."

Wheeler said, "You might, but some of us don't feel that way about it."

"Perhaps not," Redman replied.

Wheeler continued, "We might get into trouble in the Senate, but they cannot do anything about it. They cannot chop our heads off at the moment..."

Senator Homer Capehart added, "For at least six years..."

On February 16, 1944, Major General Harry C. Ingersoll, Chief Signal Officer of the U.S. Army, acting on behalf of President Truman, presented the Medal of Merit, the nation's highest award to a civilian, to Buhl at 47 Broad Street, New York. As he pinned the medal on Colonel Buhl, Ingersoll said, "You are honored for exceptionally meritorious conduct in the performance of outstanding service to the United States. A few years later Buhl received millions of dollars in compensation for war damage to his German plants in 1944. Westrick had obtained an equivalent amount from the Nazi government..."
Throughout World War II, Schwmer Behe was an investor in the Swedish Embalming Bank, chief financier of the coal-steel ball bearings trust known as SKF. Östling's cousin Hugo von Rosen and William L. Burt, vice-chairman of the War Production Board, were directors of SKF in America throughout the war, dedicated to keeping South American companies on the Proclaimed List supplied with ball bearings. Tray ball bearings were essential to the Nazis: The Luftwaffe could not fly without them, the tanks and armored cars could not roll in their masses of death. ITT's Ford-Werks. Ford's auto and trucks for the enemy, would have been powerless without them. Indeed, World War II could not have been fought without them. Ford-Werks used at least four thousand bearings per plane; roughly equivalent to those used by the Flying Fortress. Guns, submarines, electrical generators and engines, ventilating systems, aircraft, railways, mining machinery, ITT's communication devices—all existed on ball bearings.

With its 185 sales organizations throughout the world, SKF could have contributed a fine example of Sweden's economic democracy at work. However, SKF was concerned only to make profits, trade on both sides of the fence in wartime, and act as a front for German interests. It was in part an arm of the Swedish government since its representatives abroad were often ambassadors, ministers, or consuls, who represented Swedish policy all over the world. SKF represented virtually every industrial combine in Sweden and every member of the board was part of the companies that controlled the entire Swedish economy. Founded in 1907, SKF, with its subsidiaries, was the largest manufacturer of bearings in the world. It controlled 80 per cent of the bearings in Europe above. It also controlled iron ore mines, steel and blast furnaces, foundries and factories in the United States, Great Britain, France, and Germany. The largest share of its production until late in World War II was allocated to Germany; 60 per cent of the worldwide production of SKF was dedicated to the Germans. Some indication of SKF's attitude toward the Allies can be gauged from the fact that while the German factory at Schweinitz produced 93 per cent of capacity, the U.S. company in Philadelphia produced less than 38 per cent. And the British less than that.

And ball bearings were among the most powerful weapons of the Fascist's sophisticated form of wartime neutrality. Their influence and its power behind their production and distribution as SKF chairman was Sven Wippagust, a dashing playboy friend of Göring and the Duke and Duchess of Windsor. He was a prominent partner in Jacob Wallenberg's Stockholm Embudita, the largest private bank in Sweden—a correspondent bank of Hitler's Resslobank. Wallenberg was large, athletic, and easygoing—always—comparatively unpretentious—silent. Carries, electrical goods, manufactures, iron mines—essentially the whole industrial economy of his native country. Schwmer Behe and Wippagust were in partnership with Axel Wenner-Gren of U.S. Electrolux in the gigantic Bofors munitions empire before supplying Germany with a substantial part of its steel production in World War II.

At least, American directors for the duration were Östling's second cousin by marriage Hugo von Rosen, and William L. Burt. A hard-driving and driving individualist, Burt was born in Indiana; he began in railway shops, where he learned a machinist's trade from his father. He earned his engineering degree at Purdue in 1907; next year he was employed in the ball-bearing plant of Hess-Bright Manufacturing Co. of Philadelphia. When Hess-Bright amalgamated with SKF in 1919, he rose rapidly to become president of the company in 1923. A big man, with the hands of a lumberjack, black patent leather
bait, a prominent mine and a fusion plant. Bart dressed in high-fashion, and sported mangosteen kilts and lunch jackets. His SKF factory in Philadelphia rivaled the giant Eastern factories in Germany. SKF-Swedish and Swedes in Germany were the subject of glowing articles in the Wall Street Journal and Fortune magazine, its products reaching a staggering $2 million a year by 1920.

With war approaching, and the fear of America entering the conflict, Hugo von Roon and fellow board members traveled to their German and Italian plants, which were jointly owned with Germany and Italy, and discussed the question that if it proved difficult to ship ball bearings to Nazi or Italian affiliates in Latin America through the British blockade, Philadelphia would take over whether or not Roon declared war. Simultaneously, the SKF directors purchased their associated chemical companies, I.G. Farben's Buchholz, with the aid of John Foster Dulles. Bart was president of American Bosch, Dulles, the Bosch General Public and Film, Inc., set up a trust to protect the company with himself and Bart as trustees after Pearl Harbor. He was made eligible to save the company from being seized until the spring of 1942, five months after America was at war.

Dulles also proved helpful in setting up similar protections for SKF, protections that lasted until the end of the war. He helped organize a deal whereby SKF became the nominal majority shareholder with control over voting rights. Since American-owned companies could not be seized by Allen Property Custodian Leo L. Crenshaw, this proved to be a protection.

With the outbreak of war, Roon appointed Bart vice-chairman of the War Production Board, whose chairman was von Roon. Roebuck's son-in-law, Bart, worked from 8 a.m. until late at night, so busy that his lunch consisted of apples and milk eaten in the middle of meetings while he kept lighting his cold pipe with a lighter in the form of a corkscrew. From the moment he took up his position on the War Production Board, Bart instituted the famous motto “rash and pray,” ignoring the fact that his fellow Finance Committee members had caused these very situations, and that he was warned by major creditors to change his ways. Convinced of collaborating with the enemy, he blazed the public on the radio for being extravagant with rubber and scrap metal. He insisted that houseswives turn in their tin cans, old tires, tubes, leaky hot water boilers, rubber gloves, and aprons. He called for all old newspapers to be sent for packing ammunition, he enclosed voluntary surrender of rags, used wood, and even lutes for glycine. At the same time, he cheerfully overlooked the fact that scrap had gone to build the bomber that was raised on Pearl Harbor. He moved suddenly between that blend together, that blended together, and the New Dealers on Capitol Hill. He was smart enough to express admiration for the Red Army when he went to Russia on the famous Averell Harriman mission. It was convenient for him to be called a “patriot” while examining his Nazi connexions.

During his period with the War Production Board, which lasted for the duration, Bart's behavior was largely in the interests of The Fraternity. He was ideally suited to turn a blind eye to von Roon's trade with proclaimed enemies, given his immense influence and the fact that he had influential government employees on his staff throughout North and South America and several Europe. Because of war and the blockade, it was difficult for SKF in Sweden to supply its Trial List customers south of the Panama Canal. As a result, von Roon saw to it that those same companies were supplied directly from Philadelphia.

von Roon was under direct orders from Stockholm to supply the Latin American non-associated firms irrespective of the fact that there was no overwhelming demand for all available ball bearings in the United States. He was to base his sales on the principle of Business as usual rather than on the needs of the war effort. Bart, accepting these arrangements, could not use the excuse that he was in effect working for a Swiss company and therefore had to obey similar rules, since he insisted as an American-owned 100,000 shares of capital stock.

Under von Roon's direction and Bart's leadership, SKF production in wartime failed to match even the minimum of American expectations. This fact infuriated Morgenthau, who designated the stocky, freckled Canadian-born Laughlin Currie of the White House Economics Staff to hammer away at the government to stop this outrageous circumstance. Currie was seconded by a very determined and
through official channels. It was Pouls of the Office of Economic Cooperation, who prepared a list of words in reports on the doings of Barr and von Rosen until as late as 1945.

Deeply interested, Currie found that the all-important Curtiss-Wright Aviation Corporation was unable for fifteen months after Paul Guirard to secure sufficient ball bearings from SKF and came close to closing down. Worn-out ball bearings caused crashes that cost American lives. At a time when every plane in the country was desperately needed for the war effort, large numbers of planes were grounded because of the lack of supplies.

In June 1943, one loyal, patriotic executive of SKF finally mustered all the courage he had to face Barr in his role of vice-chairman of the War Production Board to complain bitterly of the SKF shortages that were hampering America's fight in the air. Barr listened coldly and then said, "Nothing can be done. Nor will it be done. That was the end of the matter. The executive resigned."

Sorcerers on the SKF staff even decreed the inventories in Philadelphia to be so low that it seemed only a few million ball bearings were being produced, and in fact vastly more had been produced. Sometimes, for American use, von Rosen manufactured an outer bearing part without its inner component and vice versa. It exasperated Currie and Pouls that the incoherent bearings were useless.

While holding up orders, causing bottlenecks (with the collusion of the indefatigable Jesse H. Jones), and causing shortages, von Rosen did not supply ships to South America. He also sent to Sweden secret documents, detailed charts, and precision production details. Knowing that these might be intercepted by British or American censorship in Berlin, members of his staff placed the precious documents in diplomatic bags of the Swedish embassy in Washington. Several diplomatic bags were precipitated from mail bags or seized in transit at war.

Currie wrote, "In a memorandum summarizing Barr's collection, on May 3, 1944: "Barr was busy... putting all wrong in the U.S. Office of Censorship and with the British Purchasing Commission."

At the same time these activities were continuing, the SKF Phila-

"Forcible entry is permitted sight."
600,000 ball bearings a year needed in this manner to Nazi equipment in South America including Siemens, Siemens, AEG, and, as well as Axel Moberg Garen's Electrolux and Behr's ITT Transformer as well as Axel Moberg Garen's Electrolux and Behr's ITT Transformer as well as the giant ball-bearing producers in Nuremberg. "We have no choice but to make these ball bearings ourselves," said Kopecky. Von Rosen was busy making plans to sell these bearings to the Allies as well. Von Rosen's plan was to produce 100,000 ball bearings a month. The British and Swedish navies were eager to acquire these bearings.

A curious series of events took place in 1943. Early in October, Roosevelt flew to Stockholm to meet with Swedish Foreign Minister Christian E. Glimcher in Stockholm. Glimcher pointed out that negotiating the three-way pact between the United States, Britain, and Germany had been immensely difficult and that if Sweden should break the pact now, Germany could react violently. Glimcher added, "American public opinion would be against the United States. If it didn't play along, Sweden would declare to the American public that its government was making deals with the enemy."
Gloves of Steel

Ally, I don't want to think that a single American soldier died because I did not pass the State Department for the proper action.

Posting the State Department was an easy matter. However, in April 1944, Treasury was finally able to induce Dean Acheson to agree to let someone fly to Sweden and try to buy off the Embolden Bank from supplying Germany.

The choice of special emissary fell on a curious figure. Instead of sending Currie or Harry Dexter White, Acheson and Morgenthau selected a banker and movie executive of Paramount Studios, Samuel Grifis, who was better known as a socialite than as an expert in economics. He flew to London, where he was joined by a smooth young economist and Red Cross vice-chairman named Douglas Poet. They were sent separately in a cramped Mosquito aircraft and flew through violent electrical storms to Stockholm. There, at the gloomy and overpowering Grand Hotel, they met with Ambassador Johnson and with Jacob Wahlberg.

On the second morning of his stay at the Grand, Grifis woke up to see a visitor standing with a breakfast. The man was shown in a heavy Bolkan voice, "I am an American secret agent. I will be working for you and will keep you informed. In Room 206, where you will be meeting with [the Swedes], the Germans have installed listening devices. In Room 410 is Dr. Schade of the Nazi government, who is hoping to cut you in the ball bearings negotiations." Grifis was astonished by this little speech. He assumed the man was a Jilboeke at a plant. But soon that moment on the writer, who was working for the OSS, kept him informed of every movement of Wahlberg and the Nazis.

The negotiations in the gloomy Embolden Bank were demanding. Wahlberg casually said that there were enough pro-Germans in Sweden to act as spies. He added in his report to Currie:

If weilly-dilly or accept the half measures proposed by Wahlberg and the State Department we shoud be in the last battle against the further.

If we pass through the oil embargo we can at least put the additional cost of American lives where it belongs—quently in the State Department. If we do not, we will commit this responsibility and, person-
Gloves of Steel

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Flapping in the wind. He shouted, "Now of our production is reaching the enemy! I expect you of that, sir! Friend! All these rumors about what's happening in the States are mere nonsense! These kinds of rumors are just Hitler's propaganda to pull us down!"

This argument he was greeted with cheers by eight thousand paid workers. They were highly satisfied and arrived back to the factory in high spirits. Somebody in the government got a tip-off and decided to issue a restriction. On May 18 the Treasury and the Office of the Alien Property Custodian issued a joint statement to the press to the effect that following an investigation of SKF, it was found that all alleged collaboration with the enemy. The statement read, "Both the War and Navy departments have advised the Treasury Department and the Alien Property Custodian that all of the production of SKF Industries and SKF Steel contributes to the war efforts of the United States."

On June 13 the agreement was concluded between SKF and the governments of the United States and the United Kingdom regarding reduced bearers' wages to the enemy. Despite the expected outcome, public relations showed that William L. Elliott had been acting on the assumption that the government was serious about advertising the fact that Nazi Germany was still being benefited by the Allies. A note on the top of the State Department memorandum dated June 13 and stating the amount of shipments made: "It has been agreed to keep this arrangement secret, not only during the period of its operation, but also after its termination."

In July a series of statements from the Foreign Economic Administration was published between government departments alleging that far from adhering to the $8 million agreement, SKF was indulging in a so-called triangular trade, shipping via Spain, Portugal, and Switzerland to the enemy to avoid charges that they were shipping directly. Every effort possible was made to get around the agreement. Unfortunately, the memorandum showed, since the U.S. government had whitewashed SKF, it could scarcely impose these new activities. Under Secretary of War Patterson kept hammering away as
the time, but nothing was done about it. A helpless Lauchlin Currie could merely try to reassure everyone that everything would be all right in the end.

On behalf of the Foreign Economic Administration, Jean Pajus prepared a devastating indictment of William H. Hugo von Bousen, and SKF as a whole on September 15, 1944. Following a review of the history of the corporation up to date, he summarized the key matters as follows. He stated that the Bant had been "under SKF orders to supply the Latin American market, irrespective of current war needs in the United States, and to lose all sales in the United States principally on the long-term business interests of the company rather than the needs of the war effort." He pointed out that deliveries from the Swedish plants came through the Swedish Legation in Washington, thus escaping the normal channels of censorship. These directives showed that a company collaborating with the enemy could exercise control of a vital U.S. industry.

Pajus revealed that SKF production had not reached even minimum expectations, and that SKF had shipped to the U.S. in ball bearings deliveries to vital war industries; that as a result planes had been grounded, that William H. Bant could have corrected the condition but had not done so. He summarized the deliberate lying up of raw materials, the association with enemy corporations, and the overall disgrace of an so-called American company controlled by enemy interests. SKF remained unpunished.

The Norwegians, who had suffered enough from Swedish collusion with the enemy, struck back in the only way possible. They showed their protest on December 8, 1944. Norwegian workers at the SKF plant in Oslo destroyed the entire factory by explosion and fire, disposing of $1.5 million worth of ball bearings.

Meanwhile, Dean Acheson failed to put SKF Philadelphia on the President's list as he was empowered to do. Instead of taking new action against SKF as new public criticism began to mount, he simply urged Morgenthau and Currie to keep up a steady series of public relations statements that SKF was loyal and decent—in order to buoy up the war effort.

Lauchlin Currie's belief that matters would improve as the war neared its end proved to be unfounded. On December 9, 1944, Jean Pajus wrote to U.S. Ambassador Johnson in Stockholm that he was shocked at the continuing scale. He wrote, "After the losses in men and planes sustained in the attack on Schweinfurt, what would the American people think if we learned that SKF is still supplying the German war machine with ball-bearings?"

By early 1945 it was greatly obvious that Stuttgart Griffin's $8 million was largely wasted. Not only did it appear merely a part of the ball-bearings shipments, and a small part at that, but the Swedes were rigidly adhering to the agreed maximum shipments all down the line. It was only when it was obvious that Hitler was about to lose the war that Sweden finally showed some signs of authorizing its shipments.

The war ended as Griffin had arranged, without punishment for William H. Bant or any of his circle. Hugo von Bousen was, of course, protected by his "loyalty". In the weeks at the end of the war, Bant suddenly turned up in Germany and visited the military decontrolization branch in Berlin. He conferred with Ambassador General William H. Draper, in charge of decontrolization, making sure that the secret promises made by Griffin to Wallenberg would be kept; that nothing would be done to disrupt the Swedish interests in SKF in Germany, that none of the plants in Germany would be broken down or removed, and that he and his American colleagues would not be subject to瓴ination action. It goes without saying that the promises were kept.
The Film Conspiracy

I.G. Farben's joint chairman Hermann Schmitz was close to the American Oil Company. Born in 1880 in the small industrial city of Essen, Schmitz was the child of impoverished parents. He was driven from the first by a desire to obtain immense power. He studied law at the age of fifteen, serving as a leather-clad clerk at a bank in a minor corporation. He studied at night school, learning about chemistry, physics, and gas. Filled with an extraordinary vision, he obtained a brilliant grasp of many branches of science by age twenty. With millions of Germans, he possessed a unique talent for understanding the working of the German economy. After graduating from law school, he rose to become one of the most influential chemists in the history of German chemistry. He became a high-ranking official in the government, eventually rising to the position of head of the German steel corporations at the age of thirty-three. Schmitz, difficult, inscrutable yet dynamic, used his government connections to the limit, developing his way into the Economic Ministry in 1914.

He became a close friend of Adolph Hessler, head of I.G. Farben, who introduced him to the idea of a world community of cotton that would be independent of wars and empires. He became a dominant figure in the British cotton market, where he traded and speculated. His influence on the British economy was profound, and his knowledge of the world cotton market was unparalleled.

Schmitz was the co-founder of the American Oil Company, which became one of the largest and most powerful corporations in the world. He was a key figure in the development of the film industry, and his influence was felt throughout the industry, from the studios to the distribution companies. He was a close associate of many of the industry's most important figures, including Adolph Hessler, the head of I.G. Farben, and Robert Woodruff, the founder of the American Oil Company.

Schmitz was also a close friend of Adolph Hessler, the head of I.G. Farben, and he played a key role in the development of the company. He was instrumental in the creation of the American Oil Company, which became one of the largest and most powerful corporations in the world. He was also a close friend of many of the company's most important figures, including Adolph Hessler, the head of I.G. Farben, and Robert Woodruff, the founder of the American Oil Company.

The film industry was at the heart of the conspiracy, and Schmitz played a key role in its development. He was responsible for the creation of many of the industry's most important companies, including United Artists, Metro-Goldwyn-Mayer, and Warner Bros. He was also a key figure in the development of the film industry in Europe, where he played a key role in the formation of the Independent Film Producers Association.

Schmitz was a complex figure, with a deep understanding of the power of the film industry. He was a shrewd businessman, with a keen understanding of the industry's economics. He was also a masterful manipulator, with a talent for说服 others to his way of thinking. He was a masterful writer, with a talent for crafting compelling stories. He was also a masterful actor, with a talent for bringing his characters to life on the screen. He was a man of many talents, and his influence on the film industry was profound.

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being about the negotiated peace between Germany and the United States that was the overwhelming dream of Fraternity.

As that war approached, Schmitz's brother Heidrich, acting on instructions from Berlin, moved from there to Manhattan and went into action to undermine any prospective American war effort. Despite the fact that he was an American citizen, enjoying all of the privileges of a glamorous social life in New York, he had involved himself in espionage with Father's N.W.T., intelligence service. L.G. owned the General Archive and Film works and the huge film corporation Agfa and Amsco. It also owned Oshald, the multimillion-dollar blueprint company. The General Archive works supplied Ikhon or Blue dye for army, navy, and naval uniforms, which gave Schmitz's army of spies spys access to every military, naval, and air force base before and after Pearl Harbor. These "salesmen" talked the forces into using Agfa/Amsco for their private instruction films and having their photographs of secret installations developed in American L.G.'s laboratories. They also arranged to have every Osland print of secret military and naval plans copied and filed at their headquarters in Berlin.

The person responsible for this remarkable espionage coup was Hermann and Dietrich Schmitz's nephew, plump, jolly Max Iger. Iger's motivation was to infiltrate the top of Farben and prove himself indispensable to the company. He allied N.W.T. with the A.O., the Organization of German Abroad, an intelligence network which came directly under Walter Schellenberg. He set up an army of five thousand secret agents headed by Nazi Consul Fritz Windmann, operating through American L.G., which penetrated North and South America, weaving through military, naval, and air force bases as staff to supplement the information already given. The F.G. gathered between the two sets of spies Germany and a very clear picture of American armaments before Pearl Harbor.

Like Hermann Schmitz, Max Iger sent his brother to carry our his purposes in the United States and the Canadian scene. Schellenberg played constantly toward this end. However, Hermann's visitation continued. He could not bring himself to depose the Fischer, nor did he expose Schellenberg to the Fischer.

The underlying purpose of the Schellenberg plan, revealed in the recently declassified Army Intelligence report, was clearly to
included William E. Weiss of Selling Products and Edsel Ford. Tuggle had predicted in 1938 following much-unwelcome publicity. In his place James V. Forrestal was appointed to the post for Admiral Nimitz was named a partner in the part-time banking company of Dillon, Read, which had helped to finance Germany in the earlier days. Nimitz thought the country, and later secretary of the navy. Another of the board was former attorney general Edward F. Harriman, who had done much to protect American I.G. what he was in his official post, now became the leading defense lawyer for the corporation. And how qualified he was for the job may be judged by the fact that he had won secret intelligence to Henry L. Stimson, Nimitz' charge d'affaires in Washington. In a telegram delivered Top Secret to Germany on June 11, 1940, Stimson revealed that Cunningham had supplied him with details of a private conversation with Roosevelt. Cunningham told Roosevelt's special assistant that the President would make use of every legal aid in order to discern neutrality and help Britain in the Atlantic. That he was the last large enough for American armies to be built up, would give him to England, and that would be the war with Germany. America would be "swept and polished and glories" toward Germany for two years, during which she would build up her armed forces regardless of cost. Roosevelt said Germany would be credited if she tried to attack Canada or the Caribbean. Thus, a former attorney general in the pay of a known Nazi spy, former E. Willard Bliss, had been in the Secret service of the President.

General Anhalt and Film could not have functioned as a branch office of N.W.I., the German Secret Service, and Czarist Russia without help in the Senate and the House. Hiram Johnson's personal relationship with N.W.I. agents in America, supplied funds to significant figures of the House to secure propaganda arrangements. A telegram from Roosevelt to Trumka via Ribbentrop, the Foreign Minister in Berlin, dated June 12, 1940, read:

A well-known Republican Congressman who works in close collaboration with the special official of the Nazi government will vote some 50 legislation Republican Congressmen on a 2-day visit to the Far East, so that they may work on the designs of the Republican Party in favor of an isolationist foreign policy. $3,000 are required.
In addition, the Republican in question is prepared to form a small all-Republican committee, which, as a counterplay to both the full-page advertisement by the Imperial White, an anti-Hitlerite, "Stop Hitler Now!" would during the primary season, publish in all of the leading newspapers a full-page advertisement with the following appeal: "Join America Out of War." The cost of this ad would be about $90,000 to $90,000, at which rate, it's all pretty good, in all probability, be beyond the Republican funds. In view of the above appeal, I have accepted the proposition I received telegraphic instructions as to whether the project is in order and if it is I hope the funds raised to be consumed.

Rothschild's office called back on June 19: "The Foreign Minister agrees to the adoption of the countermeasures against pro-Axis propaganda activities in the U.S.A." The money was released and paid to the congressman.

Whom was it? Representative Stephen A. Day, a pro-Island from Illinois, in partnership with a group of other admirers of Hitler including Senator Robert D. Hill of West Virginia and Senator Herbert Lindell of Minnesota.

On July 19, 1940, Thomsen reported the success of the mission. He telegraphed Skyler: "As I have reported, isolationist Republican Congressmen at the Republican Convention succeeded in affixing firmly to the Party platform the language of an isolationist foreign policy that will not let itself be contained by the majority world. Nothing has leaked out about the assistance we extended in this.

For travel assistance and costs of the advertising, $4,500 have been disbursed, which please return to the Embassy.

As the international situation drove America to the brink of war, Max Lieber and his Uncle Hermann became increasingly anxious about the future of their New York operation. They summoned two crucial directors of GAF to a meeting in Milan, on May 2, 1941, to discuss how best they could function if Hitler and Roosevelt declared war on each other. These men were Alfred E. Hell and Emile E. Hallbach—two of whom were Americans. Hell and Hallbach agreed that they would sell drugs and patents to South America through an American export firm called Central and Sperville, which had an impeccable background and would not be upset in time of war. Hugh William, the director of General Aniline, allegedly handled materials and agents. Meanwhile, Hallbach arranged to have his own subsidiary, General Dyeu, reconstructed as an American company that also would not be subject to scrutiny. In New York, Dietrich Schmitz handled all the intricating Chapman documents into a furnace and watched them burn.

On May 9, 1941, Attorney General Robert H. Jackson yielded to pressure from Roosevelt. He selected American I.G. Gleich in the National City Bank of New York. But it turned out that only $2,380,000 of the half-billion-dollar corporation account was in the bank vault. Evidently, Lieber had good contacts, because only six weeks later all except $2,380,000 of the money was untraceable. It looked as though I.G. had gotten away unscathed, but Morgenbach and Roosevelt froze all F.I.T. holdings in the United States and with them, American I.G. Its Swiss branch had proved its unlaboring for the time being.

Southen Ban of I.T.T. proved to be a useful preliminary member when he stepped in on a C.G. Americanization to try to buy General Aniline and Film, thus Americanizing it, and removing the Swiss freeze order, and preventing it from scoring in time of war. He would make a neat exchange of I.T.T.'s German properties to that, too, would escape notice. The incorrigible National City Bank radically encouraged the transaction, but Hermann Schmitz was convinced that Bohl was trying to outwit him and instead decided to sell the company to one of its own subsidiaries. Schmitz convinced himself. The deal went through but it was too much for Morgenbach, who stopped it. Schmitz tried again. Part of the American I.G. shares were traded by a Dutch subsidiary. He tried to have that subsidiary buy out G.A.F., but Morgenbach stopped that arrangement, too.

With the advance of Pearl Harbor, Morgenbach set his sights on an outright seizure of GAF for the duration. He had already closed down or nationalized fifty related firms of which he was suspicious. Shortly after Pearl Harbor, Morgenbach begged Roosevelt to let Treasury run GAF instead of the Department of Justice on the Office of the Alien Property Custodian, which was then in the process of being formed. He was strongly opposed to Roosevelt's suggestion that the woman Leo T. Crowley, a niece of his, should take over General Aniline and Film on Alien Property Custodian. He didn't trust Crowley, an associate of the weak and vacillating Attorney General France Bid
die. He knew that Crowley, a big, bragging, headstrong man, was a close friend of the corporation's president of big money in the issue of company bonds. Crowley had been a Wisconsin newspaperman, had fought his way up through the electrical business. A prominent Republican, he was a member of the Order of the Knights of Columbus, and recipient of the Order of St. Gregory, the Great Order of Knights, from Pope Pius XI. He was a pillar of the business establishment and, Morganthau felt, the last man on earth to take over General Aniline and Film.

While the Crowley matter remained undecided, Morgenthau, on January 13, 1942, invaded General Aniline and Film and began tearing some obviously pro-Nazi personnel. Roosevelt was told that he had hired them and told him that "in case anybody asks you, you can say that the President [sagly] 'kill the toe-of-a-bitch.'"

However, Roosevelt almost simultaneously undermined Morganthau's power over the company by putting in temporary charge of a servant of big business, the wealthy lawyer John E. Mack, brought in the ever-scheming William Bollin as chairman of the board. Mack opposed the removal of Nazi officials and fiercely refused Morganthau's demand that he stop using them in a consulting capacity. Morganthau was disgusted by the bungling that Mack and Bollin were doing for simply covering for Nazi. Mack even tried to set up a so-called "plant-management committee," staffed in its entirety by the WPA (the former I.G. Farben executives).

On February 16, 1942, Morganthau won a court against Mack by seizing 97 percent of the shares of General Aniline and Film. Mack resigned as chairman. Mack stayed on, furiously arguing with Morganthau and his policy. Meanwhile, Roosevelt kept mentioning that Crowley was talking in the wings. Frustrated, angry with the President, Morganthau wrote to Harry Hopkins on February 26, "Roosevelt wants to be in the position that if it goes ahead and does all of this up, he doesn't know anything about it. But he can say he doesn't know anything about it." Hopkins conveyed his fury to the President, who on March 5 at last told Morganthau to "quit at once with Aniline." However, scarcely a week later, Roosevelt suddenly appointed Crowley the head of General Aniline and Film! He was a type of Roosevelt's equivalent that he would do this. Within twenty-four hours of taking of

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five, Crowley put Ernst K. Halbach, perhaps the most committed pro-Fascist executive in the whole organization, in as chairman. He declined to tell him even when Halbach was invited three times for dealing with France before Pearl Harbor. To Morganthau's intense disgust he filed his salary of $76,000 to $82,000 a year, and with striking boldness appointed Alfred E. Mell, Halbach's collaborator, as the GAF head of sales in South America. Both men were given back salaries that Morganthau had saluted, and their bank accounts at the National City Bank were frozen on Crowley's specific instruction. Nor was Crowley content with this. His partner in the multimillion-dollar firm of Standard Gas and Electric was the immensely wealthy Victor E. Esaul, who had obtained control of SGE with the aid of the Schneider banks. Crowley continued to receive a salary from SGE and from the J. Henry Schroeder Bank of New York, while remaining Allied Property Cement?, John Foster Dulles, a close friend of Crowley's and Halbach's, became special counsel for Crowley. He was also Halbach's secretary, using the government for the recovery of funds.

By 1944, after Crowley had been in charge of GAF for two years, he and Francis Biddle had still failed to try three ancient indictments returned against General Aniline and Film on December 19, 1941, accusing the corporation of being part of the world's trade conspiracy for Hitler. They had failed to enforce its acceptance of consent decree that would end it permanently from remaining its ties with I.G. Farben. They had failed to<ref>Grant</ref> me its ties with General Dyestuffs, which still held 10 percent of all GAF sales. They had not released GAF's patents, nor had they prepared a report showing which of those patents had been given it by the Nazi government for protection from seizure during the war.

1. F. Stone led a storm of criticism against Crowley in PM and The Nation. Crowley "resigned"—only to find himself in the even more important position of Foreign Economic Administration, in an editorial in PM, on February 10, 1944, Stone wrote: "Crowley's resignation is not enough. . . . We hope that, picking a new Allied Property Cement, the President will pick a man who, unlike Crowley, is not dependent on private salaries for the bulk of his income. . . . We suggest the government remove from the board of General Aniline and Film any men associated with Victor Emanuel, the
Schofield banking interests, Standard Oil or any company linked by business ties with J. G. Farber before the war." The article continued, "They opened American business all the drugstore, chemical, pharmaceutical and other patent-oil owned by General Aniline directly or through its subsidiary, Winslow Chemical, . . . known as General Aniline smallest companies under patentee ownership, each handling a different one of General Aniline's business interests, so that we may be led to the monopsonistic powers this German-controlled firm exercised in so many products."

"It goes without saying that none of these ideas were followed by the President."

"It was three months after Crowley left his post in March 1944, that further details of his inquiries came to light. William LaVanre of the Department of Commerce charged before a Senate Postal Committee meeting on June 1, 1944, that, correct or not, information was being distributed by Crowley through the U.S. government against the nation's best interests. He said that two men representing Germany as salesmen for General Aniline and Film sought from him data taken from a censored message about Eastern Kodak for use in a film sales campaign in Latin America. He refused to give the information. LaVanre told the committee that instead of freeing General Aniline, Crowley was running it in competition with Kodak. The GAP reps had returned to Crowley and then gone back to LaVanre to tell him how they were working for the Alien Property Custodian and that they must have the secret data. In view of the fact that the information came from the government, LaVanre had felt obliged to hand it over. General Aniline had passed Kodak from below Panama."

"Worse, LaVanre found out that when the Mexican government made a deal with American Cyanamid for the operation of seized Nazi chemical companies, two of Crowley's officials flew to Mexico City in 1944 and briefed everyone in sight to break the arrangement in favor of General Aniline."

"Crowley was not punished. Meanwhile, John Foster Dulles represented Mrs. Ernest Hallock in suing the Alien Property Custodian's office for the return of her husband's remaining Nazi shares. Crowley had been replaced by his assistant, James E. Marland, as Custodian. Marland was also a director of Standard Gas and Electric. It is scarcely surprising that Dulles had no problems with Marland in..."
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vic Costello. The day Ramone left prison, Ford, with a touch of black humor, handed him a parcel of Liberty Bends as a parole.

Ramone remained a fanatical German nationalist and an early Nazi party member. He proved to be Sterling's chief advisor, working closely with Weiss to set up various Nazi organizations below Panama. He was greatly aided by Alfred E. Moll, who continued to function in World War II under the name alias of Leo T. Crowley. To make the picture complete, Weiss used the Dittel brothers as an associate of the film and, as another, Edward S. Rogers and partners, connected to the Regent Standard Oil family and formerly legal advisor to the Allen Property Custodian.

Yet another valuable connection came in 1939, when Weiss gave the vice presidency of Sterling to Edward Terry Clark, secretary to President Coolidge and later to President Hoover.

Clark headed a Washington lobby in I.G.'s favor that continued to function in various forms until after World War II. Ten years later, after Clark's death, his papers were sold by his wife to an obscure hobby shop on Seventeenth Street in Washington, just around the corner from the White House. The owner, Charles Rohr, specialized in rare documents, stamps, coins, and autographs. A tiny item announced in the press that the Clark letters, which contained details of the I.G. Carbon connections, were in the shop. Within two hours of reading the announcement, a representative of the German government pretended to be a document collector turned up with $50,000 in crisp new banknotes. Rohr refused to part with the letters at any price; a Jewish veteran of World War I, he had a hope for German spies. Next day a beautiful young woman appeared, offering money and physical inducements. Again, Rohr refused. However, when he handed the letters over to the Library of Congress, the incriminating documents had disappeared. They have never been traced.

Throughout the 1930s, Weiss used every avenue for political propaganda, collection of statistical information, and efforts to suppress equivalent drug programs by loyal American companies. On March 29, 1939, Farben's Max Elwyn—now a Nazi official in German uniform—sent a message to Max Woschian, Sterling export manager for South America, which read, in part: "You are asked to refrain from objecting to 'incidents' caused by our [Nazi] government. . . . Immediately upon receipt of this letter, you are to use your influence with President Carl.
he had little chance of success. His numerous memoranda to congressmen and senators were ignored. Every effort was made to silence him.

Having such small fry, Weiss and Carl McClintock maneuvered through the Depression years to add Sterling’s title to the most important pharmaceutical corporation in the United States. In 1936, McClintock almost pulled off a major coup. Invited by the Securities and Exchange Commission’s investigation into Sterling’s activities, he pulled several strings to take over as SEC chairman. Fortunately for American security, he did not achieve his purpose. As Europe moved toward war, he found other protections. He and Weiss poured a large sum of money into the Democratic National Committee—and the Republican National Committee as well—to make sure that whoever won the presidency would prove supportive. In May 1938, McClintock traveled to Berlin to confer with Hermann Schmitz and Kurt von Hensel during a meeting of the Bank for International Settlements. The subject of the discussion was the best way of handling Sterling if Roosevelt brought the United States into the war. The conference members agreed that the vast funds owned by Sterling from distributing Bayer products in Latin America would be held in the J. Henry Schroeder Bank of New York until the end of the war. In return for this arrangement, Sterling Products in Germany and in the countries Germany would occupy would be held in the Stein Bank of Cologne for the duration. As for the all-important Bayer patents, which could easily be seized by the U.S. government if they were German-controlled, they would be neutralized by transfer to Sterling as American patents for the duration.

J.G. was to continue its Latin American operation under the Sterling cloak. Goods would be stockpiled for the duration or established in order to disguise their origin to avoid the freezing of their distribution as enemy products. A further meeting took place in Florence, Italy, in February 1940, with Europe at war. Schmitz and Schröder again met with McClintock and reconfirmed the arrangements. In an addition to the original agreement, funds earned in South America would be held in local banks for use by Nazis in exile.

It would have been impossible to achieve these arrangements without powerful contacts in Washington. Thomas Cosgriff, the famous
government finding out but of the information slipping into the hands of German agents.

Max Wojtan of Sterling dealt with the National City Bank loan that would help finance dealings with the enemy. "To avoid the appearance of this loan on the balance sheet at the end of each year, we would cancel it in December and replace it early in January," he said. On May 31, 1941, I.G. began to make the transfers. It handed over 75 percent of its Argentine shares to Sterling in return for money advanced in help I.G. finance an Argentine laboratory for the Nazis in Buenos Aires. This reached the attention of the U.S. Department of Justice, which ordered the money transferred to "miscellaneous accounts of the Bayer Company" on the ground that transactions with I.G. were illegal and that the matter might reach the attention of the public.

Under pressure from Henry Morgenthau, on August 12, 1941, I.G. signed a consent decree in return for its withdrawal in which Sterling and Bayer would cease their association for the duration. By now most of the Bayer operation was based under the Sterling desk. Weiss promised he would not sell Bayer products in South America under German names. He broke the promise within twenty-five days of signing the agreement. On September 10, 1941, a Sterling subsidiary in Rio advised New York that it was handling an aspirin product under the old German name. Instead of instructing his agent to discontinue the distribution, Wojtan told him to proceed as usual.

German military successes abroad had been Richard M. Wills, of Princeton, to be the German business south of Parana. It would be possible to continue the association without actual contact visible to the Nazi government. The National City Bank, characterized to protect the arrangement, initially did not and did not put any statements that any of the dealings took place. The reason for this was a fear not of the U.S.
would not be acceptable to Treasury. Hill warned Weiss that Morganthau might meet him as harshly as he was treating some of the board of General Aniline and Film. On February 23, Hill returned again.

Weiss was still installed. Hill learned that Weiss thought for the company's own good he must leave at once. On March 10, Hill made the company's offices under Weiss's secretary, who refused to move her boss's belongings. Hill thenceforth ordered the plant superintendent to remove the Weisses from the premises in secrecy and the remainder of Weiss's effects on Tuesday, March 15.

Weiss returned, he was devastated to see what had happened. Completely blacklisted, he became a kind of ghost, walking on air. In the spring, Weiss went to a meeting in Chicago, where he was greeted with a standing ovation. In the summer, he joined the board of directors of a new company, and in the fall, he was invited to join the board of trustees of a university.

The new management of Sterling was almost an embarrassment—except for James Hill. Earl McCracken, who had so thoroughly studied all the company's departments, was made Vice President. He immediately set about improving the company's efficiency and productivity. He instituted a new system of accounting that led to significant savings. He also invested in new equipment, which increased production by 20 percent. In this way, Sterling was able to maintain its lead in the industry.

On April 1, 1942, Sterling's decision to move its headquarters to New York City was announced. This move was seen as a strategic move to assert the company's presence in the eastern market. The move was also seen as a way to improve the company's image and attract new investors.

The move was a success. The company's sales increased significantly, and its profits tripled. Moreover, the company was able to expand its operations, entering new markets and developing new products. In this way, Sterling was able to maintain its position as one of the leading companies in the industry.
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from Bayer management. But the pockets of collusion and collaboration—chiefly in Uruguay and Chile—survived.

Norman Littell, assistant lawyer in the Attorney General's Department, spent most of the war years fighting Sterling and its proprietors within the U.S. government. He was appalled by the indifference of the Court of Decree and was upset by the fact that the famous Tommy Corcoran was handling Sterling. He felt that Corcoran exerted too great an influence on Attorney General Francis Biddle. He was apprised of a statement Biddle made to The New York Times on September 4, 1941, a statement that Littell felt showed Biddle's weakness and vacillations and flies to the point of corruption: "Sterling Products has always been a wholly American company, and some of the profits of the sale of Bayer Aspirin has been shared among foreign investors. Similarly, none of the domestic American producers of achievement of the Bayer Company was involved in relations with I.C. Fehrenbahr nor is there any foreign interest in the numerous other subsidiaries of Sterling Products engaged in the proprietary medicine field."

Another beggar of Littell's was Allen Property Custodian Leo T. Crowley, who, as part of the "house cleaning" of Sterling, took over the Bayer patents for Arkansas. This substitute for quinine was indispensable during quinine shortages caused by the Japanese seizure of the Malaya and the Dutch East Indies. Without quinine, or Arabinone, thousands of young Americans died of malaria on the tropical warfronts.

Through 1942, Littell tried desperately with the help of the former American I.G. employee Howard Ambrose to persuade Crowley to release Arabinone for sale by American soldiers. Crowley refused. Meanwhile, as later classified documents show, the Arabinone was freely distributed from heavy stockpiles or from new supplies through Proclaimed Lux customers in South America.

The Arabinone story leaked to F. S. Stone and others of the press, who buckled Littell and Ambrose in an all-out assault on Crowley. Outing to his pressure, Senator Henry T. Bone, chairman of the Senate Patents committee, announced that there would be a full-scale hearing on Arabinone. But the hearing was postponed again and again. Despite the fact that Biddle had thousands of documents proving the suppression of Arabinone, he refused to move on the evidence. The
matter dragged on until August, when at last a hearing began; but it was quickly suspended when five members of the committee refused to discuss the matter.

In August 1942, Thomas Arnold of the Department of Justice Antitrust Division wrote in The Atlantic Monthly: "The spectacle of the production of this essential gas left us 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."

In March 1943, Ambrosetti went to see Earl G. Harrison, new head of the Immigration and Naturalization Service. He brought with him a list of every American simultaneously connected to Stanford Oil Products and Procter & Gamble companies. Harrison demanded to know why none of these people had been interned, disloyalized, or deported. Harrison said he was forbidden to discuss the subject. Ambrosetti asked for a regulation upon which such action might be based. He was told that no such regulation would be applied.

Ambrosetti then wrote to Assistant Attorney General Wendell H. Berge. Berge was in charge of the Criminal Division of the Department of Justice. He asked the same questions. There was no reply. Berge said later on the telephone, "I am not permitted to reply in your inquiries."

Assistant Attorney General Litell became so persistent a gadfly that on November 18, 1944, Roosevelt, under pressure from Litell's enemies, called for the young man's resignation. Instead of acceding to Litell's request, Roosevelt wrote a 15,000-word blurb, exposing the intricate considerations between Stanford, Tung Sui Corporation, and the enemy. Biddle dispatched Roosevelt to Litell. Roosevelt hesitated. He dreaded personal confrontations of any kind. But Biddle finally won. Roosevelt demanded Litell for an explanation, saying, "When statements made by Nathan Litell [deleting the government] first appeared in the papers I put it to him... that I hoped for his future career he would resign... Under the circumstances my only alternative is to remove him from office which I have done today."

In 1945, Litell at last found support in Congress. Representatives from Michigan, Wisconsin, and Jerry Voorhis of California entered Litell's charges against Stanford in the Congressional Record on January 22 of that year, demanding a full-scale investigation. The investiga-
The Car Connection

William Waessner's partner in General Aniline and Film, Edsel Ford, whose father, Henry Ford, was chairman of the Ford empire, played a complex part in the development of popular culture before and during World War II. The Ford chairman in Germany, to charge of all Ford operations after Pearl Harbor, was Dr. Heinrich Alber, partner until 1936 of Gerhard Westrick in the law firm associated with the Dulles brothers—Sullivan and Cromwell.

Henry Ford was once ranked in popular polls as the third-greatest man in history just below Napoleon and Jesus Christ. His wealth may be gauged by the fact that when young Edsel turned twenty-one, the father gave him a private yacht and gave him $5 million in gold. Henry Ford controlled more than half of the American automobile market by 1927. In the early years of the century, his famous Model T, the model of the common man, revolutionized the nation.

Leo, and Ford, at a Grant Wood painting, Henry Ford was a knotty politician, dedicated to the simple ideals of early-morning, early-to-rise, plain food, and no electricity. He didn't drink and taught a lifetime against the demon rum.

He admired Hitler from the beginning, when the future Führer was a struggling and obscure fanatic. He shared with Hitler a fanatical hatred of Jews. He once announced his anti-Semitism in 1919, to the New York World, where he expressed a pure fascist philosophy. He said, "International financiers are behind all war. They are what is called the international Jew: German-Jew, French-Jew, English-Jew, American-Jew, the Jew in a street."

In Germany, Hitler was meeting identical sentiments. In 1920, Ford arranged for his Dearborn Independent, first published in 1918, to become a platform for his hatred of the Jews. Week after week the newspaper set out to expose some horror of Jewish misbehavior. The first anti-Semitic issue on May 23 carried the headline that international Jews: the world's problem. The leading article opened with the words: "There is a race, a part of humanity, which has never been received as a welcome guest..." and continued in the same vein to the end. A frequent contributor was a former White Russian, Boris Beisman, who boasted in one piece: "I have done the Jews more injury than would have been done to them by ten pogroms."

Beisman was successively an agent of the CIA and the U.S. Army Intelligence; later he became a Nazi spy.

Ford's book The International Jew was issued in 1937. A virulent anti-Semitic tract, it was still being widely distributed in Latin America and the Arab countries as late as 1945. Hitler admired the book and it influenced him deeply. Visiting to Hitler's headquarters at the Brown House in Munich, he was shown large photographs of Henry Ford hanging in his office. Studied high on the wall outside were copies of Ford's book. As early as 1923, Hitler sold an interview door-to-door in the Chicago Tribune. "I wish that I could send some of my stormtroopers to Chicago and other big American cities to help," he was referring to stories that Ford was planning to run for President. Ford was one of the few people singled out for praise in Mein Kampf. At Hitler's trial in 1933, Edward Less of the Sachsischer Denkverein testified that Ford had given Hitler money. Less turned central issue in the prosecution at an early stage. He appointed Gerhard Westrick's partner Dr. Heinrich Alber as chairman of the Ford Company. Other prominent figures in that company were financially pre-Nazi. They included a grandson of the Kessler and Carl Bosch, Schulte's founder, as head of I.G. Farben. Later, Carl Krahn of I.G. Farben became a director and Kurt von Schleicher, as one might have predicted, handled the banking. Carl Krahn testified in an interrogatio in 1946.
I myself knew Henry Ford and admired him. I went to see him personally about that. I told him that I might have known his son Edsel, too, and told him that if we took the Ford independence away from him in Germany, it would reduce German industry. And that is the way Siemens worked. And once in a while, that the United States should make its voice heard and Germany fight. And that there would be a coalition of the powers.

And in 1941, while we were in the early stages of World War II, I told him that he should work and fight. Ford had been one of the most vocal supporters of Hitler and the Germans. And he was also in favor of the United States fighting the Axis powers.

There is only one danger in the world— that is the yellow danger. China and Japan are really bound together against the white man. There could only have been one efficient weapon against that alliance— Germany. . . . the ideal weapon would have been to have had Germany take over Poland and Russia, in collaboration with the British, as a first against the yellow people of the Orient. But instead, the British and the French in Washington support Serbia. The British aided the Germanic people and wanted to rule the world forever. Britain is the real cause of all the trouble in the world today.

While Lindbergh took over as consultant, Edsel Ford began to concentrate on ensuring that Ford's interests in France would not be affected by the French invasion. Management of the Ford interests was in the hands of the indefatigable and elegant Paris-France Maurice Delphine, who had close contacts with the Women's Bank and the Bank for International Settlements. Although he had little knowledge of manufacturing processes, Delphine supplied much of the financing for the new size-Ford automobile factory at Poissy, eleven miles from Paris in the Oiseau Gorge. Under Delphine the factory plant began making airplane engines in 1940, supplying them to the French government. It also built tools for the French army, as well as automobiles. Carl Koechle and Hermann Schulte were in charge of the operation from their headquarters in Berlin along with Edsel Ford at Dearborn.

After Pearl Harbor, Edsel Ford moved to protect the company's
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on May 15 that photographs of the plants on fire
were published in our newspapers. Here but formally no reference
was made to the Ford Motor Company. In other words, Edel was
believed that it was not made clear to the American public that he was operating the plant
for the Nazis.

On February 11, 1942, Edel wrote again that the raids of
the year up to December 31, 1941, showed a net profit for Ford's French
branch of $5 million francs (including payment for deals with the Nazis).

On June 6, Edel wrote that no memorandum prepared
by George Laslo. The letter stated that the RAf had now
burned the plant four times, and that all workers and equipment had been
taken from the plant and scattered all over the country. Laslo was
pleased to state that the Vichy government "agreed to pay for all
damages." The expiration was "approved by the German
government." Ford replied to this letter on July 17, 1942, expressing
pleasure with this arrangement, congratulating
the repayments, and saying that it had shown the former to his father and
to Charles E. Scroven, and that he had joined him in sending best
wishes to Edel and the staff. In the hope that they would continue
to carry on the good work that they were doing.

Meanwhile, Edel and Heinrich Albert set up another branch
of Ford in North Africa, headquartered in Vichy Algeria with the
approval of I.G. Farben. It was to build trucks and armored cars for
Rommel's army. As a lengthy report to the State Department dated July
31, 1942, Ford, Cole, American Consul in Algiers, sent a detailed
account of the planned operation, not complaining that the
headquarters was in the Occupied Zone of France or that Edel was
prominent in the "Pactais" group that worked for the Nazi party
through the Warms Bunt, the Schindler Bank, and the correspondence
in France. Cole remarked on incidents, "The [Warms] firm is greatly
interested in the efforts now being made to effect a compromise peace
on behalf of Gauntys." Cole had put his finger on something. Ford
was more than a mere Nazi collaborator working with Edel Ford.

He was a key link in the Ford family operation in Europe, scheming

*These efforts, which were labeled to R.O. only and to the "headquarters in Europe," were not carried out by the Ford family for income in
1944.
with Pechet, the Wotton Bank, the Bank of France, the Chase, and the Bank for International Settlements.

The letter from Colt went on: "It is alleged that the major markets for the new works (in Oran) will be Morocco, but the population which is already getting plenty of propaganda about the collaboration of French-German-American wealth and the questionable (?) interfe-

The American war effort is already printing an accusing finger at a transaction which has been for long a subject of discussion in commercial circles."[1]

Dollfus wrote again on August 13, 1942; the letter reached Edel
Ford two weeks later. Dollfus stated that following the RAV bomb-
production had been resumed in France at the same rate; that he was not permitted to say where the new plants were to which produc-
tion had been transferred but that they were four of the principal plants. He went on: "Machinery has been overheated and repudiated and some new machinery purchased so that the capital in machinery and equip-
ment is completely restored to its pre-bombing state. I have learned a manager in each plant and the methods and standards are the same as they were in Peilsy. Essential repairs have been started at Peilsy
but work is slow because of the difficulty in obtaining materials."[2]

In the rest of a very long letter, Dollfus pointed out that at this
stage the Peilsy and other works were done directly under Dr. Heinrich Albert and a German officer named Tanzen, in trust, "Mr. Tanzen has in turn given back most of the powers that I used to have previously to run our business, with the exception of certain duties that he does not hold himself, and some others which I believe should have been given me but anyhow they are not indispensable for me to continue to run the business normally." Dollfus added that Dr. Al-
bert was clearly anxious to play a part "so as to appear a Good
Swissman after the war in the eyes of the Allies."[3]

On September 29, 1942, Berlitz-Loth wrote to Edel enclos-
ing a letter from Dollfus saying that Vickie's compensation payments to Ford in the sum of 35 million francs had been received. On Oc-
tober 10, Ford sent a letter to Dollfus:
In April 1943, Morgantown and Lauchlin Colvin conducted an lengthy investigation into the Ford subsidiaries in France, concluding that
The War Department has been informed that the production is solely for the benefit of Germany and the countries under its occupation" and that the Germanies have "shown clearly their will to protect the Ford interests" because of the "thrust of secret neutrality" maintained by Henry and Edel Ford in time of war.

And finally, "the increased activity of the French Ford subsidiaries on behalf of Germany receives the commendation of the Ford family in America."[4]

Despite a report running to hundreds of thousands of words and examining exhaustive documentation including all the relevant files, nothing whatsoever was done about the matter.

Meanwhile, Ford had gone on making special deals. On May 29, 1942, the Ford Motor Company in Edgewater, New Jersey, had shipped six engines of cars to blacklisted Jose O. Moll of Chile. Another consignment was a blacklisted enemy corporation, Liendenfeld, in Bolivia. On October 20, 1942, John G. Wharton, U.S. Ambassador to London, cabled to Dean Acheson that two thousand German army trucks were authorized for repair by the Ford motor works in Berlin. On the same day, Wharton reported that the U.S. Government and the U.S. companies recommended the Ford Motor Company of Belgium be blacklisted because its Zurich branch, on U.S. orders, was repairing tracks and converting the use of gasoline for trucks and cars of the German army in the territory.

In December 1943 a further report from Minister Leland Harmsen in Berlin said, "The Ford Motor Company in Zurich, acting for Col-
lege, supplied spare parts for the repair of Ford trucks and passenger cars in U.S. Ford Motor Company agents in Berlin. Some of these parts are imported, which provides the German enemy with clearing funds." Thus, one year after these matters were reported in Washing-
ton, trading with the enemy was continuing. All Swiss operations functioned under the guidance of Ford's Charles E. Switzer.

Edel died of cancer in 1943, but Searsen went on with the deal-
ings. On November 6, 1945, Maurice Dollfus, enemy collaborator,
traveled to New York (by U.S. Army Air Transport Command) and gave an interview to The New York Times at the Waldorf Astoria Hotel. He discussed his operation during the war, but apparently nobody on the New York Times staff thought to question him on the nature of that operation, which remained a complete secret to the American public.
General Motors, under the control of the Du Pont family of Delaware, played a part in collaboration with Ford's General Motors and helped develop the American automobile industry. The company, headed by Henry Ford, was the world's largest manufacturer of cars and trucks. Ford's company, known as the Ford Motor Company, was established in 1903 and became the dominant force in the automobile industry. The company, under the leadership of Henry Ford, was the first to introduce the assembly line, which dramatically reduced the cost of production. This led to a significant increase in the affordability of automobiles, making them accessible to a wider range of the population. The company's success also contributed to the growth of the American economy, creating jobs and stimulating related industries. At the same time, the company faced criticism for its treatment of workers and the company's impact on the environment. Despite these challenges, the company continued to grow and expand, becoming a symbol of American industrial might.
This admission that the entire plan was deadly in intent was not accompanied by the imprisonment of anybody. Further investigations disclosed that over a million people had been guaranteed to join the scheme and that the signs and fixtures necessary would be supplied by Remington, a Du Pont subsidiary.

The Du Pont's facial behavior was soon shown in 1936, when Du Pont and General Motors met to form the monstrous Black League. This secret organization had as its purpose the prevention of untrustworthy workers from organizing. The members wore white hoods and black coats, with skull and crossbones. They feasted unelected union organizers, meeting them in death, and dedicated their lives to destroying labor and cooperation. They followed in the footsteps of the early Kness Klan. Du Pont's encouragement General Motors to form the union. In one episode, an automobile worker, Charles Poole, was brutally murdered by a gang of Black Legionsmen, several of whom belonged to the sinister Wolverine Republican League of Detroit. This organization had as its members several in big companies. However, their names were kept off the papers during the Fair Use Act. It was brought out that of least fifty people, many of whom blacks, had been lynched by the League, which swept through General Motors' factories and had 75,000 members.

At the same time, the Du Ponts developed the American Library League, a Nazi organization, whipping up hatred of blacks and Jews, love of Hitler, and loathing of the Communists. Financially, the Du Ponts offered the League to the tune of $200,000. The next year, the Library League had a lavish thirty-one-room office in New York. Branches in twenty-six colleges, and fifteen subsidiary organizations, distributed fifty million copies of its Nazi pamphlets. In September 1936, while Hitler was in power and lauding the League in his grand design for the Four-Year Plan, the Du Ponts and the America Republican League poured thousands into backing Republican Alf Landon against Roosevelt in the election. Other backers were the American Nazi party and the German-American Binner League.

The attempt to launch Landon failed, which made the Du Ponts hate Roosevelt even more. In outright defiance of Roosevelt's desire to improve working conditions for the average man, Anheuser-Bush along with the Du Ponts instituted the speed-up system created by another prominent figure of the Fifties, Charles Be...
pected to trade with a country only so that it can get those articles which it intends to use against the peace of the world.

In a report of December 23 to the Acting Secretary of State in Washington, Messersmidt wrote: "It is curious that Mottos and Col. Stevens and Mr. Wilson . . . both gave this opinion. In the early days of the First World War Germany was making full use of both and increasing their capacity for the simple reason that they were working on the great government orders for military equipment. The Opel works, owned by General Motors, are also working very well in the same way.

That Christmas, Mottos was in Berlin for talks with Paul Horner, one of the German government's most influential figures, to discuss Germany's and America's joint future in the world of commerce. He attended the dinner of the liberal U.S. Ambassador to Germany, William E. Dodd, who returned from Berlin to New York in 1937 and related to The New Republic in a subscription letter: "A cloister of U.S. industrialists is bent on being a devil unto our own democratic government and in working closely with the fascist regime in Germany and Italy. I have had plenty of opportunity in my study in Berlin to witness how close some of our American business interests are in the Nazi regime. On the ship I had a fellow passenger, who was a prominent member of one of the largest financial corporations, told me point blank that he would be ready to take decisive action in bringing fascism into America. If President Roosevelt continued his progressive policies.

Dodd's words were ignored.

On November 23, 1937, representatives of General Motors held a secret meeting in Berlin with Baron Maxmeier von Kühn, who was Fritz Wiedemann's predecessor in charge of West Coast espionage, and Baron von Tippelkisch, Nazi swastika leader in Boston. This group signed a joint agreement stating that in the future, every effort must be made to prevent the spread of Hitlerism by all means at our disposal. Nazi influence in the political, cultural, and public life of America
must be stamped out. News and radio must be subsidized to smear the administration, and there must be a future, preferably Senator Barry Goldwater of Arizona. In the White House. This agreement was cleverly hidden. It was a surprise who was loyal to the American cause and managed to obtain a copy and give it to George Teller, liberal journalist, who published it in his newsletter. In fact, the patriotic liberal Representative John M. Ozbir of Washington State inserted the full agreement, running to several pages, in the Congressional Record on August 30, 1972, demanding that the Du Ponts and the heads of General Motors be appropriately criticized. Needless to say, the resolution was tabled permanently.

In 1975, Mooney, like Henry Ford, received the Order of the Chained Eagle from Hitler. On May 3, 1975, he served in England to confer with the heads of his British company. He boasted that three of the Adam-Opel staff had been seized by the Gemptag and changed with leading secretaries of the new Volkswagen to the United States. Mooney rushed to Berlin and arranged meetings with Dr. Mitter, who was in charge of the foreign office. Mooney said he had the whole American government and that the dinners could not interfere with Hitler's new SS. Mooney reminded his commitment to the Führer.

Mooney agreed that this could never have been allowed to interfere with German-American relations but that the men would be punished if found guilty. Mooney offered to testify on their behalf. On April 6 he went to see one of Hitler's secretaries and on the same day visited his residence. But he was powerless to affect the fate of his employees.

On April 19, Mooney met with the invaluable Emil Pohl of the BIS and the Reichsbahn, and Hermann Wohllhadt, Ozbir's American-educated right-hand man in the Four-Year Plan. Mooney conferred with them on a basic plan of the massive American gold loan that would provide the basis for the New Order. Mooney enthusiastically endorsed the scheme and promised to bring it about.

At a state of excitement, he traveled to London on April 25 to see Ambassador Foster and Secretary of State. He told them of the plan to make the American gold loan available for the Four-Year Plan. He went to see Mr. Wohllhadt in Paris. Mooney talked with Franco Ross of Morgan Grenfell, the British representative of the Morgan Bank. They agreed that the loan should be made to Germany through the Bank for International Settlements. Ross said significantly that the BIS needed a

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flexible medium for avoiding conflicts with some of the internal legal limitations on international loans—complicated way of saying that the BIS could evade the law whenever it felt like it.

Mooney went to Berlin on April 26. On May 1 he urged Pohl to meet with Kennedy in Paris. He promised to arrange the meeting secretly at Mooney's apartment in the Rue de Rennes. Pohl was interested. But on the following day he said he dared not make the trip because it would attract too much attention in Germany and that Wohllhadt should go instead. Mooney agreed to go.

On May 3, Mooney called Kennedy in London. Kennedy replied that he would be willing to come on the weekend of May 3-4. But he hesitated and asked if Mooney didn't think it was advisable that he put the matter up to the White House. Mooney said that he would only do that in Kennedy's place if he thought he was a good enough salesman to get approval. Otherwise it would be taking a long chance. He added that the arrangements had been accepted in Berlin and it would not be wise to withdraw. Kennedy agreed.

After this conversation, Kennedy panicked. He called Roosevelt, who told him immediately not to make the trip. Roosevelt knew the nature of the arrangements in which Kennedy was involved. There was no way he would sanction Kennedy's involvement.

Kennedy tried to reach Mooney several times. When he finally got through, Mooney changed a plane in Brussels and flew to London. The idea of peace was clearly such an obsession he couldn't wait. On the plane, he worked out his plans on a large map of the world. He had to make sure the United States would be the dominant power in the world. He was convinced that the United States could be the dominant power in the world.

Mooney went straight to the embassy from his plane and laid out the points of the peace agreement on Kennedy's desk. He begged him to learn of Wohllhadt. Kennedy promised to put pressure on Roosevelt once more. Now, meeting with Kennedy, Kennedy was deeply depressed. Kennedy had tried to reach Wohllhadt for hours, and when he had done so, Roosevelt had once again refused him.

Mooney now suggested that Wohllhadt should come to London. Kennedy agreed at once. Mooney called Wohllhadt in Berlin and asked
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aged Moueney to see Hitler but to be careful in communicating the results to the White House telephonically.

Armed with this artificial, candidly calculated authorization, Moueney traveled to Europe at the same time as Roosevelt’s official emissary, Summer Welles, in March 1940. He was only one day later than Welles in audience with Hitler on May 9.

Because of the importance of Adam-Opel and the Du Ponts to the Nazi war machine, Hitler was extremely cordial. Moueney said that Roosevelt’s early cry in Germany had met a noble recollection that the President’s attitude to Germany was under no strain and warm relationship generally believed in Berlin, that Roosevelt would help toward a negotiated peace, that the Germans reported sought to emphasize what Germany and America shared together.

Hitler smiled broadly at these sentiments. He did not want war with America; he had his hands full enough already. He wanted America to remain neutral until it either caused the Axis or was conquered. Hitler said he was delighted to hear Roosevelt’s viewpoint, and that Germany had constructively unmade the task of the President. He suggested that Roosevelt would be well placed to negotiate peace. These statements were considered to deceive Moueney as Roosevelt’s.

From the Chancellery, Moueney proceeded to the Air Ministry to see Göring, who later had him to dinner at Kaisel Hall. Göring played out a similar line of hit, denying among other things that Germany had any desire to attack the British colonial empire when in fact one of Hitler’s burning objectives was to remove this last colony. Wolhfit also attended the meeting at Göring’s house, and everyone concurred that the gold loot must once again be pushed by Moueney with the President.

From a warning off the Italian coast in March, Moueney hesitated Roosevelt with a stream of messages calling for peace and union with Hitler. On April 2, Roosevelt wrote to Moueney that public opinion in America was all for peace and disarmament.

Back in New York, Moueney met with Charles W. Willkie, and joined that party at the Waldorf-Astoria in which some American leaders of The Fraternity, including Soulemane Hall and Carlisle Rocker, celebrated the Nazi conquest of France. On June 27 the Nazi
However, Stewart wondered if there was anything in the story, since he believed Mooney to be a fine person. Would Warren comment? Warren forwarded the letter to Mooney, who was ambassador to Cuba. In his letter to Mooney, dated March 1, 1941, Warren said: "I may say that I, personally, am rather unhappy about Mr. Mooney, and I am not sure that there is truth in Mr. Stewart's information. There are too many rumors." Mooney replied to Warren, saying that in his mind there was no doubt that Mooney was transmitting messages of a confidential character to the Nazi government. He added, "Mooney is fundamentally fascist in his sympathies. Of course he is quite unbalanced... he is obsessed by this strange notion that a few business men, including himself, can take over the war and the peace. I am absolutely sure that Mooney is keeping up this contact with the Germans because he believes, or at least still hopes, that they will win the war, and he thinks if they do that he will be on Quilling..."

Mooney sent a further letter to Warren on March 7, adding, "The attitude of Ian Mooney has a great deal to do with the attitude of some of the people of the G.M. Overseas Corp, who are making this difficulty about getting rid of Mooney and other anti-American representatives of G.M. Baratta was G.M.'s Oceanic representative. Questioned about these activities by Hoover's men, Mooney insisted he was a patriotic American, a lieutenant commander in the Reserve in the United States Navy, and a son of active duty with the Navy. Asked by the FBI L. J. Tyler in mid-October 1940 if he would return the Hitler medals he said he would, "but it might jeopardize General Motors getting part of the $10,000,000 of stockholders' money invested in Nazi Germany." Clearly, along with other Fascists overseas, Mooney was working for a quasireligious purpose to relieve those funds. He even in this time of war were gathering interest toward the time when the war would be over and America would stand next to Hitler in the scheme of things. He added, "Besides, Hitler is in the right and I'm not going to do anything to make him mad. I know Hitler has all the cards." He said he was sure Hitler would win the war, that there was justice in Hitler's general position: that Germany needed more room; and that if we tried to prevent the expansion of the German people under Hitler, it would be "just too bad for us."

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Soon after making these remarks, Mooney was promoted toqa

nivew to Sloan in charge of defense liaison work in Detroit! In a special report to J. Edgar Hoover, FBI agent Tyler stated (July 23, 1942): "Mr. Sloan's promotion, holding the views he holds, is potentially dangerous to national security."

Tyler was convinced, he went on, that Mooney was preparing to testify at the National Defense Program" that Mooney purportedly was aiding, Tyler also felt that Groves K. Howard was a danger. He had been given a secret report from the State Department, which made clear that "Sloan, Wi." was the person he was concerned about. He had been given the report by Groves K. Howard, he added, but it had not been made public because it was classified. Howard was asked to agree to fight until he received a full explanation from the General Motors Export Corporation in South America.

By May 1, 1942, Howard reported to Adolf Hitler that he had evidence that Edward Winter was a Nazi agent, who moved freely around Europe and had been given his position by Mooney in America just after Hitler occupied the Low Countries. Adding that Winter "wants to be on the winning side whatever is victorious in the present conflict," Hitler stated that Winter was the sole-in-law of a German Foreign Office official. He had good contacts in Germany. In a comment on this note, John Biddle, President of the State Department, said, "I can easily understand how Mr. Mooney's and Mr. Winter's minds would run along the same channel with respect to the war."

Further reports on Mooney state that he had aided the German director and financial controller of the German-American Board of Trade for Commerce, which greatly aided certain Nazis. The German-American Board of Trade for Commerce' Bulletin contained pictures of Mooney's address in a safe deposit box, it was said, as a GAGA financial controller.

On March 21, 1942, representatives of Du Pont were reported by the U.S. Consulate in Bâle to be meeting with representatives of Herman Göring's industries in Bâle. The subject of the discussions was not disclosed, but it was reported that Darius and St. Marks, the firm's Darius & St. Marks, was the subject of the discussions.

It was alleged in reports after the war that substantial Du Pont funds were retained from 1942 on in Occupied France, gathering interests in Occupied France, and that Mooney remained on the General Motors-Opel board. In January 1942, an announcement was made that Mooney had retired from the board of directors of General Motors.

On April 15, 1942, a report was published in Ganzloma reporting that Mooney was in Berlin to discuss "a specialized" project with the German government. The report stated that Mooney had been arrested on suspicion of American espionage. It was now believed that the General Motors Opel plant in Nazi Germany had been sold to the British government, the government that had previously denounced Westrick. As in the ITT matter, Mooney stepped in and Winter was released. It was clear that, like Ford, General Motors was preparing for war with the United States.

On July 5, 1942, the U.S. Embassy in Berne sent a lengthy report to the Secretary of State, giving particular detail on Nazi activities in the area. A paragraph read, "General Motors gives orders for parts to the Nazi firm, etc., via the firm Alfa, Jan Motoris. Both firms should be on the blacklist because they employ Nazis and work together with Nazi firms. The companies were not blacklisted.

On November 25, 1942, the Nazi alien property executive appointed Karl Luhrs, an official of the government and a Dusseldorf bank manager of the General Motors-Opel establishment in Bâle.

The establishment manufactured military aircraft for the German government throughout the world. In 1943, it manufactured 50 percent of all Junkers Ju 88 engines. The Ju 88 was the deadliest bomber of the Nazi air force. It was decided by a special court at Düsseldorf shortly after November 25 that the directors of the company in London, Edward Winter, would remain untried.

Charles Lanning, formerly deputy director of the European office of the CIO, is alleged in his book VodkO-Coke.
hour, the aircraft could fly 100 miles per hour faster than its American rival, the piston-powered Mustang P-519.

As late as April 1945, General Motors in Stockholm was reported as trading with the enemy. Henry Mossander, and an associate given in special code, instructed W. B. Stache, regional manager of GM in New York, to order his Stockholm chief to discontinue trading. Further documents show that, with Ford, repairs on German Army tanks and conversions from gasoline to wood-gas production were being handled by GM in Sweden.

In April 1944 various letters between the U.S. Embassy in Stockholm and the State Department indicate that GM in Sweden was importing products of Nazi origin, including from firms with permission from the State Department, dated April 11, 1944, from Julius G. Wiener said, "We are . . . of the opinion that local manufacture of a suitable refrigeration in Sweden should be encouraged, but if it proves impossible for Sweden to obtain a suitable local product, we agree that there would be no objection to the supply of [German] refrigeration similar to that from F. G. Farben." The refrigeration was imported.

On April 3, 1945, State Department officials reported to Leeland Harrison of the American Legation in Berlin that censorship had intercepted cabled reports from Swiss General Motors to the parent company in New York showing that Balkan sales were made from stock held by General Motors dealers in Asia Minor. The report continued, "It is understood that the parent company recently increased the Swiss company to cease reporting on sales in enemy territory." A GM overseas operations man in New York cabled Swiss GM that "We have been placed in an extremely embarrassing position by your action. However, there was no indication that the action ceased. Only that it must be authorized by the American Legation." If your desire," the cable continued, "that you keep the Legation completely informed of your operations and engage in no transactions to which dealing with the enemy regulations of the U.S. government applies without clearing with the Legation." A copy of this telegram was forwarded by State officials to Cordell Hull with the understandable

proviso: "This cable has been sent in confidential code. It should be carefully paraphrased before being communicated to anyone."

In June 1943, when he was in the Navy, James D. Mooney's activities were still under surveillance by the FBI. He became a prime reason for a correspondence between the Duke and Duchess of Windsor and the State Department that month. Lord Halifax, the British ambassador in Washington, had written to Cordell Hull requesting that the Duchess of Windsor, who was now in Nassau with her husband, the government of the Bahamas, should be freed from the censorship of her correspondence. This request immediately heightened grave suspicions in Adolf A. Berle. He sent a memorandum to Cordell Hull urging him to deny the request. During May 15, 1943, it read:

I believe that the Duchess of Windsor should emphatically be denied exemptions from censorship.

Quite aside from the news stories about the activities of this family, it is to be recalled that both the Duke and Duchess of Windsor were in contact with Mr. James Mooney, of General Motors, who attempted to act as mediator of a negotiated peace in the early winter of 1940. They have much information about the Duke of Windsor has been involved in activities, some of which are subject to investigation by the government of the United States, which is doing as a present.

There are positive reasons, therefore, why this immunity should not be granted— as well as the negative reason that we are not according this privilege to the wife of an American official.

Hull called Halifax and told him the Duchess's request was denied. General Motors were unpunished after the war. According to Charles Levenson, in 1957, after a prolonged series of detailed requests, the United States awarded the corporation a total of $33 million tax exemptions on profits for the "wrecks and destruction occasioned to its airplane and automobile factories in Germany and Austria in World War II."
The Systemic Tycoon

In 1939, Nazi diplomat Fritz Wiedemann argued the American multinational industrial system invented, Charles Bedaux, as head of the I.G. commercial operations, on behalf of the International in Europe. Bedaux had supplied industrial systems of time and motion study to I.G., TTT, Standard Oil, General Motors, Ford, Swift & Co., and other corporations. He had introduced new methods of production that brought about increased profits in the 1930s. He was working in Paris with Termilich Tisher's Texas Corporation and contacted Niklas Remmen.

It was Bedaux who delegated himself to invest the Duke and Duchess of Windsor into the International's plans for a coordinated peace. Since Tisher's time, the Windsors had been frequented by the Father and the First World in Europe.

In November 1941, the following journalist Cebulo Quintero interviewed Wiedemann in Government House in the Bahamas, publishing the results in The New Republic. The Duke declaraed his approval of increased peace to Quintero. He said, "I feel that within the next few years, the whole world will be at peace." He went on to express views that were hardline expressions of Plutocracy thinking, with their emphasis on gold as currency. Meanwhile, the police and the German system: "Whatever happens, whatever the outcome, a new order is coming into the world. It will be characterized by police power."

News of peace comes this time, there is going to be a New Order of Social Justice—don't make any mistake about this—and when that time comes, what is your country going to do with its power?"

During his brief period at monach, Wiedemann made every effort to overcome British prejudice against the Nazis. He became an inspiration to The Tank, the British government of high-paced Nazi sympathizers, which included in its membership some of the most prominent politicians in England.

The Entente wanted the Duke to be more prominent with them. Charles Bedaux was selected by Hitler to inspire the Duke's political and economic contribution.

Sprightly, sassy and sly, with slicked-back black hair, he was, and the bow legs of a jockey. Bedaux first came to the United States in 1907 from his native France and became a citizen in 1916. He had arrived a stranger in the Foreign Legion before he arrived. He obtained a job digging his way as a sandbagging through the construction of the East River subway tunnels. He escaped yesterday when enemy he could and began developing a system of speeding up labor, cutting out wasted motion, and improving efficiency. In his scheme an expert would time the workers with a stopwatch. Each hour was divided into sixty Bedaux units instead of minutes. Workers who exceeded this average would be paid more and those who fell below it would be demoted or fired. By condensing booklets containing his philosophy of labor, he succeeded in becoming very rich very fast.

Bedaux's office on the fifty-third floor of the Chrysler Building in New York was designed like the interior of a medieval abbey. He often met with his French Lomard du Pont and Walter unge, and Hetton, Schrader, and others in the Great Room for lunch.

He had an apartment in Greenwich Village in which he entertained his mistresses, relocating the rooms according to the lady's background or ethnicity.

He married a Daughter of the American Revolution, Fern Launana, and thereby obtained a place in the New York Social Register. He bought a house in Tuxedo, Florida, for three-quarters of a million dollars. It was a former estate, with accommodations for the golf course. He slapped up an estate in North Carolina, a hunting lodge

Next, they were the key to an efficient labor force that did not require the German death
in Scotland next to Walter Teagle's, and prepare in North Africa. An automobile buff, he ceased the Rovers by car in July 1934, and took a caravan of six cars over 2,300 miles of the Afghan and Turkestan deserts the following year.

He included himself with the Windsors, offering his chauffeur's for them for their wedding. Bedaux's wedding present was a statue entitled "L'Amour," the work of Henry Mordecai, the lover of Hajo Schulman. Schulman had introduced Bedaux to Fritz Wiedemann, who appointed Bedaux industrial espionage agent for the Nazi government.

At the German government's chief overseas espionage for the Foreign Office's next to Wiesbaden, Bedaux was initially placed to meet the Windsors. He was helped by the Windsors' friend Ambassador William Bullitt, who moved the U.S. Embassy into the Bedaux chateau just before the fall of France.

Bedaux wanted to involve the Windsors in his international schemes. First, arrangements were made for him to meet with Hitler and his son at a tour of Nazi Germany. In the summer of 1937, according to MI-6 files in the Ministry of Defence, London, Bedaux met with the Duke of Windsor, Bedaux's closest friend Boris Babin, Rudolf Hess, and Martin Bormann in a secret encounter at the Hotel Meirzis in Paris. At the meeting the Duke promised to help Hess ensure the Duke of Hamilton, who had a difficult relationship with the National Bank and the German Reich through their common membership in Frank Schuman, the Nazi emissary in Marseilles. Hess was determined to secure an alliance with Great Britain, which he hoped to continue despite Hitler's conquest. Bedaux was the instrument and Babin the gorgeous ass. The plan was postponed, efforts were made by Hess to meet with Hamilton on several further occasions, which finally led to Hess's dramatic landing on the Hamilton estate in 1941.

The Windsors were enchanted with their visit with Hitler and their tour of Germany, and the Duchess was seen hearing a tugboat to a Nazi officer on the border of Austria.

In November 1937, Bedaux tried to arrange a state visit for the Windsors to the United States. He visited the Windsors and the Windsors' high-ranking officials with visas. He wanted the Duke of Windsor to be received at the White House along with the Duchess. State Department officials planned that the Duke and the President should enjoy a Grinder Club dinner while the Duchess appeared separately at the Women's National Press Club. The Windsors were toasted in the White House and the government departments, criticising Roosevelt for snatching the couple.

Bedaux and his wife arrived in London in November to see what they could do. He had already talked with British Ambassador Sir Ronald Legge about the matter. The biggest blow was that Mrs. Roosevelt was away on a lecture tour and would be unable to receive the Windsors. Finally, it was decided by the government not to go ahead with the visit. The Windsors were not officially disclosed, but Bedaux's factories connected may have had a great deal to do with it. He appealed to his friends proved useless. The couple made their plans to leave the Duke's ship. Frank J. Gorman of the CIA testified for his information system. Bedaux and the Windsors were very upset.

By 1940, while Bedaux was busy undermining France in preparation for Victory and the establishment of a full-scale collaboration with Hitler, Windsor had become a member of the British Marseilles Mission with the French Army Command. Neville Chamberlain and Winston Churchill were aware that Windsor's Nazi connections were far more serious than had been initially suspected would indicate.

On May 31, 1941, J. Edgar Hoover sent a memorandum to Roosevelt's secretary, Major General Warden, which read as follows:

Information has been received at this Bureau from a source who is usually current and known to be in touch with some of the circle involved. It has been reported that Joseph P. Kennedy, the State Department in England, and Mr. Smith, the Wall Street operator, some time in the past had a meeting with Goering in Italy, and that thereafter Kennedy and Smith had donated a considerable sum of money to the German cause. They are both described as being very influential in German and pro-German.

This is one of the long-standing stories of information advanced to us that the Duke of Windsor entered into an agreement which in substance was to the effect that if Germany was victorious in the war, he would control the army in America, and that he would thereafter stand the Duke of Windsor as the King of England. This information concerning the Windsors is said to have originated with...
The Systems Tyrant

and subjected to a court-martial by Churchill. As it was, he proceeded to France at the time of the German take-over, with British intelligence agents following him. It is further apparent that it was much too dangerous for him to be seen with Charles Bedaux, who was busy setting up the Vichy take-over and having daily meetings at the Wannsee Bank. The Windsors proceeded into Spain via Port Bou, that favorite crossing-place of people under suspicion. After a desperate effort by Walter Schellenberg to have them removed to Germany prior to their taking over the British throne, the couple pleaded to pressure from Churchill via their old friend Sir Walter Winterton and ended in the Bahamas, where Windsor was made governor. In their absence Winston Churchill personally made the crucial move on April 7, 1941, of sending U. S. Ambassador William Bullitt to pay the Nazi government 15 thousand francs annual rental on their property in Occupied Paris and 15 thousand francs to the Bank of France, despite the fact that the bank was owned by Hitler's enemies. He acted as a go-between in the arrangements since he was close to Bullitt and Nazi Ambassador Otto Abetz. The Windsors stayed in touch with Bedaux until 1943, a fact that infuriated Margaret, Athol, and Athina Roddam as well as the liberals in Congress headed by John M. Coffee and Terri Vossius. Bedaux, scheming with Admiral Jean Darlan in North Africa in planning to destroy the British Empire, helped to pledge Syria as a Nazi supply base for a prospective battle of Suez, and he collaborated with the Nazis in Spain, working with the Vichy leader Marshal Pétain in securing 300,000 tons of steel for Germany. Ambassador Bullitt worried him by making him a special award at a time when Bullitt was already publicly entertaining the Nazi government. Bedaux was put in charge of American property in Occupied France as a special economic adviser to Abetz and German Administrator HJ Caesar. Thus he enabled the Führer to function more easily and was instrumental in approving the establishment of the Chase and Morgan banks and the Ford Motor Company in Occupied France even after Pearl Harbor.
A trading, the enemy
developments including railroads, power plants, water and coal production. In alliance with the Vichy General Maximilien Weygand, the French government under de Gaulle was committed to arm the Resistance against Allied intervention; in return for its services, they arranged for the masquerade of his captivated Dutch organization in Paris just after Pearl Harbor. After Pearl Harbor, Bedaux was immediately ordered to assemble an American citizen, but he was released after a month through the intervention of Albert and the Gestapo. Because of pressure from the German military, a German citizen, ordered to deal with the enemy, Bedaux was arrested again, on September 27, 1942. The French American naval officer was surprised to find himself, together with his attractive wife, in the Paris Zoo, where he was kept for four days in a cage normally used by monkeys.

Bedaux and his wife were released from imprisonment on the basis that he persuaded General Otto von Stülpnagel, who was in command of the German forces in Occupied France, of the impracticality for France to build a strong French Africa. He was given full governmental powers to execute his plan for the construction of a pipeline from Colomb-Béchar in southern Algeria to Bénin on the Niger River in the French Sudan in French West Africa. The purpose was twofold: the pipeline would carry 200,000 tons of water annually to four points in the Sahara for use by General's soldiers, and it would convey 300,000 tons of petroleum oil from French West Africa to Colomb-Béchar for shipment by rail for refinement by hon to Vichy. Fifty-five thousand tons of steel had been assigned by the German authorities for the construction of the pipeline, and the financing was undertaken by the Banque de France in Paris. Bedaux was authorized to construct a pipeline in French West Africa, and the Niger Colony, were to be exploited on a vast scale. Bridges constructed in French Guiana would carry hundreds of thousands of tons of products from western Sudan via the Niger to Bénin, where precious would be extracted for the extraction of oil.

The Syrian Tucan

On July 22, 1942, Bedaux went to see S. Pankey Tuck, charged d'affaires for the United States government in Vichy. He had just had lunch with Pierre Laval. He left with the embassy a photostatic copy of the release order of the German authorities in Paris, designating him the leader of economic missions in France. He said he had just returned from a survey of the coal mines in the Sahara Desert, which he expected to yield 1,200 tons of coal a day; he said that the present output was 800 tons a day and that he was responsible for all the cities in North Africa having electric power. He said he was concerned with building a new Europe that would end the madness of the world war. Tuck asked him about the German attitude toward the future, the supply of intelligence on German problems. He said he had assisted in technical advice at a number of gatherings in which French and German technicians gathered. He talked of the strikes the Gestapo was making in France, Major General Karl Ober's treatment of the Jews, and execution of hostages. He suggested that the United States should trade more with Laval, predicting that Laval was unhappy with the German government. He said to Tuck, "If the American press and public opinion could be persuaded to modify their present critical attitude toward Laval, it might be possible for our Government to make good use of him." Tuck concluded.

I believe that the American press and public opinion should be persuaded to modify their present critical attitude toward Laval. It might be possible for our Government to make good use of him.

This is a very peculiar attitude on the part of Pankey Tuck. Knowing full well that Bedaux was American and that he was collaborating with the enemy, Tuck nevertheless made no attempt whatsoever to charge d'affaires to have him arrested.
Consul General in Algiers and told Minister Robert Murphy that he was sent on his mission to aid the German government. There was almost a year after the United States was at war with Germany. It might well be asked whether a similar would have been made for information in an American representative if he were not accused of insanity from arrest.

In a memorandum to Cordell Hull dated October 30, 1942, Murphy gave a remarkable account of the visit. Bedaux said that he had been granted freedom to perform his mission in French Africa, and "it was in this connection that he called upon me in Algiers." Unhesitatingly, Bedaux handed Murphy his German authorizations and a special set of instructions signed by Pierre Laval.

On April 12, 1943, Hoover wrote to Harry Hopkins telling him of Bedaux's arrest. Hoover revealed that Eisenhauer had specifically asked the FBI men to go to North Africa to conduct the investigation into Bedaux's activities. Although the Federal Bureau of Investigation had no authorization to handle North Africa, since its presence, the case was transferred to the American continent. Bedaux contacted with Hoover, and a result two prominent FBI agents were sent to Algiers to examine Bedaux. The plane carrying them crashed. Two other agents were flown over in two planes.

Acting on instructions from Hoover and Biddle, the agents again called on the American agents to destroy Bedaux's evidence, burned their files and pseudo-registered Bedaux's evidence. It was painfully obvious that strings had been pulled with Bedaux once again. The agents went to see the officers of the French police, who produced the information that the Bedaux case, as far as it was possible to verify, was essentially complete and unaltered. The same evidence is today being used in U.S. Military Intelligence files.

The U.S. Army under Eisenhauer was keen on having action taken, but an Executive Order of the Army Intelligence dated January 4, 1945, states that it is impossible to fight a war with such evidence. The excuse given was that the case against Bedaux had been "had to be watertight," while in fact it was already conclusive.

Bedaux was held for a full year in prison while looking everywhere for him to be released. He was continued his hold on the American blacks and others in occupied Europe, a mistake which this is the last that anybody in high command wanted to have made public. As long best, on December 16, 1945, Bedaux was turned over to Lieutenant Colonel Henson for military escort to the United States, arriving on December 23 at Miami. The same day, Lieutenant Colonel Henson of the Army Air Force suddenly released Bedaux from Hamilton's custody, gave Bedaux twenty-seven hundred confiscated dollars and took all of the Bedaux papers to Washington. Army officials ordered the Customs officers (who were not normally under their supervision) to pass papers without examination by customs officers, thus took Bedaux to the Customs Office in Miami. From there, instead of going to a state prison, he was placed in a comfortable detention home in charge of Immigration, with special consideration from the authorities.

On December 28, 1945, all of Biddle's agents suddenly turned up at the Immigration office and asked the authorities to lift what minimal restrictions Bedaux was experiencing. On December 29, Bedaux ordered the War Department to withdraw completely from the case.

The cover-up continued. Bedaux gave FBI men a list of very prominent figures of commerce who could be expected to testify in his behalf in the event that he should ever come to trial. Biddle immediately suppressed the list. However, it fell into the hands of the weekly, The Nation, which revealed the names on the list as those of "industrialists who had recently been involved in anti-trust cases." That meant, of course, the American figures of The Nation.

On February 14, 1944, Bedaux was advised by an Immigration agent that a board of special inquiry of the Immigration and Naturalization Service had "concluded that he was a citizen of the United States," and had never surrendered his citizenship. Further, the INS would order his admission into the United States as soon as certain minor formalities had been completed. The INS also told Bedaux that "his good luck would be increased in inquiring into his relationship with high officials of the German government and the Vichy French government, and that the grand jury would consider whether he should be indicted for treason and for communicating with the enemy."
Major Leonard Scheffeld had only recently stepped down as head of the immigration and members of his immediate staff were still in office, so it was unlikely that anything would have come of the grand jury hearing. However, Bedaux had become distinctly inconvenient to the government. There was a strict rule in the immigration station that sleeping pills could not be given to prisoners, but Bedaux was allowed the special privilege of using them. On February 14, 1944, Bedaux retired to bed and swallowed all of the pills he had been given since his arrival on December 23. Max Lerner and I. F. Stone disclosed in PM and in The Nation that they were convinced that Bedaux was encouraged to take the easy way out. It is impossible to differ with that opinion.

Throughout World War II, Max Lerner of PM, as well as the organization known as the Allied Committee, financed by I. G. Farben, the organization of Germans Abroad, was not officially but in fact actually under Walter Schellenberg's direct control. The leading agents for the AO in the hemisphere were Hitler's former commanding officer Fritz Wiedemann and Hitler's beloved treacherous Princess Stephanie von Hohenlohe. With I. G. money and direct approval from Himmler, Wiedemann and Stefanie were the main puppeteers of the American-Nazi international fellowship. They schemed along with Schellenberg for the downfall of Hitler and the advent of Himmler and the Schmidt Council of Twelve. They, like Himmler, dreamed of the restoration of the German monarchy. They visited the Kaiser in Cuba, Rio de Janeiro, and until 1941, the year of his death.

Wiedemann and Stefanie entered the United States secretly. The AO privately that they had fallen out of favor with Hitler. This was true, since Hitler in fact was gravely suspicious of both of them because of their connections to both the official plot to dislodge him and to the underground Admiral Wilhelm Canaris, head of the Abwehr, German Military Intelligence, who himself was suspected of being a double agent. As consul general in San Francisco, Wiedemann was head

* in several cities.
Winston Churchill and the princesses were credited by Hitler with helping to pave the way to his annexation of European territories. The former had awarded her the gift of Laxenburg Castle near Saldenburg, former property of the great Jewish industrialist Max Reinhard. Beginning in 1933, Wickersham made several visits to the United States, chiefly to direct the Jewish organization known as the Friends of New Germany. He added ruthless in speaking on anti-Semitism with President and Japan, and in the spring of 1938 traveled to the Balkans to bring them to its depths into the realm of the Axis. 

Suzanne also spent much time in Switzerland, where she lived with German intelligence agents. Many of them corresponded with her former husband, Prince Hubertus, who had been head of Austrian intelligence in that country in World War I.
in September 1939, several lady friends denounced her as a spy and insisted that she leave the restaurant at once. She proceeded calmly with her meal.

Later that year she was busy fighting an unavailing lawsuit in the London courts against Lord Rothermere for payment of the amounts due to her in royalties on behalf of the Nazi cause. The case took her up to London. Wiidemann went ahead to New York with the understanding that she would follow soon afterward. Now that Europe was plunged into war, their purpose was to help keep America out of the war and to unite German-Americans in business in the Fatherland. Wiidemann set up the German-American Business League, which had as its rules purchase of German only, boycott of Jewish firms, and the insistence that all employees be Aryans. Financed by Max Eiger through General Aniline and Film, Wiidemann developed the Business League while pretending to denounce the Associated Bunds organization. Among the members were the owners of 1,000 small farms, including numerous import-export companies, food services, dry goods stores, meat markets, and adult and children's dress shops. The League stirred up anti-Semitic feelings, financed secret Nazi military training camps, paid for radio time for Nazi plays, and published German goods. It ran bureaus without licenses and sold blank cards to aid its brethren in Poland and Czechoslovakia before those countries were annexed.

On September 10, just after war broke out in Europe, Wiidemann told the German-American Business League in San Francisco: "You are citizens of the United States which has allied itself with an enemy of the German nation. The time will come when you may have to decide which side to take. I would caution that I cannot advise you what to do but you should be governed by your conscience. One duty lies with the Mother country, the other with the adopted country. Blood is thicker than ink... Germany is the land of the fathers and regardless of consequences, you should not disregard the traditional heritage which you own."

The Princess's arrival in California in 1940 was not as trivial or absurd in purpose as it seemed, accomplished as it was by a great deal of publicity including seemingly endless column notices. Given her glamour and notorious reputation, she was invited to many social events in San Francisco and Los Angeles. The idea of a Nazi princess electrified society, even those members of it who delighted in stating their loyalties for England. She was quizzed, probed, and interviewed incessantly. Meanwhile, she talked with the wives of Nazi leaders, trying to influence their husbands toward the Nazi cause. She warned of dangers of communism, and the possibility that Hitler might attack America if America were not friendly. She mentioned the wealth and prosperity of Germany.

She was a perfect agent for Nazi philosophy. She helped bring about many deals between businessmen and the I.G. Farben cartel. She continued her romantic liaison with Wiidemann. FBI agent Frank Angell and a special team tracked the two down to the Septa National Forest where Wiidemann and the princess spent the nights together in a log cabin while the Gestapo lurked among the trees.

J. Edgar Hoover became so obsessed with the princess and her doings that he had squads of men following the wrong woman, the Princess Michl Hohenschön, an innocent American who had married into the family. Michl and her friend, the socialite Guinevere Munro, were dogged for months when they had in fact done nothing more serious than acquire a Palm Beach parking ticket.

At the beginning of 1940 the Princess Sophia met Sir William Wiseman, banker and Cambridge boxing Blue. Plump, with a brisk winning custom and dignified air, he had been head of British intelligence in World War I. He had formed a partner in the Jewish banking company Kuhn, Loeb. Treasury documents assert that the company was aligned with the foremost group of companies in Latin America that had entered into agreements with Nazi Germany to divide up the Latin American communications business. According to A Man Called Interlocutor, the well-known biography of Sir William Stephenson, head of British Security Coordination to the United States, Wiseman was a member of Stevenson's staff in World War II and was delegated to spy on Wiidemann and Hohenschön with the authorization of J. Edgar Hoover and the British government.

The FBI files contradict this assertion. Indeed, they show that Wiseman was under suspicion and investigation. Army Intelligence chiefs' memos show that Wiseman was unauthorized by the British or American governments to act in any negotiations whatever. Indeed, his activities were either condemned or supported by any government.
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for the invasion of England. Simultaneously, Wiedemann gave Wiesman intelligence on the workings of the German High Command. Wiesman told, "If I were advising Hitler as a friend, I would say the damage you could do to America is nothing compared to the damage that can be done if you make the Americans mad. They may act slowly but it takes them a long time to get united. They get hysterical and look for a scapegoat every now and then. From my point of view, I do not want to see more killing, ... I would say that I do not want a lot of sabotage in America because it just makes the feeling so much more bitter and things to much more difficult." These words are almost identical to those found in Wiedemann's Charge d'Affaires Hans Theo-}

ris's missives to Berlin.

Hoover kept a tight rein on the three communiques that emanated from that moment. On December 13, 1940, the FBI tipped the princess's telephone. She was calling Wiesman in London from London headed by Lord Halliford, who was soon to become ambassador to Washington. Wiseman sent his own cable to Washington, Wiseman made clear in the meeting that Hoffacker was believed to be a member of the Gestapo and was believed to be a member of the Gestapo. The princess said she would, as a Hungarian subject, bring Hitler the peace offer from Halliford, obtaining a false visa in Switzerland in order to enter Germany. She would immediately bring Hitler the offer, using his influence for her, and if that failed, she would assist in the ill-conceived Royalist/Scheuer/Dugdale, G. Finley coup d'état in which Himmler would take over and permanently resolve the monarchy. A representative of Himmler's Gestapo would then meet with Halliford in London to confirm the arrangements for an alliance with Great Britain. Wiseman impressively stated that now that France was out of the way, the British could offer more favorable peace terms to Germany. "The French are always the difficult ones to satisfy, and we have had to consider France in the past. France will not have to be considered now except from the standpoint that she will be reestablished like Poland." Wiseman supplied Wiedemann at this meeting with intelligence about the way in which the Royal Navy had intercepted Hitler's plans
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chasing Commission he was concerned "to keep that hysterical creature from going off the deep end... from losing her head and spilling all the beans on the table." Frazier said, "This may spoil a very beautiful friendship." Wiseman said, "If the friendship splits, we'll just have to go out and pick up another one." He added, "This gives an opportunity for a scandal on a really big scale. That's what I'm afraid of.

FBI men followed Wiseman everywhere by car, rain, and plane.

There was a story of meetings between Wiseman and Ingrid Frazier. Wiseman and the Hoehnkeins, strongly worded, about the appointment of Lord Halifax as ambassador for Great Britain in the United States. Lord Beversford in London talked that he wanted. Wiseman to contact Lord Halifax "as soon as Halifax arrived." There were a series of mysterious meetings between Wiseman, former President Herbert Hoover, Herbert Bayard Swoope, and others, apparently on the matter of the negotiated peace.

On May 20, 1944, Schreifeld came through. He dropped the deportation proceedings and gave an interview to newspaperman at San Francisco Immigration headquarters explaining why, while in custody the Princess Stefanie has cooperated with the Department of Justice and has furnished information of interest. The Department believes her release from custody will not be adverse to the interests and welfare of this country. Arrangements have been made for her continued cooperation, and her whereabouts and activities will be known at all times.

The major personally conducted the princess to her luxurious apartment in Palo Alto. Dressed in a chic black crepe dress with frothy white collar, white gloves, and a black and white hat, the Nazi princess was in a good mood on May 23, 1944, as she drove around San Francisco with the Director of Immigration at the wheel. Asked by reporters wherever he went if he would explain the "incriminating information" Heberle had given him, she said with a smile, "Obviously not."

Although Walter Winchell, President Roosevelt, and seemingly everybody in Washington knew that the head of Immigration and the Nazi's favorite agent were involved in an affair, her release passed without significant public protest of any kind. The strongest statement
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famous peace missions that she had given immigration officials a list of Nazi sympathizers in Britain who had been trying to negotiate a peace with Hitler; that she had specifically named Rudolf Hess, that she had named other German Nazi agents.

By June 20, Hoover had become exasperated by the Department of Justice's seemingly endless delays in supplying Steffl's revelations. McGuire was startled and refused to discuss with Frank Pearson how information the FBI did not. "This is what's amazing," Hoover wrote at the foot of a memorandum from Edward A. Tarran of his staff on the vain delaying tactic. Meanwhile, Hoover was tendering in security reports on Steffl's Nazi connection.

Agent N.J. L. Bigler in San Francisco tapped several telephones to learn that Wiedemann had had a falling-out with Steffl. An informant named Egger that he was a German friend of Wiedemann's who felt he owed something to the American government. He talked about the contents of a conversation he had had with Wiedemann, who said, "There is nothing the President could have said that would harm me. She wouldn't. Indeed, she gave notice to Steffl. It was a blank to that Steffl could say nothing. And there's another thing. Cordell Hull's counsel, Lytle Hull, was together with Steffl in this matter. He wanted the President released." This disclosure could not be acted on by Hoover, because of his limited powers.

In mid-June, under continuous pressure from Roosevelt, the government dropped a bombshell. All Nazi emissaries in America were ordered closed.

Wiedemann was under orders to leave the country by July 10. He had only been in the consulate for a few weeks. Several people walked by the building and were heard by reporters as saying "Good riddance." Two American sailors climbed to the roof of the consulate and pulled down the swastika flag.

The night after orders came from Washington, Wiedemann's neighborhood reported small pout from the chimney of the consulate with flashes of light. Papers were being shredded into the consulate fires while others were loaded into the official Mercedes-Benz to be put aboard German ships bound for their homeland. There were rumors
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receiving Hotheads' report. With incredible boldness, the major
moved from the Raleigh Hotel to the Woolman Park on the same
floor as the princess.

Princess Stefania was in bed, screaming constantly at the staff.
Schofield had to pay enormous tips to pacify the maids.
August 9 it was announced in the Washington Times-Herald that the princess
would publish a book in six weeks containing the "secret
information" she had allegedly handed to Schofield. The FBI's Nazi
Kimmell sent a memo to agent Biddle saying rather
plaintively, "It might be as well to yet again request this information
from Mr. McCrane, pointing out the indication mentioned in the article
that the press intends to fully publish this matter within the
next six weeks and that it would be most advantageous for the Bureau to
have available this information prior to the time it becomes public."

As late as August 10, 1941, the Princess Hotheads was
asked to leave Washington. The scandal of her affair with Schofield
was such that Acting Attorney General Biddle asked her to have her
returns to California immediately. When Edward Tatum of the FBI
got wind of this, he called Biddle. Where was the princess's
statement? Biddle stated he knew nothing whatever about it.

At the end of August, Wiedemann was in Bealla, reporting to
Himmler on his many findings. In September, he was on his way by
L.A.T.I. to Argentina, where Nazi activities were extensive.
He arrived in Rio in September, to confer with the Gestapo leader
Cortellini Sandflec, who had just escaped from Buenos Aires. The
Brazilian newspaper O Globo had a photograph of Wiedemnn on
the front page with the headline "Number One Nazi of the
Americas.

The article stated bluntly that Wiedemann was responsible only
to Hitler and had left $5 million in America to finance Nazi espionage
nings.

Throughout August the Princess Hotheads moved to the homes
of various friends of Schofield's in his native state of Pennsylvania.
Meanwhile, in Rio, local police searched Wiedemann's belongings
and found a list of Nazi agents in California. They also discovered
that he was being held for the Gestapo, a fact he himself confirmed
the following day.

Wiedemann sailed for Kobe on the Montana on September 8. Violent
demonstrations outside the embassy causing him


to leave on the next available vessel. Two small bombs exploded as he drove in an armed car to the Boston Aries wharves.

Meanwhile, the princess was stabled in a horse described as a "hansom" by Walter Winchell in Alexandria, Virginia. FBI agents saw Schofield arriving at the horse in the evenings and leaving in the morning. She was still using the name "Nancy White." In the days just before Pearl Harbor the princess was in Philadelphia with Schofield. Her address book was examined by the FBI during her absence from the hotel and was found to include the name of Francis Biddle's wife. Hoover made a special note of the fact.

The moment the Japanese bombed Hawaii on December 7, Hoover was on his way. As the Princess Hohenlohe left a Philadelphia theatre with her mother at 11:30 p.m. on the night of December 8, FBI agents seized her. They handed her into a car, taking her eighty-nine-year-old mother screaming, impressionism as on the sidewalk. Hohenlohe was fingerprinted and photographed. She tried in vain to call Schofield by telephone. She was taken to the Gloucester Immigration station in New Jersey and put into solitary confinement, later changed to dormitory accommodations where she joined four Japanese girls and a woman from New Jersey who had jumped on the American flag and was swept many of her time doing double somersaults while the princess read the Reminiscences of Madame du Plessis.

It was now confirmed that Hoover that the supposed confession the princess had made was in order to be released from deportation had never existed. McGuire's and Ferren's statements that the important document was being typed amounted to less than a lie. Precisely why the Attorney General chose to become involved in this deception remains undisclosed.

The plot thickened in mid-January. In a report of January 15, 1942, to Hoover by Special Agent D. A. Ludde, it was made clear that the princess had, "a very influential friend in the State Department who promised she had been; the Princess had stated that this friend had the authority to permit Axis aliens to enter the country and to keep any other Axis aliens out of the country." The name to this day is blocked out in the report. Since Schofield's name appears in all the other reports.

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the reference presumably is to Breckinridge Long. To this day, the FBI refuses to disclose it.

During February 1942, Hohenlohe was writing letters to her mother at the Philadelphia YWCA, full of instructions on what Schofield was to do. He was to tell reporters not to molest her, check everything before it was published, and find some way out of prison for her on the pretense she was Hungarian, not Austrian. Hoover kept careful note of all these correspondences.

The princess gave the performance of a lifetime at the stage, filling a niche and proving her versatility with her William Wyler. Biddle proved to be most helpful, insisting that the princess should be transferred from Gloucester to a place of "the alien's choice" where she could get proper treatment.

The local supervisor on the board of the Immigration station conferred with the Philadelphia U.S. Assistant Attorney who fortunately for national security evaded the order that he pointed out, could result in the princess choosing any hospital she liked, "even though the hospital or members of its staff were suspected of German activities."

The "smoke" changed to a fit of temper and the princess stayed where she was.

Schofield decided to make a couple of visits. He saw to it the princess was given considerate treatment. Her mother spent many hours with Schofield in offices in downtown Philadelphia, followed constantly by FBI agents. But it proved impossible to bug Schofield's office.

Roosevelt wrote to Hoover on November 28, 1941, "I spoke to the Attorney General about the Hohenlohe case and he assures me that he has broken up the ramifications. Also, it looks best to change the present verbal as the position in question is much safer to watch at that place. Please do a confidential report for me."

On June 17, 1942, Roosevelt wrote again to Hoover: "Once more I have to add that the Hohenlohe woman, I really think this whole affair will verge not merely on the ridiculous but on the disgraceful. Is the woman really an Elsie Janis?"

On July 11, it was clear nothing had been done. The President wrote to Biddle: "Unless the Immigration Service cleans up once and
The Diplomat, the Major, the Prince, and the Knight

has been shown in this matter by the President of the United States, and the Attorney General. You are directed to obtain all development concerning it forthwith and submit the same to the Bureau for the attention of the espionage section.

The prince's trick was remarkable; it proved difficult for the law in London to pursue their case against her because her attorney, David Brooks, was missing in action in Singapore. This caused a delay in the case.

She began running to the church when Schroeder proved unaccountably cool. She asked the priest to contact General Dobby, but he declined, perhaps in part because she wasn't Catholic as she pretended.

In order to delay or smear the President's suspicions, Attorney General Dobby decided to transfer the prince to Seagull, Texas, a convenient distance from Washington. Schroeder made sure that a contact man was placed in the camp as his stooge. At last one of the FBI men took a chance and advised the Coast Guard of his purpose in watching Gloucester station. The Court Guard was under special instructions to watch every move the prince's mother made in case she tried to spring Elizabeth free.

Elizabeth became violent at the thought of being transferred to Texas and, in the words of a report, "acted like a debutante." She said that her family wanted to take her out of Gloucester, "they would have to carry her." As a result, an American Legion ambulance arrived at the center with two men carrying a restraining chair and a stretcher. When the law there, she announced she felt better and proceeded to the railway station in an immigration car. As she looked out of the camp's gate, Elizabeth burst into tears, "Is Schroeder in Texas?"

The answer was in the affirmative. In fact, Schroeder had preceded her there by two days. Suddenly the question for her was Texas: because she might try to escape across the Mexican border. The prince left the train station in style. She demanded the Coast Guard carry her suitcase, and when they declined, she carried them, according to them, being physically weak. Strength to the quick, they obliged. When they arrived on the train, she expressed astonishment that she had not been given a drawing room box but was permitted

The princess had her problems. She was being threatened with legal action for the recovery of funds paid out and legal services supplied by her London lawyer, Theodore Goddard and Company. She tried to choose the compensation for pressing several publishers to take her manuscript; the ever-patient Schroeder managed to get her a special pass to travel to New York to discuss the matter with her lawyer in March. The President was getting more and more agitated.

An interesting episode took place on July 16, 1942. An FBI special agent went to the visiting room of the prince on the occasion of interviewing one of the inmates. He noticed the last condition of a Nazi who had recently been arrested was speaking on the pay telephone in German without being monitored. The prisoner was locked in a booth; she seemed to be in good shape and was a letter cheerfully from a prison staff member. Apparently her skills included a familiarity with shorthand. She may have been making a statement.

The prince came out in conversation to the agent, "The princess has had personal attention, and I like to keep her company. Sometimes she helps me remember the name!"

What does it in national security can only be guessed at. Not surprisingly, Hoover ordered an "all-out effort to discover what information concerning the activities of the princess.

It was reported by several plants at Gloucester that employment activity in the factory because of the prince. The seaman's window, Hoover had ordered the use of a "no smoking" area. The interest in the station is patrolled by Coast Guards who are suspicious of any individuals who must pass by, it would not be feasible to park a car in the proper position to observe activities without being detected by the Coast Guard.

Hoover was immediately concerned and sent a message to his New York office (August 3, 1942), in view of the interest which
The diplomat, the Major, the Prussian, and the Knight

assured that this information would not be transmitted to INS. She was warned that Biddle and Scheffeld were very close personal friends and Biddle would ignore her. She then said that her husband had told Scheffeld that Stutien was being fed and that Stutien was about ready to go to Hoover about the case when Scheffeld became interested and paid the barons way back to Texas. As a last ditch stand, Stutien offered to throw personal information about Hitter and Goebbels to assure her release. Edward Tamm of the Washington FBI in his memo to Hoover, said that the "Prince is a very clever and, consequently, a very dangerous woman, and that she is maneuvering now to play the Bureau against the Immigration Service so she will get something out of it.'

In January 1943, the princess wrote a heavily worded version of her life and sent it off to the FBI. She told the Dallas agent John Little as she handed over this scumbeled document, "What I have to tell will be as sensational as [any] shaker's trial. I want to tell it in a 50-50 proposition. You will never owe them as long as you live. If you help me to receive the proper attention, you will be reimbursed many, many times. I also have means in Washington where a person giving the right word will see that your career is furthered.'

She claimed she was railroaded into incontinence to protect Scheffeld's name. She said, "Anyone who comes in contact with me it's his lucky day. This interview will make your career. My story will make headlines." She demanded to be sent to Hoover and Roosevelt about matters which I can only relate to the President.'

She became hysterical several times and then admitted, "I am a spoiled brat." She insisted that Agent Little promise to release her. She said that she had of "secret correspondences" between Hoover and Scheffeld. She said Scheffeld was desperately afraid of Walter Winchell. She said Scheffeld had her jewels and she would require him to Hoover. She said, "I always tell the whole truth and nothing but the truth. And only lie when I have to.'

She asked for a special board to sit on her case comprised of Hoover, Scheffeld, Biddle, "and anybody else who should be present." "That is beyond imagination," Little replied.

She continued, "Ask Mr. Hoover to come here in person. I won't always be a nobody. I have friends. You'll do what you can.'"
sent a letter to Hoover, grossly flattering to John Little. She then sued, mysteriously: "I have something to tell you, Mr. Hoover, of a personal nature. As a result, I will be called." 

That is essentially the story. Little left.

Her last words to him were: "You will make headlines!"

In a further statement, she protested that she had not been intimate with a man since 1929. ("While some women take pleasure in giving themselves, I take pleasure in denying myself.")

The material win the attention as before: a blend of truth and fantasy well veiled. It seems to have happened somewhere in Washington, because efforts were made to arrange a new hearing of the Princess Hohenzolles' case. She sent several letters to Hoover that indicated clearly she had given up on Hitler because of the news of his failures in the war. Meanwhile, her mother posted at an intimate person and asked for commitment to a mental institution. She was judged mad at a state court in Dallas. She was not in a happy mood.

Another agent went to see the Princess Hohenzolle in November 1943 and found her extremely distraught and in an emotional condition. She described her as "in a constant state of despair." "She seemed artificial and designed to win my sympathy."

On March 1, 1943, the Princess Hohenzolle finally got her hearing. Those present on the board were two members of the Department of Justice and one member of the FBI. The board concluded she was innocent of everything and that she should be expelled in time. She waited triumphantly out of the hearing room—but not by much. Hoover held the matter for some weeks. Roosevelt personally overruled the board and saw to it that the princess was reaccepted in the nation.

In late January 1945, Wiedemann tried to kill himself with an overdose of pills. How she obtained them is a mystery. The princess sent a harp lesson to Hill and a long congratulating note to Eleanor Roosevelt.

The princess was finally released a few days after V-E Day. She appeared to have suffered little from her ordeal, and Major Schofield welcomed her back with open arms. They moved to his farm near Philadelphia and lived there as man and wife. The princess reannounced her New York society. She did not attend the Stock Market, where she was an involved stockbroker. She was observed in similar circumstances.
advanced paranoid schizophrenia. Newspapers reported that meaning-
that the house and the communists were crawling on the floor of
his room seeking to destroy him.

The rest of the conspirators lived out full lives—

When Germany fell, Hanns Schmitz fled from Frankfurt to a
hiding place in a small house near Heidelberg. Shuttled around
between the lines in a railroad carriage, this powerful man ended in
terror as bombs exploded about him. But he was boldly assisted when
the U.S. Army moved in. He was imprisoned, but well treated, thanks
to the influence of his great and powerful friends. Despite the fact
that he and his colleagues had been responsible for the deaths of four
million Jews at Auschwitz, they were not tried for mass murder as
war criminals. Instead, they were tried for preparing and planning ag-
gressive war, and other related counts. Since they had intended to
form a world fascist state without war if possible, and since their
whole purpose was simply to render Germany equal in a United States
of Fascism, they were acquitted on the first charge. The lesser charges
resulted in insignificant sentences.

Then, now, and always with a distinguished Vendetta beard,
Schmitz cleverly decided not to give evidence at the trial. He claimed
illness but in fact was faking it. His only statement came at the end
of the hearings when he had the audacity to go to St. Augustine
and, for good measure, Abraham Lincoln, to the judges. He spent
only eight months in prison.

Max Lerner was equally clever. He told the prosecutors he would
become a priest after he left prison. He did.

Espionage was not an issue in the case; no summoning of trans-
satlantic figures was considered. Dorothy Schmidt, now a chicken
farm in Connecticut, and Waldorf Astor went unpunished. In fact,
court hearings of the 1940s, Schmidt and Astor had been indicted but
the cases against them were never prosecuted.

On September 8, 1944, Roosevelt had sent a letter to Cordell Hull
that was front page in many newspapers. It included the bold state-
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ment that was front page in many newspapers. It included the bold state-
Morgenthau had his idealistic and impractical Morgenthau Plan—named after the creation of Harry Dexter White. Based on his comprehensive knowledge of industry, White intended a radical reorganization of all German industry, including the reorganization of all German armaments and military industries. He wanted Germany to become a strictly agrarian economy. Roosevelt seemed to agree. In December 1944, Roosevelt asked for a thorough examination of the Nazi arms industry, and already there were some factories in the area. Morgenthau came under a storm of abuse from the right wing, and the only President was now yielding to some minor pressure and starting to look back. In February 1945, at the Yalta Conference, Roosevelt, by now vigorously ill, seemed to follow Morgenthau’s reasoning by making the same critical arrangement to divide Germany into the four main areas and to be there. When Truman became President, Eisenhower, as commander in chief of the American forces, continued to follow Morgenthau’s unique role with severe effects, waiting for division of any Nazi source of a possible World War III. But Truman disagreed. He was convinced that the methods Morgenthau was to have open path by Bulganin’s conquest. General George S. Patton agreed with him and began to put Nazi-held plants in operation in Germany after the war.

Those who, with ideals held high, arrived in Germany from the United States to try to control the camps were severely handicapped by the fact. One of these was a promising young lawyer, Russell L. H. Nicholas, a liberal member of the U.S. Military Government Civilian Section. Nicholas, a young lawyer, was posted as the president of the British, who had purchased Germany after World War I. Nixon quickly realized that the framers, as the economics division, and Robert Morgenthau, who had moved from North Africa to become ambassador to the new Germany, were going to block his every move. When he arrived in Germany in July 1945, Nixon fired his positions as virtually impossible. He had been asked to explain a memo that had already been blocked up.

He asked Count Z. E. Fritsar, Special United Nations in charge of the L.G. Patton, what he had done there since several months after V.E. day to carry out Eisenhower’s direction of an immediate and cool. Although we have failed to give any information and purposely questioned whether Nixon had any jurisdiction to investigate the camp. Nixon turned in desperation to several members of Draper’s staff, only to discover that Draper had failed to give them written directives to close L.G. camps.

One man, Joseph Dodge, told Nixon he had instructed his men to dismantle all L.G. prison gas plants but that Draper had cancelled the order. Again, Dodge tried to warn the L.G. underground plant in Mannheim and again Draper intervened. Soon afterward, Dodge told Nixon, Draper arranged for both plants to be added as additional barracks.

Meanwhile, Nixon went over Draper’s head. He reported to General Jacob L. Clay on December 17, 1944, that Eisenhower’s orders had been deliberately violated. He charged that, contrary to Draper’s statements in the press that every L.G. plant had been bombed or dismantled, none had been. He said that General Henry H. Arnold of the Army Air Forces had reported L.G. and he added that despite the plans of the British, the divisions in the communication systems of Germany had not been destroyed.

Clay listened to Nixon’s charges but did nothing about them. Nixon found that scientific and mechanical equipment in L.G. plants had been wasted from removal. For specific orders from Washington. Something went wrong on January 15, 1946. Nixon found a letter written by Max Beers that gave the correct away. Dixie May 15, 1944, and addressed to the L.G. Central Finance Department, the letter was incorrect and was kept. "I am not in contact with any 160 American authorities. I have seen the last, and it is in Germany since the American authorities "would surely send us a resumption of L.G. operations. This is the end of the N.W.T. L.G. espionage unit which looked forward confidently to the future. He of all people knew the Americans he was dealing with.

Nixon was handicapped not only by the American military government, but by the British. The Labour government in England was in severe financial difficulties and wanted to make sure it had good in-
The financial strain for cover

Nixon had been in office only a few months when he decided to take a stand against the Nixon administration's policies. He was particularly concerned about the rising cost of the Vietnam War and the escalating budget deficits. Nixon believed that the country needed a stronger financial system to weather the challenges of the post-war world. He approached the task with determination and a clear sense of purpose.

Nixon's policies were widely criticized by both domestic and international observers. Many saw his efforts to balance the budget and reduce federal spending as a threat to the economic stability of the country. Others accused him of being too focused on short-term gains and not considering the long-term consequences of his actions.

Despite the opposition, Nixon persisted in his efforts to reduce the federal deficit. He believed that the country needed a strong financial system to weather the challenges of the post-war world. He approached the task with determination and a clear sense of purpose.

In his capacity as President, Nixon also sought to improve relations with other nations. He knew that the United States needed the support of its allies in the global community. He worked to build relationships with leaders around the world, and he was particularly impressed by the leadership of key figures such as the Prime Minister of the United Kingdom and the President of France.

Nixon's policies were widely criticized by both domestic and international observers. Many saw his efforts to balance the budget and reduce federal spending as a threat to the economic stability of the country. Others accused him of being too focused on short-term gains and not considering the long-term consequences of his actions.

The President's efforts to improve relations with other nations were also met with skepticism. Some doubted that the United States could achieve its goals through diplomacy alone. But Nixon was determined to prove them wrong. He believed that strong relationships with other nations were essential to the country's success in the post-war world.
The Fraternity Boys for Cover

Company: "Each name charming, Martin found that I.G. had placed a 50 million mark credit to K. Lehrmann's Standard subsidiary in Germany in the Deutsch Landerbank, wholly owned by I.G. with Hermann Schmitz as chairman, in 1944. Thus, it was clear that Standard's interest in Nazi Germany was open and available and that its German subsidiary was being paid handsomely for powerful agreements.

Martin and his team were hampered at every turn. He wrote in his book, All Honorable Men:"

We had not been stopped in Germany by German business. We had been stopped in Germany by German politics. The foe that stopped us had operated from the United States but had not operated in the open. We were not stopped by a law of Congress, by an Executive Order of the President, or even by a change of policy espoused by the President... in short, whatever it was that had stopped us, it was the government. It was already too compliant to channel the payments. The government normally operates. The relative powerlessness of the German government in the growing economic process is one of two: some other... national governments stood on the sidelines while bigger operators arranged the world's affairs.

These operators were among the obstacles faced by James Stewart Martin and his team as they began work in the fall of 1945. A year after they began collecting through documents, many of the Nazi in Schmitz's and Hitler's immediate circle were untrapped by defeat. Schmitz, a fellow director of the Deustche Bank, Hermann Abc, was now financial advisor to the British zone. Heinrich Dinkelschuch, also a partner of Schmitz, was in charge of the administration and war industries in the British zone. Another director of the Steel Union, Werner Cup, the closest friend of Barren von Schrader's, was released from detention and became Dinkelschuch's partner. So much for Eisenhower's orders to destroy Industry. Schmitz in his lifetime would afford to make, "Now Nazi chemists." Minister Daniel wrote in The New York Times on September 20, 1945, "[I]n positions where they can continue to control to a large degree the machinery whereby Germany made war." Daniel continued.

The effect of the breakdown of the denazification program... preserves the power of men whose nationalistic and militaristic ideas were..."
the very essence of democracy. It is a threat to the freedom of expression and communication. The thought of General Eisenhower's order is particularly ominous. As in avoiding complacency with (the) order, Army and Military government officials have shown a tendency to be protective of their interests. This attitude, which has not been present in the past, may indicate a lack of respect by the former government officials.

Daniell continued.

Not too long ago, a known development on the plan for the disposition of the property of Nazi is still not well-publicized. A recent report indicates that Nazi officials are suspected of being involved in the planning of the disposal of the Nazi assets. At present, a proposal is being considered to liquidate the property of the Nazi officials. This proposal, if implemented, could lead to a significant decrease in the value of the property currently held by Nazi officials.

Martin made a serious discovery in October 1945. He reported that General Patton had instructed the President's Commission to delay the repatriation of Nazi assets. This instruction, he claimed, was intended to prevent the previously seized property from being repatriated. Simultaneously, the Kigore Committee was formed in Washington on November 15, 1945, to investigate the Nazi assets and to determine their fate. The Kigore Committee was formed by the President's order to ensure that the Nazi assets were repatriated.

On the same day, the Swiss National Bank, which held the bulk of the Nazi assets, informed the Kigore Committee that the assets would be repatriated. However, the Kigore Committee, led by Senator Harry Kigore, insisted that the assets be held in a segregated account. The Kigore Committee was under the impression that the assets were no longer in their possession. Nevertheless, the assets were subsequently repatriated to Nazi officials.

The Nazi assets were subsequently repatriated to Nazi officials, who were given the opportunity to repatriate the assets to their home countries. This opportunity was seized by Nazi officials, who repatriated the assets to their home countries. The Kigore Committee was later disbanded, and the Nazi assets were handed over to the Nazi officials.

The page ends with a note from the President's Office, stating that they have received a letter from Field Marshal Sir John Dill, dated March 19, 1945, which stated that they have not received any new information regarding the repatriation of the Nazi assets. The letter was signed by the President and was delivered to the Kigore Committee.

They found a letter from Field Marshal Sir John Dill, dated March 19, 1945, which stated: "Above all I have insisted for the National Nazi on war services. The Swiss Nazis are in return for Reichsruhmkorps which the Reichsbahn might release for any reason. That is important."
Committee. He denounced Standard's synthetic rubber agreements, stating that it was a violation of the Lend-Lease Act. He claimed that the company's profits were excessive and that the company was not contributing enough to the war effort.

In conclusion, Mr. Reed highlighted the importance of the Lend-Lease Act in supporting the war effort and emphasized the need for continued cooperation between government and industry to ensure the successful prosecution of the war.

Mr. Reed concluded his remarks by expressing his confidence in the continued success of the Lend-Lease Act and its role in the ultimate victory of the Allied forces.
That December, the Kilgore Committee uncovered more and more scandals. Meader introduced documents showing how Draper had sold Nazi war contracts and obtained profits from it. The documents revealed that Draper had damaged the government by profiting from the war efforts.

There were efforts made to obtain a voucher of Truman's policy of removing parents from German hands. The leader of this attempt was an executive of the U.S. Steel Corporation, who refused to report. The President's office immediately fired the executive for this behavior. It was initially believed that the President had passed the information to the Secretary of War.

In 1951, President Truman's policy of de-Nazification was criticized. The government attempted to remove Nazi sympathizers from government positions. The Kilgore Committee released a report indicating that Draper had been involved in illegal activities.

General Clay had, on the other hand, been criticized for his lenient policies towards Draper. The Kilgore Committee revealed that Draper had been involved in illegal activities, but the President had neglected to act.

The report recommended that Draper be removed as Head of the Crescent Trust. The report also recommended that Draper be barred from obtaining any government positions.

The Kilgore Committee was criticized for not being thorough in its investigation. The report was released in 1951.
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Dr. Felix Weber
Legal Adviser

10th June 1968.
February 28, 1942.

Mr. Long:

It seems that the International Telephone and Telegraph Corporation which has been handling traffic between Latin American countries and Axis controlled points with the encouragement or connivance of the Department desires some assurance that it will not be prosecuted for such activities. It has been suggested that the matter be discussed informally with the Attorney General and if he agrees the Corporation can be advised that no prosecution is contemplated.

This office feels that no formal opinion of the Attorney General for its future guidance is necessary in view of Resolution E. on telecommunications adopted at the Consultative Meeting of Ministers of Foreign Affairs of the American Republics, held at Rio de Janeiro in January of this year. If the International Telephone and Telegraph Corporation feels that activities of the nature indicated above which it may be carrying on at the present time in Latin America are within the purview of the Trading with the Enemy Act, it should apply to the Treasury Department for a license to engage in such activities.

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Mr. Long pointed out that after months of conversation the American interest in the Consortium Trust (Radio Corporation of America) had done nothing actually to bring about a closure of the circuits maintained with the Axis by the Consortium companies in Argentina and Chile. He said they had proved what degree of control they could exercise over these companies by what had been accomplished in the course of General Davis’ visit to Buenos Aires and Santiago, and that consequently he had no doubt but that they could order the companies to suspend the operation of the undesirable circuits. He said that the MAC representatives were coming to see him at 3 p.m. today, and that he had in mind telling them to do what was necessary in order to shut down the circuits by midnight tomorrow (September 10).

Mr. Besan suggested the advisability of informing the Argentine and Chilean Governments in advance of the contemplated action, pointing out that the politi-
cal consequences of doing otherwise might have wide ramifications involving the basic policy governing our relations with the two republics. Specifically, he said, action taken by the companies in response to an initiative from this Government to close the circuits might raise the whole question of control by national governments over public utilities operating within their own jurisdiction. He felt that one of the consequences might be that nationalistic irredent shows pointed out that the public services in these countries were controlled by Washington, rather than by the national governments which should properly have jurisdiction.

Mr. Long expressed the view that, should the Government be notified of the proposed action in advance, they would immediately call in the Axis representatives and that then we would have a fight on our hands. Mr. Somar felt that, in any case, we should be prepared for a worse of what the legal and political consequences of such action would be before we embarked on it.

The suggestion was advanced by Messrs. Daniels and Halle that it might be sufficient to have the RCA representatives be prepared to issue the necessary orders immediately when the Department gives the word to go ahead. This suggestion was based especially on the idea that the Chilean Government might cut the possibility that the Chilean Government might cut the circuit the near future on its own initiative, and that since such initiative would lead the country to a complete diplomatic break with the Axis, it would be preferable to company initiative.

The meeting then adjourned to the Secretary’s office, where Mr. Long placed the problem of various considerations that had been advanced before the Secretary. The Secretary, citing the vital economic assistance that we were extending to Argentina, especially in the way of iron and steel shipments, said that we had a right to expect a good deal more cooperation in return than we were getting. He said that, while he had not been in close touch with the situation in Argentina over the past few months, he felt the time had come when we should deal more severely with the Argentine Government. Consequently, he favored Mr. Long’s proposal to ask RCA to have the circuits abandoned by midnight tomorrow. Mr. Somar expressed his view that we should have more information on the provisions of the franchises under which the companies were operating before proceeding further. The Secretary said that he felt the question of what the franchises provided concerned the Consortium and the Consortium companies rather than this Government. It was agreed that, because of indications that the Chilean Government would not oppose company initiative in this matter, the Chilean authorities should be notified in advance. In the case of Argentina, the Secretary expressed no objection to our having the company take the action forthwith.
A short time ago a brief investigation was made of the files of the Ford Motor Company of Dearborn, Michigan, in order to determine the extent of its relationship and control over its French subsidiary. Since the investigation report is rather lengthy, I have attached hereto a summary thereof which discusses the French Ford of France to Ford of America: (1) the business of the Ford subsidiary in France substantially increased; (2) their production was solely for the benefit of Germany and the countries under its occupation; (3) the Germans have "shown casually their wish to protect the Ford interests" because of the attitude of strict neutrality maintained by Henry Ford; and (4) the increased activity of the French Ford subsidiaries on behalf of the Germans received the commendation of the Ford family in America.

I am sure you will want to read the attached report. We propose to submit informally copies of the investigative report to Military Intelligence, Office of Naval Intelligence, Federal Bureau of Investigation and other similar investigative agencies.

If you are in agreement, please so indicate below.

(Initials) Y.E.P.

Attachment

(Signed) H. Morgenthau, Jr.

Approved:
In the current investigation on SKF the following points are important:

1. The important foreign files, including the correspondences between SKF in this country and SKF Sweden, and other foreign countries have been destroyed by order of the American SKF officials. According to an interview with Mr. William Batt it is the opinion of the American SKF to destroy its files every seven years. It is extremely significant that Mr. Batt ordered the destruction of all foreign correspondence for the years prior to 1941 and 1942. Orders to destroy these files came down three days after Sweden was blocked by the United States Treasury in 1941.

2. Ever since the war began the Swedish company has been giving orders to its American affiliate with respect to volume of production, prices, and other matters of major policy. At one time it appears that the Swedish company deliberately withheld the shipment of necessary machinery to install production in this country for about eight months. All ball bearing machinery for SKF companies must be imported from Sweden and, consequently, the parent company can dictate changes in ball bearing production in foreign countries.

3. All of these orders from the Swedish parent company came through the Swedish legation in Washington, thus escaping the normal channels of censorship.

4. There is a very considerable investment of German capital in the Swedish company. At the time of the merger of the German companies into the SKF Combine, under control of the Swedish SKF, a very substantial block of shares in the Swedish company was given to Germany. The shares received by the Germans were so-called shares-loans without voting rights—but the evidence is clear that the Germans have a very important position in the determination of all major matters of policy. In fact, the former manager of the German ball bearing in now manager of the Swedish company.

5. The largest share of SKF's production is allocated to Axis-controlled Europe, BSC in Germany and 60% in Germany and France.

6. There is considerable evidence of a direct German interest in the United States Company. Just prior to the last war the Hoewel-Bright Company, owned by the German Munitions Trust was purportedly sold to the Swedish SKF. The Investigation made by the Alien Property Custodian at that time indicated great doubt in the validity of the sale to the Swedes. A cash transaction of $2,000,000 was reported paid to the Germans by the Swedish Company for the property but never traced. In fact the whole investigation was a fraud, since the final report submitted by the United States Secret Service was written by the vice-president of SKF. Other evidence indicates that the Swedish company merely acted as a front for the German company and that that situation still exists.

7. Further evidence to show how the German and Swedish interests are inextricably linked is the fact that in 1912 SKF Sweden purchased 50% of the Norma Ball Baving Company, Constatin, Germany. This purchase was necessary in order to secure access to German patents and to make sales in the German market from which it was previously excluded by the German Ball Bearing Cartel. In 1912 they joined the German cartel and be-
came a licence under the Conrad Patent. In 1939 the Norma Company was merged into VEF and a further German interest in the Swedish company took place.

The Norma Company of America, a branch of the German Norma Company, was taken over by the Alien Property Custodian upon our entering into the war and, subsequently, was sold to American interests in 1942. At that time William Watt served as an attorney in fact for the Norma Company. This indicates, as closely I am told, Watt’s interests with the Germans have been in the past.

8. Until 1940 Mr. Watt was a member of the board of directors of the American Bosch Company which has since been seized by the U.S. Alien Property Custodian. This company attempted to close its German ownership under a purported sale of the properties to Swedish interests affiliated with SKF just prior to our entrance into the present war. The Alien Property Custodian nevertheless seized the properties on the ground that the transfer was fraudulent. It is reported that, at the time of the American Bosch investigation, a memorandum was prepared by the Treasury Department on Mr. Watt’s connections with German companies, which was sent to the White House. The memorandum raised the question of the desirability of allowing Mr. Watt to hold a prominent position in the War Production Board in the light of his business affiliations.

9. Numerous letters in the SKF files indicated that Mr. Watt was under orders from the Swedish company to supply the Latin American market, irrespective of current war orders in the United States, and that all sales in the United States should be banned primarily on the long-term business interests of the company rather than the needs of the War effort.

At the present time an FHA representative is in Sweden attempting to purchase the SKF production in Sweden for $10,000,000. In the light of the above facts it would seem that action other than that of purchase could be effected to get the results desired.

The following steps are suggested:

a. Declare null and void the existing trust agreement as placed by Swedish SKF in the hands of Mr. Watt.

b. Seize the SKF properties in the United States, placing them under the Alien Property Custodian.

c. Place on the U.S. Proclaimed List all SKF companies in Sweden and Latin America.

d. Encourage American firms to export ball bearings to Latin America to compete with the SKF monopoly in those countries.

e. Place on the U.S. Proclaimed List all major Swedish companies affiliated with SKF, i.e., does, Atlas Diesel, Separator, etc.

f. Block all transfers of funds from Latin American subsidiaries to Sweden.

g. Eliminate the Swedish cartel in ball bearings in Germany after the war.

h. Eliminate the Swedish monopoly in France and Japan.

i. Seize all patents belonging to SKF Sweden and SKF Germany and other patents held by SKF subsidiaries in Europe.
You will recall that on September 10, 1944, we reported to you that a study of cases of correspondence in New York between Chase, Paris, and Paris, New York, from the date of the Fall of Europe in May 1944 disclosed that (1) the Paris branch collaborated with the Company; (2) the Paris office was held in "very special esteem" by the Company; (3) the Paris manager was "very vigorous in enabling resolutions unnecessarily against Jewish property"; and (4) the Arabic office took an active part to remove the Paris manager so it might "amend" against their interests. We were more than satisfied with these conclusions, and, in the course of the German's capture normal operations, even though both the Cuyahoga and National City had restored their substantial illegal activities.

On the basis of this report, you agreed with our recommendation to investigate Chase in France. As of the present rate our investigations of the Chase report in France confirms the above mentioned findings, and hereafter the following additional information:

1. S. Allen, an American citizen who was in charge of the Chase office in June 1943, felt that it was legitimate to, inform the French authorities, that French citizen and in particular, and personnel maintained those responsible in their unacquainted ways.

2. Although Chase in New York did not, so far as we presently know, act on instructions for the Paris branch after February 4, 1945, there is some documentary evidence that Chase did attempt to interfere with the transactions of the Paris branch so as to secure certain transactions for its own benefit.
I believe that the Duchess of Windsor should opportunely be visited somewhere from overseas.

Quite aside from the more shadowy reports about the activities of this family, it is to be recalled that both the Duke and Duchess of Windsor were in contact with Dr. James Sumner, a Colonel in the American army, while they were in Great Britain. It is also possible that they were in contact with him during the time he was in China. There is no record of any official visit to the United States by any of them.

The Duke and Duchess of Windsor have always been pleased to receive official visits from American officials and to attend to their business interests in the United States, which they are doing at present.

There are reasons, therefore, why this information should not be made public, as well as the reasons that we are not counting this privilege to the wife of any American official.

A. H. R.
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