

By blaming the Argentine, Chilean, and Brazilian cabinets, Sarnoff and his own board proved conclusively that they were interested in business as usual in wartime.

On July 12, two days after Argentina's intention to disconnect the circuits was made clear, an urgent meeting was held in the office of Breckinridge Long. Assistant Secretary of State in charge of communications and visas, and a former ambassador to Italy, admirer of Mussolini, and notorious block to Jewish refugee immigration. Among those present were Sarnoff, Sir Campbell Stuart, New York representative of British Cable and Wireless, RCA vice-president W. A. Winterbottom, and General Davis. It was graciously decided that Davis should go to Argentina and Chile and "have a look see." The ostensible purpose of Davis's mission was to do everything in his power to close down the circuits. He would travel with an engineer, Phillip Sifting, of the FCC (and ITT) and Commander George Schrecklin of the Office of War Information (and RCA).

At a further meeting on July 20, setting out details of the mission, Breckinridge Long calmly referred to the importance of the question, pointing out without anger the unfortunate fact that "a stream of information is being sent out by the consortium stations with resulting losses in our shipping." Sir Campbell Stuart of British Cable and Wireless coolly promised to keep his government "advised of the decision of this meeting." It was agreed that the State Department would take care of all costs of Davis's mission and arrange the necessary priorities in terms of passports and visas.

Davis traveled to the South American cities and began interviewing the local directors and chiefs of staff. He either was completely blind to the facts, or lied to cover his associates. Despite the fact that every branch of Transradio was bristling with Nazis, he dislodged only two: Henri Pincemin, the Vichy manager in Buenos Aires, and Hans Blume in Valparaiso. Ernesto Aguirre, president of the board of directors of Transradio in Buenos Aires, was kept on despite the fact that he was also on the board of the Nazi branch of General Electric as well as of Italian, Japanese, and German companies.

In Buenos Aires, Rio, and other cities, Davis retained important Nazis. One of these, Jorge Richter, an official of Siemens who moved from branch to branch, was reported by the FBI to be an espionage agent of the Nazi High Command.

On August 18, 1942, Davis cabled Long from Santiago, Chile, stating that he could give Transradio there "a clean bill of health," and that the company was "entirely under Allied control." Yet in January 1943 the FBI was to supply its own report based on an independent investigation saying that Transradio there 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 25, 1942, Davis, Sarnoff, Winterbottom, and Breckinridge Long met in Long's office to hear General Davis give RCA a complete whitewash in South America. He said, "There is a satisfactory condition now existing. . . . The communication facilities of Transradio. . . are in friendly hands." 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-Ally and cooperative."

On August 31, Davis presented his 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 war. 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, 1943.

Despite pretensions to the contrary, and promises to close down the circuits, they continued. Breckinridge Long proved incapable of vigorously enforcing the disconnections or unwilling to do so. The British government seemed to be prepared to let the matter drift on indefinitely. Whenever it was suggested by Long that the British should disconnect, Sir Campbell Stuart indicated he was waiting for the Americans to act. Sarnoff waited for Stuart and Sosthenes Behm for Sarnoff. The buck was passed to South American governments, from London to New York and back again, while the profits and the espionage continued.

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

Transradio 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. Durr "that the British government expects daily to be able to report that the British representatives in these two companies have been so instructed. 'ITT' would also close their circuits when the British did."

By October 1942 the matter was still dragging on. At a meeting at the State Department on October 7, Sarnoff took the view that he would "generously waive consideration" of the commercial interests at stake. Such "generosity" was surely mandatory in wartime. Ignoring the fact that the British directors had said that it was up to him to discontinue the South American circuits if he wanted to, and that much of South America had turned against the Axis, he repeated that the British directors had still to concur in the action, and he questioned whether the order to close would be obeyed by the local managements in each case—ignoring the fact that he had the power through Davis to fire anybody who disobeyed such orders.

By February 1943, Transradio was still in business. On February 10, RCA's W. A. Winterbottom cabled Martin Hallauer of British Cable and Wireless in London that he was making sure that RCA received all dividends and interests of Transradio, supervised all accounts, and helped maintain its offices in London. Even as the war deepened, RCA and British Cable and Wireless continued to own a substantial proportion of Transradio's stocks. In Brazil in March 1943, seven months after Brazil was at war with Germany, RCA's Radiobras held 70,659 German shares; part of the 240,000 voting shares held by the National City Bank of New York in Rio. On March 22 a British Cable and Wireless executive wrote from London to State that the Swedes, who represented the Nazi interests, had received the minutes of the latest board meeting and had sent them to Berlin and Paris.

On May 24, 1943, Long called Sarnoff with a mild complaint "that we have reason to believe that more messages than the agreed 700 code groups a week are being sent from Buenos Aires by the Axis powers for their Governments." Long added, "There may be sound reasons why your man George W. Hayes refuses to disclose the exact number of messages sent in code groups by each of the Axis representatives to their Governments. 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 all belligerents. If you would obtain the information we would be appreciative. Don't do it by telegraph or telephone. We'll make our diplomatic pouch available to you." Sarnoff replied, "I'll talk to Winterbottom. 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 willed it. There is no evidence that ultimate action was taken by the State Department, RCA, or British Cable and Wireless.

Sosthenes Behn, like Sarnoff, paradoxically showed great dedication to the American war effort. On May 15, 1942, Behn 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 production 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 38 countries. These figures do not include patents to German subsidiaries of the corporation since information about them is not available." This barefaced lie was published without demur in the *Times*.

Behn coolly announced that profits and losses of his international corporations "and the accounts of German subsidiaries, Spanish subsidiaries, the Shanghai telephone company . . . and Mexican subsidiaries" had not been included in the annual financial statements for the same reason of "lack of information"—information that was, in fact, reaching him daily.

Amazingly, on April 21, 1943, Behn let the cat at least peep out of the bag. He said, at an ITT shareholders' meeting in New York, "More than 61 percent of ITT's operations are in the Western hemisphere, almost 24 percent in the British Empire and neutral nations in Europe and less than 13 percent in Axis or Axis-controlled countries. Most of the cash available to the corporation originated with subsidiaries in the Western hemisphere."

The announcement to the shareholders that 13 percent of ITT was held in enemy territory caused not a ripple of surprise.

Despite the fact that all branches of American Intelligence were monitoring Colonel Behn at every turn, intercepting his messages, supplying unfattering memoranda marked "Confidential," and in general knowing exactly what he was up to, nothing whatsoever was done to stop him. As the war neared its end, whatever mild internal criticisms were voiced within the American government were quickly silenced by the prospects of peace with Germany and future plans to confront Russia. The FBI released through its internal organization a number of detailed reports on Behn forwarded to Navy, Army, and Air Force Intelligence. J. Edgar Hoover linked Behn to Nazi sources, including agents in Cuba and other parts of the Caribbean. Yet, despite the overwhelming evidence of Behn's collusion in his files, Hoover was pleased to receive from Behn the book *Beyond Our Shores the World Shall Know Us*, written with Behn's cooperation in 1944 and dealing with the problem of providing adequate American international broadcasting facilities. On June 17 of that year Hoover wrote to Behn: "Your letter of June 10 . . . has been received and the book entitled *Beyond Our Shores the World Shall Know Us* has arrived. I do want to express to you my heartfelt appreciation for your thoughtfulness in making this splendid volume available."

Ironically, Behn's wartime headaches came not from Roosevelt but from Hitler. During that last period of the war Behn's work on behalf of the German army had deeply intensified. His communications systems for the OKW, the High Command of the Nazi armed forces, had become more and more sophisticated. The systems enabled the Nazis under Schellenberg's special decoding branch to break the American diplomatic code. They also allowed the building of intercept posts and platoons in the defensive campaign against the British and American invasion of France. At the same time, Behn was indispensable in making that invasion possible.

The problem was that the forces of anti-Behn were moving in under Postminister Wilhelm Ohnesorge. Behn's associate, General Erich Fellgiebel of the OKW, was prodded by the determination to bring about a negotiated peace, and Schellenberg's efforts undoubtedly abetted him. With Behn moving behind the scenes, and the assistance of John Foster Dulles's brother, Allen Dulles, of the Schröder

Bank and the OSS, the famous generals' plot of July 1944 was hatched to assassinate Hitler. When Fellgiebel hesitated in cutting off communications to Hitler's headquarters after the bomb went off that almost killed the Führer, conversations were overheard by Hitler's spies that revealed the plot's purpose. Ohnesorge's hour had arrived. In a desperate effort to save himself from ruin or worse, Schellenberg turned against his fellow conspirators and Himmler—who had all along tacitly half-encouraged Behn and the plotters—was compelled to feed Fellgiebel to the wolves. Fellgiebel and his associate in ITT General Thiele were executed, and Karl Lindenmann of Standard Oil went to prison, narrowly escaping the gallows. Only ITT's Gerhardt Westrick's hold over his fellow ITT board member Schellenberg and close contacts with I. G. Farben saved Westrick from a similar fate. Again, Behn's German empire very nearly was confiscated by Postminister Wilhelm Ohnesorge, but Schellenberg took a great risk and protected it once more.

On the day Paris was liberated, August 25, 1944, Behn 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 remained joint chairman with Westrick of the Nazi company throughout the war, was with him in the uniform of a three-star brigadier general. Behn made sure in Paris that his collaborating staff were not punished by Charles de Gaulle and the Free French. He was helped at high army levels to protect his friends.

When Germany fell, Stockton, with Behn, commandeered urgently needed trucks to travel into the Russian zone, remove machinery from ITT-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 unnoticed in the press, Burton K. Wheeler, "reformed" now that Germany had lost the war, became chairman. An immense dossier showing the extraordinary co-ownership with German and Japanese companies of RCA and ITT was actually published as an appendix to the hearings, but almost nobody took note of this formidable and fascinating half-million-word transcript. Least of all were its contents noted by the committee itself, which wasted the public's money by simply discussing for days

(with Fraternity figures like James V. Forrestal) the possibility, quickly ruled out, of centralizing American communications systems. There was not a mention from beginning to end of the discussions of the questionable activities of RCA and ITT chiefs. Yet, in a curious series of exchanges between Wheeler and Rear Admiral Joseph R. Redman, who had been in charge of Naval Communications during the early part of the war, the cat leaped out of the bag in no uncertain manner. Apparently under the impression that the hearings would never be published, Wheeler seriously sat and talked of some of the reasons that such events had taken place. He asked Redman the question, already knowing the answer, "To what extent has American ownership of communications manufacturing companies in foreign countries, such as Germany, Sweden, and Spain, been of advantage, if any, to this country?" Redman replied, "Of course, from an economic point of view, I am not qualified to say, but I would say this from possibly a technical or research point of view, you get a cross-exchange of information in the research laboratories."

This amazing revelation by a high personage won the response from Wheeler, "And what about the disadvantages to us?" Redman replied blandly, "While you are working on things here that are developed for military reasons, there may be a certain amount of leakage back to foreign fields."

Wheeler asked, "How could you keep a manufacturing plant in Germany or in Spain or in Sweden, even though controlled by Western Electric from exchanging information as to what they were doing?"

Redman replied, "Well, we have had to rely a great deal upon the integrity of our commercial activities. Of course, if a man is a crook, he is going to be a crook regardless of whether you set up restrictions or not."

Wheeler said, "Let us suppose that you have a manufacturing company in Germany and also one here, and they are owned by the same company, aren't they exchanging information with reference to patents and everything else? . . . Admiral Redman, you are not naive enough to believe, if a company has an establishment in Germany and another in America, they are not both working to improve their patents, are they?"

Redman admitted, "No, sir."

Warning to his theme, 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 in 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 cartels or something else, they exchange information. What check has the Navy made 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 attachés 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, 1946, Major General Harry C. Ingles, 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 Behn at 67 Broad Street, New York. As he pinned the medal on Colonel Behn, Ingles said, "You are honored for exceptionally meritorious conduct in the performance of outstanding service to the United States." A few years later Behn 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.

Globes of Steel

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 on earth. It controlled 80 percent of bearings in Europe alone. It also controlled iron ore mines, steel and blast furnaces, foundries and factories and plants 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 percent 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 Schweinfurt produced 93 percent of capacity, the U.S. company in Philadelphia produced less than 38 percent, and the British less than that.

And ball bearings were among the most powerful weapons of The Fraternity's sophisticated form of wartime neutrality. Their inventor and the power behind their production and distribution as SKF chairman was Sven Wingquist, a dashing playboy, friend of Göring and the Duke and Duchess of Windsor. He was a prominent partner in Jacob Wallenberg's Stockholm Enskilda, the largest private bank in Sweden—a correspondent bank of Hitler's Reichsbank. Wallenberg was large, athletic, impeccably Aryan—controller of mining, shale oil, electrical goods, munitions, iron mines—virtually the whole industrial economy of his native country. Sosthenes Behn and Wingquist were in partnership with Axel Wenner-Gren of U.S. Electroflux in the gigantic Bofors munitions empire: Bofors supplied Germany with a substantial part of its steel production in World War II.

As stated, American directors for the duration were Göring's second cousin by marriage Hugo von Rosen, and William L. Bart. A hard-bitten and driving individualist, Bart 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

Throughout World War II, Sosthenes Behn was an investor in the Swedish Enskilda Bank, chief financier of the colossal ball-bearings trust known as SKF. Göring's cousin Hugo von Rosen and William L. Bart, 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.

Tiny ball bearings were essential to the Nazis: The Luftwaffe could not fly without them, the tanks and armored cars could not roll in their missions of death. JTT's Focke-Wulfs, Ford's autos and trucks for the enemy, would have been powerless without them. Indeed, World War II could not have been fought without them. Focke-Wulfs used at least four thousand bearings per plane: roughly equivalent to those used by the Flying Fortresses. Guns, bombsights, electrical generators and engines, ventilating systems, U-boats, railroads, mining machinery, JTT's communications devices—these 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

hair, a prominent nose and a jutting cleft chin, Batt dressed in high fashion, and sported monogrammed silk handkerchiefs and Salka ties. His SKF factory in Philadelphia rivaled the giant sister factories in Göteborg in Sweden and Schweinfurt in Germany. SKF Philadelphia was the subject of glowing articles in *The Wall Street Journal* and *Fortune* magazine, its products reaching a staggering \$21 million a year by 1940.

With war approaching, and the fear of America entering the conflict, Hugo von Rosen and fellow board members traveled to their German and Italian plants, which were jointly owned with Germany and Italy, and promised their managers 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 Roosevelt declared war. Simultaneously, the SKF directors protected their associated chemical company, I. G. Farben's Bosch, with the aid of John Foster Dulles. Batt was president of American Bosch. Dulles, the Bosch/General Amiline and Film attorney, set up a voting trust to protect the company with himself and Batt as trustees after Pearl Harbor. He was thus enabled 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 Batt became the nominal majority shareholder with trustee voting rights. Since American-owned companies could not be seized by Alien Property Custodian Leo T. Crowley, this proved to be a protection.

With the outbreak of war, Roosevelt appointed Batt vice-chairman of the War Production Board, whose chairman was Sears, Roebuck's Donald Nelson. Batt worked from 8 A.M. until after midnight, so busy that his lunch consisted of apples and milk eaten in the middle of meetings while he kept relighting his cold pipe with a lighter in the form of a cannon.

From the moment he took up his position on the War Production Board, Batt instituted the famous motto "Patch and pray." Ignoring the fact that his fellow Fraternity members had caused these very shortages, and that he was wartime majority trustee shareholder for companies collaborating with the enemy, he blasted the public on the

radio for being extravagant with rubber and scrap metal. He insisted that housewives turn in their tin cans, old tires, tubes, leaky hot water bottles, rubber gloves, and aprons. He called for all old newspapers to be sent for packing ammunition; he enforced voluntary surrender of rags, used wool, and even fats for glycerin. At the same time, he cheerfully overlooked the fact that scrap had gone to build the bombs that were rained on Pearl Harbor. He moved smoothly between that whitened sepulcher of Republicanism, the Union League Club of Philadelphia, and the New Dealers on Capitol Hill. He was smart enough to express admiration of the Red Army when he went to Russia on the famous Averell Harriman mission. It was convenient for him to be called a "pink" while maintaining his Nazi connections.

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

Von Rosen was under direct orders from Stockholm to supply the Latin American Nazi-associated firms irrespective of the fact that there was an 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. Batt, accepting these arrangements, could not use the excuse that he was in effect working for a Swedish company and therefore had to obey neutral rules, since he himself as an American owned 103,439 shares of capital stock.

Under von Rosen's directorship and Batt's trusteeship, SKF production in wartime failed to reach even the minimum of American expectations. This fact infuriated Morgenthau, who designated the stocky, feisty Canadian-born Lauchlin 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

thorough official of French extraction, Jean Pajus of the Office of Economic Programs, who prepared millions of words in reports on the doings of Batt and von Rosen until as late as 1945.

Delving deep into records, Currie found that the all-important Currie-Wright Aviation Corporation was unable for fifteen months after Pearl Harbor 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 lag in supply.

In June 1943, one loyal, patriotic executive of SKF finally lost all patience with von Rosen and went to Washington to see Batt 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. Batt listened coldly and then said, "Nothing can be done. Not will it be done." That was the end of the matter. The executive resigned.*

Someone on the SKF staff even doctored the inventories in Philadelphia so that it seemed only a few million ball bearings were grounded out, when 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 Pajus that the incomplete bearings were useless.

While holding up orders, causing bottlenecks (with the collusion of the indispensable Jesse H. Jones), and causing shortages, von Rosen did not only ship to South America. He also sent to Sweden secret patents, detailed charts, and private production details. Knowing that these might be intercepted by British or American censorship in Bermuda, members of his staff placed the precious documents in the diplomatic bags of the Swedish embassy in Washington. Neutral diplomatic bags were precluded from seizure or search in time of war. Currie wrote, in a memorandum summing up Batt's collusion, on May 3, 1944: "Batt was busy . . . pulling all wires he could in the U.S. Office of Censorship and with the British Purchasing Commission."

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

* Name not given in government reports.

delphia operation was issued a general license to deal internationally throughout the war. And Batt's retention in his official position during World War II can only be ascribed to Roosevelt.

Treasury even allowed SKF to get away with posing as an American-owned corporation, despite the fact that Treasury had records of the Swedish-German ownership in its possession. When Lauchlin Currie became too inquisitive, Batt deliberately burned all of the appropriate SKF correspondence and accountancy files.

On April 10, 1943, a loyal and patriotic American, J. S. Tawressey, chief engineer on the SKF board of directors, resigned following a furious quarrel with Batt. He charged that SKF was "destructive to the war effort," that SKF had failed to meet orders for 150,000 deliveries per month to the all-important Pratt-Whitney fighter airplane engine company, and that Batt was flagrantly working against America despite his WPB role. In disgust with the company, Tawressey joined the Air Corps. He contacted Treasury, Franklin S. Judson of the Foreign Economic Administration flew to see him at an Air Force base in Florida. The men had a charged meeting in which Tawressey poured out his heart on the doings of SKF. Angrily he charged von Rosen and many of his staff with anti-Semitism and pro-Nazi feelings, and said that they blatantly held the United States up to scorn at board meetings and in private conversations. Currie was horrified. He wrote Morgenstau a blistering report on the meeting, followed by an equally damning SEC report, but nothing happened to the company as a result.

Throughout the war an old reliable of The Fraternity proved to be helpful. The National City Bank of New York siphoned through money to Sweden: the SKF profits from Latin American dealings. Officially, all National City Bank's Swedish accounts were frozen on Roosevelt's orders. Somehow, Batt managed to use his government influence to have the funds specially unblocked by license for transfer across the Atlantic.

As war went on, it became necessary to cloak SKF shipments to South America in case members of the FBI should discover what was going on. As a cover, von Rosen set up a subsidiary that took a leaf out of the Standard Oil book. Registered in Panama, it was protected by Panamanian laws from American seizure. Ball bearings traveled from American ports on Panamanian registered vessels. Over

600,000 ball bearings a year traveled in this manner to Nazi custom-ers in South America including Siemens, Diesel, Asea, and Separator, as well as Axel Warner-Gren's Electrolux and Behn's ITT. Transfer was made of purchasing funds through the Nazi Banco Aleman Transatlantico. Von Rosen used a crude code in his telegrams, all of which were passed through the diplomatic bag. "Wild duck glacé arrived, also Schnapps" meant that ball bearings had arrived along with their component parts.

When Germany began to run short of ball bearings in 1943, despite the vast shipments from Sweden and its own local production, more were needed from South America. So von Rosen arranged for reshipment from Rio and Buenos Aires via Sweden. The British, utterly dependent on SKF for their own ball bearings, appeased the dubious corporation by issuing special Navicerts allowing vessels to pass unsearched through the blockade to Sweden. Even the Russians concurred—they, too, needed SKF.

A curious series of events took place in 1943. Early in October, Bart flew to Stockholm in an American Army bomber accompanied by Army representatives. The ostensible purpose of the mission was to secure further supplies of ball-bearing production machinery, despite the fact that there was quite sufficient in Philadelphia. Details of his meetings with Jacob Wallenberg and Wingquist were not disclosed. However, on October 14, when General Henry H. ("Hap") Arnold, U.S. Army Air Force chief, commanded a raid on SKF's giant Schweinfurt factory, he was shocked to discover that news of the supposed bombing had been leaked to the enemy. The result was that America lost sixty planes in the attack. Arnold told the London *News Chronicle* on October 19, "I don't see how they could have prepared the defense they did unless they had been warned in advance."

For the first time since Pearl Harbor there were some signs that action might be taken by the American government. The energetic Jean Pajus spearheaded a drive to expose SKF.

Meanwhile, General Carl Spaatz of the U.S. High Command in London was furious because the Swedes were tripling their shipments to Germany with British and American official authorization after the raid on Schweinfurt. He called U.S. Ambassador John G. Winant to his headquarters on March 13, 1944, and blasted him about his han-

dling of the matter, claiming that Winant was "playing along with the British." Spaatz screamed, "Our whole bomber offensive is being nullified!" Winant, red-faced and smarting from the dressing down, asked his assistant Winfield Riefler to look into the matter. Riefler found that the British Ministry of Economic Warfare, which was supposed to enforce the restrictions of shipments, was failing to do so because Britain was as dependent on Swedish SKF as Germany—following Luftwaffe raids on the SKF subsidiary's plant in Luton.

On March 20, Lauchlin Currie wrote to Dean Acheson that he was drastically concerned by the gravity of the situation: "During the past few months our air forces have made sixteen heavy and costly raids for the sole purpose of destroying the ballbearing production capacity of the Germans. But while we are eliminating German production at tremendous sacrifice in planes and men, Swedish production continues to be available to the enemy. Swedish shipments to Germany in 1943 were at an all-time peak." Acheson did not reply.

On April 13, 1944, U.S. Ambassador Herschel Johnson had a meeting with Swedish Foreign Minister Christian E. Günther in Stockholm. Günther 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. Günther added sharply, "American public opinion would see the justice of the position taken by Sweden if Sweden should publish the entire correspondence in which it would appear that trade between Sweden and Germany was on a contract basis known to the Allied governments and based on prior agreements with them." Thus it was clear the Swedish Foreign Minister was threatening the United States: if it didn't play along, Sweden would disclose to the American public that its government was making deals with the enemy.

Lord Selborne, Minister of Economic Warfare, gave his views to Riefler of Winant's staff in London. He was responding to a U.S. government proposal that SKF should be put on the blacklist if it refused the request for an embargo. Selborne totally disagreed with the proposal. He felt that such a threat would be a fatal blunder. He begged Riefler to dissuade the U.S. government from such a course. Instead, the British government felt that the entire output of SKF should be bought by the United States outright: a sure source of dol-

lars for the Nazis. It was clear that Selborne was concerned that in the event of blacklisting, Britain would be left without its vast influx of ball bearings. Not only were bearings immediately expected by ship, but there were 350 tons being held at Göteborg by British supply authorities. He felt that these would be held hostage, and seized by the Swedes in reprisal if Swedish property in the United States or Britain should be seized. There was also the danger of thousands of tons of bearings loaded on two British cargo ships, *Dicra* and *Lionel*, being hijacked at sea.

On April 25, Under Secretary of War Robert P. Patterson advised Secretary of War Stimson that Sweden had rejected the U. S. demand to stop shipments to Germany in excess of those agreed to in 1943. He wrote, "Sweden. I am sure, will try to drag the matter out by discussions, holding out hopes to us that exports to Germany will be reduced in the future. This has been her policy in the past, and she'll try it again." Patterson pointed out that Sweden was furnishing Germany with munitions that killed American soldiers, that 20 percent of the shells fired at Americans came from Swedish iron ore, and that the Swedes were getting large quantities of petroleum when the British and U. S. were short of it for war purposes. He added, "I . . . believe that the government should make the facts public." It was a futile hope.

On April 27, Lieutenant James Pulleston, Navy liaison in the Foreign Economic Administration, wrote to Lauchlin Currie that "no confidence whatsoever" should be placed in Jacob Wallenberg, that the idea of the embargo was a "mirage" and "a pleasant dream. . . He felt that a much more effective way to secure cooperation was for the State Department to threaten cutting off oil supplies to Sweden; he disliked Swedish ships "hanging around" American and Caribbean ports "because we believe that there are enough pro-German crews [in the Swedish navy] to act as spies." He added in his report to Currie:

If we dilly-dally or accept the half measures proposed by Wallenberg and the State Department we abandon the last battle before it begins.

If we go through the [oil embargo] we can at least put the additional loss of American lives where it belongs—squarely in the State Department. If we do not, we will share this responsibility and, person-

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

Pressing the State Department was no easy matter. However, in April 1944, Treasury was finally able to induce Dean Acheson to agree to hire someone to fly to Sweden and try to buy off the Enskilda 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, Stanton Griffis, 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 Poteat. The two men squeezed into 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 Wallenberg.

On the second morning of his stay at the Grand, Griffis woke up to see a waiter standing with a breakfast. The man said in a heavy Balkan voice, "I am an American secret agent. I will be working for you and will keep you informed. In Room 208, where you will be meeting with [the Swedes], the Germans have installed listening devices. In Room 410 is Dr. Schnure of the Nazi government, who is hoping to outbid you in the ballbearings negotiations." Griffis was astonished by this little speech. He assumed the man was a jokester or a plant. But from that moment on the waiter, who was working for the OSS, kept him informed of every movement of Wallenberg and the Nazis.

The negotiations in the gloomy Enskilda Bank boardroom dominated by Wallenberg family portraits were slow and tedious. Griffis obviously knew nothing of the links between Bat and the Axis, because in the course of his discussion he said to one of the SKF executives, Harald Hamberg, "You can hold out as long as you like, but the U. S. is not going to stand by while you make machines to kill American boys." Hamberg, no doubt hiding his knowledge of the matter, replied, "How do you know that our ballbearings help kill American boys?" Whereupon, Douglas Poteat took out a handful of ball bearings and laid them on the table. "Where were these

made?" Poterat asked. The executive examined them. "In Sweden," he said. And Poterat added, looking the executive in the eye, "Every one of these was taken from a German plane shot down over London."

At last, after several weeks, an agreement was reached. Griffis authorized \$8 million to be paid to the credit of the Enskilda Bank. When the war was over, Griffis guaranteed, there would be no anti-trust action against SKF. SKF would keep all of its German properties forever, and all SKF Nazi connections in the United States would be forgiven, forgotten, and—more importantly—unexposed.

Meanwhile, public criticism was beginning to surface. SKF workers in Philadelphia got wind of the dealings with the Nazis. An article appeared in the liberal newspaper *PM*, charging von Rosen and Batt with gross malfeasance and trading with enemy collaborators. Various disaffected SKF executives, troubled by the nature of the corporation to which they belonged, began to snitch.

Batt gave *The Washington Post* an interview on May 14, 1944, saying that production in Philadelphia would be hurt if the company were nationalized or Proclaimed Listed in response to press criticism from the Left. He insisted he was not a Nazi front and he denied that Göting's relative was his partner. He described von Rosen as "a salesman. . . . He admitted that he voted 95 percent of the stock without revealing that his ownership was to protect the company from seizure as an alien concern."

But the loyal American executives, and workers on the assembly lines in Philadelphia, grew increasingly restless. There was a series of union meetings, in which shop stewards talked angrily of a strike. Many workers went home to their wives and children, muttering about collaboration with the enemy. It seemed that what the U.S. government had lamentably failed to do—put SKF out of business—the workers might.

Batt didn't lose control. On May 16 he called a mass meeting of the eight thousand employees of SKF in the large truckyard of the factory. His wavy black hair, strong face, and powerful broad-shouldered figure always inspired confidence in the workers, who tended to trust him no matter what the evidence against him. He delivered a speech, standing on a high platform flanked by four American flags

flapping in the wind. He shouted, "None of our production is reaching the enemy! I assure you of that, my friends! All these rumors about Nazis influencing our company in Sweden are sheer nonsense! These kinds of rumors are just Hitler propaganda to pull us down!"

This outrageous lie was greeted with cheers by eight thousand gullible workers. They were hugely relieved and almost ran back to the assembly lines. Somebody in the government got to *PM* and forced it to issue a retraction. 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 "totally absolved of all alleged collusion with the enemy." The statement went on, "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 effort of the United States. . . . SKF Industries and SKF Steel have excellent records for war production, and state that any serious loss of production would have an immediate and serious effect on production of war munitions needed for plant operations."

On June 13 the agreement was concluded between SKF and the governments of the United States and the United Kingdom regarding reduced bearings exports to the enemy. Despite the expert example of public relations shown by William L. Batt, it was clear that the government was uneasy 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 listing the amount of shipments reads: "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 memoranda of the Foreign Economic Administration was shuffled between government departments alleging that so 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 agreements. Unfortunately, the memoranda show, since the U.S. government had whitewashed SKF, it could scarcely expose these new activities. Under Secretary of War Patterson kept hammering away at

the issue, 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 Batt, Hugo von Rosen, and SKF as a whole on September 15, 1944. Following a pocket history of the corporation up to date, he summarized the key matters as follows. He stated that Batt had been "under SKF orders to supply the Latin American market, irrespective of current war orders in the United States, and to base all sales in the United States primarily on the long-term business interests of the company rather than the needs of the war effort." He pointed out that directives from the Swedish plant 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 reiterated that SKF production had not reached even minimum expectations; that there had been great lapses in ball-bearing deliveries to vital war industries; that as a result planes had been grounded; that Wilhelm L. Batt could have corrected the situation but had not done so. He summarized the deliberate tying up of raw materials, the associations with enemy corporations, and the overall disgrace of a so-called American company controlled by enemy interests. SKF remained unpunished.

The Norwegians, who had suffered enough from Swedish collusion with the enemy, struck out in the only way possible. They showed their protest on December 4, 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 Proclaimed List, as he was empowered to do. Instead of taking new action against SKF as new public criticism began to surface, he simply urged Morgenthau and Currie to keep up a series of public relations statements that SKF was loyal and decent—in order not to hamper 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 trade. He wrote, "After the losses in men and planes sustained in the attack on Schweinfurt, what would the American people think if they learned that SKF is still supplying the German war machine with ballbearings?"

By early 1945 it was painfully obvious that Stanton Griffiths's \$8 million was largely useless. Not only did it absorb merely a part of the ball-bearing shipment, and a small part at that, but the Swedes were infringing on 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 adhering to its agreements.

The war ended as Griffiths had arranged, without punishment for William L. Batt or any of his circle. Hugo von Rosen was, of course, protected by his "neutrality." In the weeks at the end of the war, Batt suddenly turned up in Germany and visited the military decentralization branch in Berlin. He conferred with Brigadier General William H. Draper, in charge of decartelization, making sure that the secret promises made by Griffiths 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 antitrust action. It goes without saying that the promises were kept.

The Film Conspiracy

I.G. Farben's joint chairman Hermann Schmitz was crucial to the activities of The Fraternity. Born in 1880 in the grim 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 started work at the age of fifteen, slaving as a leather-sleeved clerk at ledgers in a metals corporation. He studied at night school, learning about chemistry, fuels, and gases. Gifted with an extraordinary memory, he obtained a brilliant grasp of many branches of science by age twenty. As with millions of Germans, his nationalism flared during World War I. After service in the army this muscular, broad-shouldered, short-necked young man forced his way to the top of one of Germany's biggest steel corporations at the age of thirty-three. Secretive, difficult, mistrustful yet dynamic he used his government connections to the limit, bludgeoning his way into the Economics Ministry in 1915.

He became a close friend of Hjalmar Horace Greeley Schacht, who introduced him to the idea of a world community of money that would be independent of wars and empires. He became a dominant figure in the chemicals trust that he helped his friend and colleague Carl Krauch forge into I.G. Farben in 1925. Encouraged by Schacht, he developed a series of crucial friendships in England and the United States, always aiming unerringly for the greatest powers. One of his

earliest allies was Walter Teagle of Standard Oil, who shared his views on international financial solidarity. Another was Edsel Ford, son of Henry Ford.

In 1929, Schmitz, his nephew, Max Unger, Walter Teagle, Edsel Ford, and Charles E. Mitchell of the ever-reliable National City Bank jointly set up the American Farben organization known as American I.G./Chemical Corp. Hermann Schmitz became president, with his brother Dietrich delegated to take over in his absence in Europe. It was an identical arrangement to that made by the von Clemm brothers, giving the family a foothold on both sides of the Atlantic that would survive any possible future war.

In 1931, President Herbert Hoover received Schmitz at the White House. Hoover shared Schmitz's attitude toward Russia: that it must be crushed. Hoover had lost extensive Russian oil holdings during the communist revolution.

So great was the enthusiasm of the German-American population for a recovering Germany that Schmitz's \$13 million worth of debentures were sold by the National City Bank in one morning. The wealth and power of German-American I.G. were almost beyond calculation. The international company was the chief economic instrument of the German government. It produced a vast range of chemicals and chemical products, including artificial oil, synthetic rubber, aviation gasoline, plastic, nylon, and numerous poison gases, including the deadly insecticide later used at Farben's combined rubber factory and concentration camp, Auschwitz, where the SS murdered some four million Jews. Schmitz helped to found the Bank for International Settlements and was a member of the board until the end of World War II; he also launched an investment policy whereby American I.G. had, by 1941, \$5,042,550 invested in Standard Oil of New Jersey, \$838,412 in Du Pont/General Motors, and \$155,000 in Standard Oil of California.

With Krupp, I.G. Farben was an executor of Göring's Four-Year Plan to make Germany militarily self-sufficient by 1940. By 1939, I.G. provided the Nazis with 90 percent of their foreign exchange, 95 percent of their imports, and 85 percent of all the military and commercial goods provided for by the Plan.

In 1932, Schmitz joined forces with Kurt von Schröder, director of the BIS and the enormously wealthy private bank, J. H. Stein,

of Cologne. Germany. Schröder was a fanatical Nazi. On the surface he was suave, elegant, impeccably dressed, with a clean-cut face. In private he was a dedicated leader of the Death's Head Brigade. During the war he could be seen driving from his office in his sober pinstripe, changing into a black and silver uniform covered in decorations, and continuing to a meeting by torchlight of his personal storm troopers. It was this SS man who was most closely linked to Winthrop Aldrich of the Chase Bank, Walter Teagle of Standard Oil, Sosthenes Behn of ITT, and the other American members of The Fraternity. In 1933, at his handsome villa in Munich, Schröder arranged the meeting between Hitler and von Papen that helped lead to Hitler's accession to power in the Reichstag.

Also in 1932, Hitler's special economic advisor Wilhelm Keppler joined Schröder in forming a group of high-ranking associates of The Fraternity who could be guaranteed to supply money to the Gestapo. They agreed to contribute an average of one million marks a year to Himmler's personally marked "S" account at the J. H. Stein Bank, transferable to the secret "R" Gestapo account at the Dresdnerbank in Berlin.

This group became known as the Circle of Friends of the Economy. Schmitz was the largest contributor to the Circle, which included representatives of ITT and Standard Oil of New Jersey. Schmitz supplied considerable funds to Himmler separately, partly to secure his properties from seizure by the Gestapo, and to insure contracts for the concentration camps.

In the late 1930s, Schmitz began to conspire with the young and hard-bitten Walter Schellenberg, who was rapidly rising to become head of the SD, the Gestapo's counterintelligence service. Army intelligence documents declassified in 1981 show that Schellenberg discussed Schmitz as head of a Council of Twelve. The council would place Hitler under the protection and rulership of Himmler while the Führer remained a prisoner of Berchtesgaden. Knowing that Schmitz was dedicated to Himmler and the Gestapo cause, Schellenberg plotted constantly toward this end. However, Himmler vacillated constantly. He could not bring himself to depose the Führer, nor did he expose Schellenberg to the Führer.

The underlying purpose of the Schellenberg plan, revealed in the same recently declassified Army Intelligence report, was clearly to

bring about the negotiated peace between Germany and the United States that was the overriding dream of The Fraternity.

As that war approached, Schmitz's brother Dietrich, 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 Farben's N.W.7. intelligence network. American I.G. owned the General Aniline and Film works and the huge film corporation Agfa and Ansco. It also owned Ozalid, the multimillion-dollar blueprint corporation. The General Aniline works supplied khaki or blue dyes for army, air force, or naval uniforms, which gave Schmitz's army of salesman spies access to every military, naval, and air force base before and after Pearl Harbor. These "salesmen" talked the forces into using Agfa/Ansco for their private instruction films and having their photographs of secret installations developed in American I.G.'s laboratories. They also arranged to have every Ozalid print of secret military and naval plans copied and filed at their headquarters in Berlin.

The person responsible for this remarkable espionage stunt was Hermann and Dietrich Schmitz's nephew, plump, jolly Max Ilgner. Ilgner's motivation was to infiltrate at the top of Farben and prove himself indispensable to the company. He allied N.W.7. with the A.O., the Organization of Germans 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 Wiedemann, operating through American I.G., which penetrated North and South America, weaving through military, naval, and air force bases as staff to supplement the information supplied by the I.G. salesmen. Between the two sets of spies Germany had a very clear picture of American armaments before Pearl Harbor.

Like Hermann Schmitz, Max Ilgner sent his brother to carry out his purposes in the United States. Rudolf Ilgner, an equally pushy, greedy, grasping opportunist, became a leading executive under Dietrich Schmitz in New York. He set up Chemical Co.—a "Statistical Branch" of I.G. dedicated to espionage. He made contact with a famous priest, Father Bernard R. Hubbard, known as the Glacier Priest because of his work as missionary and explorer in the frozen wastes

of Alaska. The friendship had a purpose. In 1939, just weeks after war broke out in Europe, U. S. Secretary of War Henry Stimson asked Hubbard as a special favor to undertake a tour of strategic U. S. Army bases in Alaska. On the pretext of giving a lecture tour, he was to make a complete movie and still photographic survey of the bases for use at military headquarters at the War Department in Washington.

Innocently if recklessly, Father Hubbard told Rudolf Ulgner of his assignment. Ulgner told him that in the goodness of its spirit, American I. G. (now known as General Aniline and Film) would present him with free cameras and film from its finest Agfa color wholesale supplies. Naturally, Ulgner pointed out, Hubbard would want to process the film in General Aniline and Film's laboratories. Hubbard agreed. Apparently no one in military intelligence bothered to consult FBI or State Department files that showed the GAF-Nazi connection. Hubbard undertook his long and difficult expedition, through blizzards and rainstorms, returning with a priceless record of the whole United States northwestern defense system. This, Rudolf Ulgner naturally forwarded to his brother at N. W. 7. in Berlin.

Simultaneously, the Army began to photograph the Panama Canal for defense purposes. Rudolf Ulgner offered the Army Agfa film at a very low price. The films were processed and shipped to Berlin. Ulgner had a sense of humor. He gave the American government copies of the movies and still photographs and kept the originals, which were shipped via the Hamburg-America steamship line in 1941. The president of this company was Julius P. Meyer, head of the Board of Trade for German-American Commerce, whose chairman was—Rudolf Ulgner.

In September 1939 the Schmitz brothers and the Ugners realized that with the outbreak of war in Europe, the name I. G.—as in Farben—might put off some of the scores of thousands of American smaller shareholders who were unwittingly helping to finance Hitler.

Rudolf Ulgner hurried all of his incriminating records. The directors instructed their publicity team to lay off any further plugging of Nazi superfluency as a selling point. It was thus that the company had become General Aniline and Film. The I. G. Farben subsidiary I. G. Chemie in Switzerland, run by the Schmitzes' brother-in-law, owned 91.5 percent of the stock through—need one add?—the National City Bank of New York and the Chase National Bank. The board still

included William E. Weiss of Sterling Products and Edsel Ford. Teagle had resigned in 1938 following much unwelcome publicity. In his place James V. Forrestal was appointed to the board. Forrestal was a partner in the part-Jewish banking conspiracy of Dillon, Read, which had helped to finance Hitler in the earlier days. He was soon to become Under Secretary, and later Secretary, of the Navy. Another on the board was former Attorney General Homer S. Cummings. Cummings, who had done much to protect American I. G. when he was in his official post, now became the leading defense lawyer for the corporation. Just how qualified he was for the job may be judged by the fact that he slipped secret intelligence to Hans Thomson, Nazi chargé d'affaires in Washington. In a telegram marked Top Secret sent to Germany on June 11, 1940, Thomson revealed that Cummings had supplied him with details of a private conversation with Roosevelt. Cummings told Thomson's special contact that the President would make use of every legal trick in order to circumvent neutrality and help Britain in the Atlantic; that should the war last long enough for American armaments to be built up, he would give them to England, and that should the war end with Hitler defeating England and France, America would be "sweet and polite and gracious" toward Germany, for two years, during which she would build up her armed forces regardless of cost. Roosevelt said Germany would be crushed if she tried to attack Canada or the Caribbean. Thus, a former attorney general in the pay of a known Nazi corporation supplied Hitler with secret intelligence on the private thoughts of the President.

General Aniline and Film could not have functioned as a branch office of N. W. 7. the German Secret Service and The Fraternity without help in the Senate and in the House. Hans Thomson's private memoranda allege that GAF, in addition to financing N. W. 7. agents and the A. O. in America, supplied funds to significant figures of the House to secure propaganda arrangements. A telegram from Thomson to Joachim von 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 Press Affairs will invite some 50 isolationist Republican Congressmen on a 3-day visit to the Party Convention, so that they may work on the delegates 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 ad hoc Republican committee, which, as a counterblast to the full-page advertisement by the [William Allen] White committee, "Stop Hitler Now," would, during the Party Convention, publish in all of the leading American newspapers a full-page advertisement with the impressive appeal "Keep America Out of War." The cost of this would be about \$60,000 to \$80,000, of which half will, in all probability, be borne by his Republican friends. In view of the unique opportunity I have accepted the proposal. I request telegraphic instructions as to whether the project is of interest and if it is, that the funds referred to be transferred.

Ribbentrop's office cabled back on June 16: "The Foreign Minister agrees to the adoption of the countermeasures against pro-Ally propaganda activities in the U.S.A." The money was released and paid to the congressman.

Who was he? Representative Stephen A. Day, a pro-Nazi from Illinois, in partnership with a group of ardent admirers of Hitler including Senator Rush D. Holt of West Virginia and Senator Ernest Lundeen of Minnesota.

On July 19, 1940, Thomssen reported the success of the mission. He telegraphed Berlin: "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 become entangled in a European war. Nothing has leaked out about the assistance we rendered in this. . . . For travel assistance and costs of the advertisements, \$4,350 have been disbursed, which please refund to the Embassy."

As the international situation drew America to the brink of war, Max Ligner and his Uncle Hermann became increasingly nervous 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 clashed in war. These men were Alfredo E. Moll and Ernest K. Halbach—both of whom were Americans. Moll and Halbach agreed that they would ship drugs and patents to South America through an American export firm called Fezardie and Sperle, which had an impeccable background and would not be seized in time of war. Hugh Williamson, a

director of General Aniline, allegedly handled materials and agents. Meanwhile, Halbach arranged to have his own subsidiary, General Dyestuffs, reconstructed as an American company that also would not be subject to seizure. In New York, Dietrich Schmitz bundled all the incriminating Chemnyco documents into a furnace and watched them burn.

On May 9, 1941, Attorney General Robert H. Jackson yielded to pressure from Roosevelt. He seized American I.G.'s deposits at the National City Bank of New York. But it turned out that only \$250,000 of the half-billion-dollar corporation account was in the bank vault. Evidently, Ligner had good contacts, because only six weeks later all except \$25,000 of the money was unfrozen. It looked as though I.G. had gotten away with everything, but Morgenthau and Roosevelt froze all Swiss holdings in the United States and with them, American I.G. Its Swiss cloak had proved its undoing for the time being.

Sosthenes Behn of ITT proved to be a useful Fraternity member when he stepped in on Göring's suggestion to try to buy General Aniline and Film, thus Americanizing it, and removing the Swiss freeze order, and preventing it from seizure in time of war. He would make a neat exchange of ITT's German properties so that these, too, would escape seizure. The inescapable National City Bank naturally encouraged the transaction, but Hermann Schmitz was convinced that Behn was trying to outfox him and instead he decided to sell the company to one of its own subsidiaries. Schmitz outsmarted himself. The deal nearly went through but it was too much for Morgenthau, who stopped it. Schmitz tried again. Part of the American I.G. shares were owned by a Dutch subsidiary. He tried to have that subsidiary buy out GAF, but Morgenthau stopped that arrangement, too.

With the advent of Pearl Harbor, Morgenthau 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, Morgenthau begged Roosevelt to let Treasury run GAF instead of the Department of Justice or 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 tycoon Leo T. Crowley, a *bête noire* of his, should take over General Aniline and Film as Alien Property Custodian. He didn't trust Crowley, an appointee of the weak and vacillating Attorney General Francis Bid-

die. He knew that Crowley, a big, bragging, loudmouthed man, was a close friend of the corporations; a protector of big money in the Jesse H. Jones mold. Crowley had begun as a Wisconsin delivery boy, had fought his way up through the electrical business. A prominent Roman Catholic, Knight 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, Morgenthau felt, the last person 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 sacking some obviously pro-Nazi personnel. Roosevelt was 100 percent behind him and told him that "in case anybody asks you, you can say that the President [says] 'Kill the son-of-a-bitch.'"

However, Roosevelt almost simultaneously undermined Morgenthau's power over the company by putting in temporary charge of it a servant of big business, the wealthy lawyer John E. Mack. Mack brought in the ever-scheming William Bullitt as chairman of the board. Mack opposed the removal of Nazi officers and flatly refused Morgenthau's demand that he stop using them in a consulting capacity. Morgenthau was disgusted by the huge salaries Mack and Bullitt were drawing for simply covering for Nazis. Mack even tried to set up a so-called "plant management committee," staffed in its entirety by hardcore former I.G. Farben executives.

On February 16, 1942, Morgenthau won a round against Mack by seizing 97 percent of the shares of GAF. Bullitt resigned at once. Mack stayed on, furiously arguing with Morgenthau and his policy. Meanwhile, Roosevelt kept mentioning that Crowley was waiting in the wings. Frustrated, angry with the President, Morgenthau wrote to Harry Hopkins on February 26, "Roosevelt wants to be in the position that if I go ahead and clean all of this up, he doesn't know anything about it, and he can say he doesn't know anything about it."⁵

Hopkins conveyed his fury to the President, who on March 5 at last told Morgenthau to "proceed at once with Aniline." However, scarcely a week later, Roosevelt suddenly appointed Crowley the head of General Aniline and Film! It was typical of Roosevelt's equivocation that he would do this. Within twenty-four hours of taking of-

fice, Crowley put Ernest K. Halbach, perhaps the most committed pro-Farben executive in the whole organization, in as chairman. He declined to fire him even when Halbach was indicted three times for dealing with Farben after Pearl Harbor. To Morgenthau's intense disgust he hiked his salary from \$36,000 to \$82,000 a year and with shocking boldness reappointed Alfredo E. Moll, Halbach's collaborator, as GAF head of sales in South America. Both men were given back shares that Morgenthau had seized, and their bank accounts at the National City Bank were unfrozen on Crowley's specific instruction. Nor was Crowley content with this. His partner in the multimillion-dollar firm Standard Gas and Electric was the immensely wealthy Victor Emanuel, who had obtained control of SGE with the aid of the Schröder banks. Crowley continued to receive a salary from SGE and from the J. Henry Schröder Bank of New York while remaining Alien Property Custodian! John Foster Dulles, a close friend of Crowley's and Halbach's, became special legal counsel for Crowley. He was also Halbach's attorney, suing 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 antitrust indictments returned against General Aniline and Film on December 19, 1941, accusing the corporation of being part of the world trade conspiracy for Hitler. They had failed to enforce its acceptance of consent decrees that would bar it permanently from resuming its ties with I.G. Farben. They had failed to merge it with General Dyestuffs, which still got 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.

I. 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 Administrator. In an editorial in *PM*, on February 10, 1944, Stone wrote: "Crowley's resignation is not enough. . . . We hope that, in picking a new Alien Property Custodian, 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

⁵ Barn, John Morton: *From the Warrentineer Diaries: Years of War, 1941-1945*; Boston: Houghton Mifflin.

Schroder banking interests. Standard Oil or any company linked by business ties with I. G. Farben before the war." The article continued, "Throw open to American business all the dyes, stuffs, chemical, pharmaceutical and other patents owned by General Aniline directly or through its subsidiary, Winthrop Chemical. . . . break up General Aniline into smaller companies under permanent American ownership, each handling a different one of General Aniline's business interests, so that we may be rid of the monopolistic power 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 La Varre of the Department of Commerce charged before a Senate Postal Committee meeting on June 1, 1944, that censored information was being distributed by Crowley through the U. S. government against the nation's best interests. He said that two men representing themselves as salesmen for General Aniline and Film sought from him data from a censored message about Eastman Kodak for use in a film sales campaign in Latin America. He refused to give the information. La Varre told the committee that instead of freezing General Aniline, Crowley was running it in competition with Kodak. The GAF reps had returned to Crowley and then gone back to La Varre with letters saying they were working for the Alien Property Custodian and they must have the secret data. In view of the fact the instruction came from the government, La Varre had felt obliged to hand it over. General Aniline had beaten Kodak hollow below Panama.

Worse, La Varre 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 bribed everyone in sight to break the arrangement in favor of General Aniline.

Crowley was not punished. Meanwhile, John Foster Dulles represented Mrs. Ernest Halbach 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. Markham, as Custodian. Markham was also a director of Standard Gas and Electric! It is scarcely surprising that Dulles had no problems with Markham in

winning the case. Halbach received a total of \$696,554,000 for properties that the government had seized—plus the compound interest paid by the U. S. Treasury.

One of the multitudinous branches of I. G. Farben before and during World War II was the General Aniline and Film associate Sterling Products, Inc., the colossal drug empire partly financed by the National City Bank, that manufactured in connection with its subsidiaries, the Winthrop Chemical Company and the Bayer Company, Sterling, Winthrop, and Bayer distributed the famous pharmaceutical products known as aspirin and Phillips Milk of Magnesia. Millions of Americans would have been shocked to learn that by their use of these familiar nostrums they were helping to finance an army of secret agents north and south of Panama who supplemented the Max Heger N. W. 7. spy network in supplying information on every aspect of American military possibilities.

A close friend of Hermann Schmitz's, a director of American I. G. and General Aniline and Film, William E. Weiss was chairman of Sterling. He was a tough, stocky, aggressive German-American from Wheeling, West Virginia. Episcopalian, pillar of the community, expert chemist, he built his flourishing business from the base of a small drugstore. He early formed an intimate friendship not only with Schmitz but with Wilhelm Mann, director of Farben's pharmaceutical division.

American Bayer, the developer of the aspirin, had been seized by the World War I Alien Property Custodian in 1918 and closed down. In buying the company in 1919, Weiss had to sign a pledge that he would never let anyone obtain control of it who was not "one hundred percent loyal to the United States. . . ."

Within six months of signing the agreement, Weiss got in touch with Hermann Schmitz of Farben to find methods of entering into collusion with America's former enemy and circumventing the Versailles Treaty, which did not permit Germany to build up its drug industry. His first move was characteristic. Another Pennsylvanian—the brisk, no-nonsense Pittsburgh Scots-Irish attorney Earl McClinock—had been second-in-command to the Alien Property Custodian in charge of the German properties. Weiss hired this bright, smooth, fast-talking young man away from the Custodian office at

\$13,000 a year, \$10,000 more than he had been getting, and made him a junior partner. In 1920, McClintock traveled to Baden-Baden in Germany. In meetings with Carl Bosch and Hermann Schmitz, he reestablished the very links with German Bayer that he himself had legally broken off on behalf of the U.S. government a mere nine months before.

He helped to set up a clandestine network of agents in South America, threading through cities and small towns in order to form one of the most powerful drug cartels in the world. In the 1920s, Sterling wholly owned Bayer in the United States. The two companies operated in separate offices and factories, but were bound together as closely as twin threads.

In 1926, Herbert Hoover as Secretary of Commerce set up a Chemical Advisory Committee with Frank A. Blair of Sterling, Walter C. Teagle of Standard Oil, and Lamont du Pont, brother of Irénée, on the board. Two years later Sterling Dye-stuffs was sold by Weiss to the old and well-established American firm of Grasselli, which merged with Du Pont and finally became part of General Aniline and Film. Thus, The Fraternity strands were knitted together almost from the beginning.

During the 1920s, Weiss and I.G. had signed a fifty-year agreement in which they literally carved up the world into market areas, with each assuming control of specific regions as far as New Zealand and South Africa. They jointly set up Alba Pharmaceutical Co. I.G. controlled 50 percent of Alba. And Winthrop, Alba, Sterling, and I.G. interchanged board members in a thirty-year game of economic musical chairs.

In 1928 a Nazi agent joined the company. This man was Edward A. Rummely, an independent financial consultant to Henry and Edsel Ford—those founder members of The Fraternity.

In World War I, Rummely had been a leading German propagandist, working with Westrick's partner, Fraternity lawyer Dr. Heinrich Albert, later head of German Ford. Rummely had spent \$200,000 on an advertising campaign urging the readers of 619 newspapers to protest sending war supplies to the Allies. He had bought the New York *Evening Mail* as a German front. In 1918 he was arrested on charges of trading with the enemy but, although convicted, he only served one month in jail. Henry Ford had used influence with President Cal-

vin Coolidge. The day Rummely left prison, Ford, with a touch of black humor, handed him a parcel of Liberty Bonds as a stake.

Rummely 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 nascent Nazi organizations below Panama. He was greatly aided by Alfredo E. Moll, who continued to function in World War II under the malign aegis of Leo T. Crowley. To make the picture complete, Weiss used the Dulles brothers as one set of lawyers and, as another, Edward S. Rogers and partners, connected to the Rogers Standard Oil family and formerly legal advisor to the Alien Property Custodian.

Yet another valuable connection came in 1929, 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 Kohn, 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. Farben connections, were in the shop. Within two hours of reading the announcement, a representative of the German government pretending to be a document collector turned up with \$100,000 in crisp new banknotes. Kohn refused to part with the letters at any price: a Jewish veteran of World War I, he had a nose for German spies. Next day a beautiful young woman appeared, offering money and physical inducements. Again, Kohn 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 strategic information, and efforts to suppress equivalent drug production by loyal American companies. On March 29, 1933, Farben's Max Illner—by now a Nazi officer in Gestapo uniform—sent a message to Max Wojahn, Sterling export manager for South America, which read, in part: "You are asked to refrain from objecting to 'indecenties' committed by our [Nazi] government. . . . Immediately upon receipt of this letter, you are to contribute to

the spread of information best adapted to the conditions of your country and to the editors of influential papers, or by circulars to physicians and customers; and particularly to that part of our letter which states that in all the lying tales of horror [about Germany] there is not one word of truth."

It was agreed that no anti-Nazi newspaper would receive advertisements from Sterling. Indeed, an advertising contract would be canceled if the paper changed to an anti-Nazi attitude.

In 1933, after the accession of Hitler, Weiss in his correspondence with Farben's Rudolf Mann, indicated that he was "worried about the condition of Germany." However, Mann, who had embraced the Nazi doctrine with alacrity from the start, reassured Weiss that in Germany things would be very much better under the Nazi party. Weiss stated that he was not inclined to believe the ugly rumors of things that were happening in Germany but he wanted a more substantial report. Mann replied, completely endorsing the National Socialist government. Noting that there had been "a few unfortunate cases" he quoted as an excuse the German proverb "*Wo Gehobelt wird, Da fallen Späne*" ("Where one shaves, the shavings fall"), which had become popular in Germany a few days before when Göring used it in the course of a speech. There was further correspondence of the same type between Weiss and Mann.

In the fall of 1933, Weiss made a trip to Germany. His thirty-second wedding anniversary was celebrated with great pomp among Gestapo leaders in Munich. After his return, in a letter of November 17, 1933, Weiss assured Rudolf Mann that his "American friends were naturally very much interested in our trip and we made many inquiries as to existing conditions in Europe. I have informed them of the remarkable strides made in Germany and you may rest assured that I will help to give an enthusiastic report of the conditions as I viewed them in Germany and the splendid progress that the country has made under Herr Hitler."

A young and risiky former employee of I.G., Howard Ambruster, constantly hammered away at Sterling's pro-Nazi activities. Football coach at Rutgers, engineer, liberal journalist, chemist, editor, builder, and contractor, he was a robust, muscular jack-of-all-trades who spent a lifetime trying to strip bare Sterling's influences in Washington. But

he had little chance of success. His numerous memoranda to congressmen and senators were ignored. Every effort was made to silence him.

Ignoring such small fry, Weiss and Earl McClintock maneuvered through the Depression years to insure Sterling's rise to the most important pharmaceutical corporation in the United States. In 1936, McClintock almost pulled off a major coup. Irritated by the Securities and Exchange Commission's investigations 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 Basle to confer with Hermann Schmitz and Kurt von Schröder during meetings 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 carried by Sterling from distributing Bayer products in Latin America would be held in the J. Henry Schröder 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 sanitized by transfer to Sterling as American patents for the duration.

I.G. was to continue its Latin American operation under the Sterling cloak. Goods would be stockpiled for the duration or relabeled 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 addendum 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 Corcoran, the famous

"Tommy the Cork," became first the unofficial, then the official lawyer for Sterling. Eventually, he became a director of the corporation.

In 1934, Concoran introduced his brother David to Weiss. David wanted a job. He was an automobile salesman with no other experience to speak of, but Weiss hired him on the spot to take over Sterling's South American operation.

That operation became a fabulous resource for Nazi Germany. In his 15,000-word report to the Truman defense committee in 1942, the young and keen-witted Assistant Attorney General Norman Littell stated: "When the Nazi government pressed I.G. Farben for money in 1938, it drew on Sterling Products Inc. or its subsidiaries."

The shipments to South America continued from Germany until the outbreak of war in September 1939. The British blockade created the same problems that it had for Davis and for Standard. Therefore, Hermann Schultz was compelled to hand over his South American distribution to Sterling. The drug supply continued uninterrupted, emanating more and more from New York.

On September 11, 1939, ten days after war broke out in Europe, Weiss took over the operation of the Latin American businesses in order to avoid seizure if the United States should enter the war. In addition he made arrangements to stockpile products for the German agencies to last for at least five years. With \$2 million in stock and \$30 million in investments in actual medication in South America, Weiss and Earl McClintock fought desperately to save their Nazi association. In February 1940, McClintock flew to Rome to confer with I.G.'s Rudolf Mann to tell him once again that the alliances would continue whether or not the United States came into the war. Mann refused initially on the ground he might be executed for trading with Germany's potential enemy. He was evidently more afraid of Hitler than McClintock was of Roosevelt.

Mann said that providing Sterling took care of the German businesses south of Panama, it would be possible to continue the association without actual contact visible to the Nazi government. The National City Bank characteristically agreed to protect the arrangement indefinitely and not show on any statements that any of the dealings took place. The reason for this was a fear not of the U.S.

government finding out but of the information slipping into the hands of German agents.

Max Wojahn 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 late in December and renew it early in January..."

On May 31, 1941, I.G. began to make the transfers. It handed over 75 percent of its Argentine operation to Sterling in return for money advanced in helping I.G. to finance an Argentine laboratory helping the Nazis in Buenos Aires. This reached the attention of the U.S. Department of Justice, which ordered the money transferred to "miscellaneous income 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 15, 1941, Weiss signed a consent decree in return for minimal fines in which Sterling and Bayer would cease their association for the duration. By now most of the Bayer operation was tucked under the Sterling cloak. 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 SEI, a Sterling subsidiary in Rio, advised New York that it was handling its aspirin product under the old German name. Instead of instructing his agent to discontinue the distribution, Wojahn told him to proceed as usual.

Again under pressure from Morgenthau, who ceaselessly hammered away at the board, Weiss left the company on December 3, 1941, and returned to his home in Wheeling, West Virginia. However, he continued to exercise an influence behind the scenes. He made two trips to Albany to attend board meetings at which he sought to state his case for being reinstated, but this was out of the question: the company's image was tarnished enough already. Back in Wheeling, he refused to remove his effects from his office. During the Christmas vacation he wrote asking for information on products from the Sterling secret laboratory. Even as late as February 1942 he still had done nothing to clean out his office. He suggested to his successor, James Hill, that he should have a separate entrance built and his office could be kept in the building. Hill explained that this

would not be acceptable to Treasury. Hill warned Weiss that Morgen-thou might treat him as harshly as he was treating some of the board of General Aniline and Film. On February 23, Hill returned again and Weiss was still installed. Hill screamed at Weiss that for the company's own good he must leave at once. On March 10, Hill made a fourth trip to Wheeling and nothing had been done. Weiss had taken off to Arizona on a vacation, leaving his office intact. Hill shouted at Weiss's secretary, who refused to move her boss's belongings. Hill thereupon ordered the plant superintendent to remove the secretary and the remainder of Weiss's effects from the premises in twenty-four hours. His instructions were carried out.

When Weiss returned, he was devastated to see what had happened. Completely blackballed, he became a kind of ghost, walking or driving meaninglessly around Wheeling for eighteen months. In March 1943 he drove his car head on into another and was killed instantly.

The new management of Sterling was almost as unsatisfactory—except for James Hill. Earl McClimock, who had so coolly fed his own colleague to the wolves, stayed on. Meanwhile, some three weeks after Weiss's resignation, on December 31, U.S. Military Intelligence had intercepted a cable from the Sterling headquarters to Mexico City and Venezuela stating under the heading Top Secret, "In order that shipments . . . be afforded greater security, it is requested that you designate different consignees which are perfectly neutral, and to whom we will ship the goods in lots of 40 or 50 cases after repacking in neutral packing cases following a period of storage in a warehouse. It is possible for us to obtain consignments in the West-ern coast ports to avoid having U.S. espionage be able to ask in pursuing the matter the transportation route of the consignment."

The cable was examined in Washington, but the consignments were not discontinued. On February 4, 1942, J. Edgar Hoover sent a private memorandum to Under Secretary of State Adolf Berle with a report on the Sterling operation in Chile. He revealed that Werner Sierring of the local operation was head of the espionage service in that country. Hoover wrote, "Not only does this group keep careful files on the principal opponents of Nazism, but checks on each German citizen to test his loyalty to Hitler. This organization has agents

in all American-controlled copper mines, the American and British-controlled night raid works, as well as in large chemical and financial houses. Through these agents they keep check on all important economic developments. . . . The report continues at great length to disclose that Sierring and his corporation had aided German crewmen of the scuttled German battleship *Admiral Graf Spee* to escape from prison and go by Japanese ship to Japan.

Sierring also worked with local Nazi officials to collect information on the political and economic situation, the activities of Chile's leaders, the production of minerals in Chile and Bolivia, general conditions in industry and commerce, maritime and military movement.

In April 1942, Morgenstau's staff investigated Sierring's headquarters in Manhattan. The investigative team found that a man who for sixteen years had worked for I.G. Farben was still employed as an executive. The team found that an attorney who had been executive vice-president of General Aniline and Film had continued to represent Sierring on its legal staff until February.

On May 28, 1942, the Lima, Peru, manager of Sterling wrote to his Buenos Aires office stating that the Peruvian government was suspicious of Sterling's operations and wanted to control its business dealings. The letter stated that no such control would be permitted. No interference with Sterling's dealings with Proclaimed List nationals would be tolerated.

On August 27, 1942 Phillip W. Thayer, senior economic assistant of the American Embassy at Santiago, Chile, wrote to Mario Justiniano, manager of the Sterling laboratories in that city, urging Sierring to collect "the sum of 500,827 pesos, the equivalent of \$14,861.81 which is owed you by Quimica Bayer, of Santiago, a branch of I.G. Farben. . . . Thus, an official of the U.S. government authorized a branch of a New York company to collect money from a Nazi corporation in time of war. The note continues with the words: "It would also be very much appreciated if you will inform us as to the steps which are now being taken by your firm in the United States to obtain the necessary commission and the license to effect this co-operation."

On August 30, 1942, Justiniano wrote to the Securities and Exchange Control Commission in Washington to seek the license. He in-

formed the SECC that there would be a problem in getting the money. He would have to obtain it through the German-owned Banco Alemán Transatlántico in Buenos Aires. He wanted to avoid this transaction because of the unfavorable attention that a disclosure of it might cause. He advised SECC that his lawyer had approached Bayer to obtain payment in Chilean pesos and cash. The money came from the Banco Alemán Transatlántico and was transferred to a Chilean bank.

Justiniano sent McClintock a copy of the letter to the SECC. McClintock immediately cabled him that the arrangement was unacceptable and that Sterling must approach the Banco Alemán direct. Thus, McClintock personally authorized an arrangement with the enemy.

There was some delay in getting a response from Washington. The detailed interoffice memoranda between Treasury and State make interesting reading. Justiniano was complaining that he was having difficulties getting letters through to New York so that the long delay could be checked on by head office. He seemed to think that some foreign intelligence service must have intercepted the mail. Treasury checked into the matter and found that in fact letters were coming through safely but perhaps Justiniano was afraid of their being seen. State wavered, then finally agreed to the transaction.

On November 4, 1943, Dudley G. Dwyre, legal counsel of the U.S. Embassy in Montevideo, Uruguay, reported to State that Sterling in that country was utterly failing to meet its agreements with the U.S. government to desist from trading with the enemy. Sterling's local branch was still using Nazi trademarks and retaining Nazi employees, every one of whom had worked for Bayer, in defiance of the Consent Decree. Indeed, a local Sterling executive had been hired from Bayer, which he also had run. The Sterling laboratories were still part-owned by Proclaimed List firms. A local lawyer for Sterling's subsidiary was a known Nazi.

Various dispatches from embassies throughout 1943 assert that McClintock actually bribed Chilean government officials to enable him to continue business connections with the Nazis. That same year a Treasury team arrived in South America to investigate Sterling from Panama to Cape Horn. In many areas Sterling had done much to clean house, transferring patents and products to American ownership

from Bayer management. But the pockets of collusion and collaboration—chiefly in Uruguay and Chile—survived.

Norman Littell, antitrust lawyer in the Attorney General's Department, spent most of the war years fighting Sterling and its protections within the U.S. government. He was appalled by the infringements of the Consent Decree and he was upset by the fact that the famous Tommy Corcoran was handling Sterling. He felt that Corcoran exercised too great an influence on Attorney General Francis Biddle. He was aggravated by a statement Biddle made to *The New York Times* on September 6, 1941, a statement that Littell felt showed Biddle's weakness and vacillations and lies to protect the corporation: "Sterling Products has always been a wholly American company, and none of the profits of the sale of Bayer Aspirin has been shared among foreign investors. Similarly, none of the domestic American products or achievement of the Bayer Company was involved in relations with I.G. Farben nor is there any foreign interest in the numerous other subsidiaries of Sterling Products engaged in the proprietary medicine field."

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

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

The Atabrine story leaked to I. F. Stone and others of the press, who backed Littell and Ambruster in an all-out assault on Crowley. Owing to their pressure Senator Homer T. Bone, chairman of the Senate Patents committee, announced that there would be a full-scale hearing on Atabrine. But the hearing was postponed again and again. Despite the fact that Biddle had thousands of documents proving the suppression of Atabrine, 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 patents committee refused to discuss the matter.

In August 1942, Thurman Arnold of the Department of Justice Antitrust Division wrote in *The Atlantic Monthly*: "The spectacle of the production of this essential drug, left so long to the secret manipulation of a German-American combination during a period when Germany was preparing for war against us, is too shocking to need elaboration."

In March 1943, Ambruster 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 Sterling Products and Proclaimed List companies. He demanded to know why none of these people had been interned, denaturalized, or deported. Harrison told him that Immigration was forbidden to discuss the subject. Ambruster asked for a regulation upon which that refusal might be based. He was told that no such regulation would be supplied.

Ambruster now wrote to Assistant Attorney General Wendell 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 to your inquiries."

Assistant Attorney General Littell became so persistent a gadfly that on November 18, 1944, Roosevelt, under pressure from Littell's enemies, called for the young man's resignation. Instead of tendering it, Littell wrote a 15,000-word blast, exposing the intricate connections between Sterling, Tommy Corcoran, and the enemy. Bidelle insisted Roosevelt fire Littell. Roosevelt hesitated. He dreaded personal confrontations of any kind. But Bidelle finally won. Roosevelt dismissed Littell for insubordination, saying, "When statements made by Norman Littell [criticizing 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, Littell at last found support in Congress. Representatives Al Smith of Wisconsin, and Jerry Voorhis of California entered Littell's charges against Sterling in the Congressional Record on January 22 of that year, demanding a full-scale investigation. The investiga-

tion never took place. Within a few days of the resolution being entered, it was removed from the agenda, and Bidelle quietly resigned, ironically taking up the post of prosecutor at the Nuremberg Trials immediately afterward.

Just before Roosevelt died, the ailing President asked to see Littell, who recalls that in a charged meeting in the Oval Office he told the young man he would like to have seen Bidelle impeached for treason but the difficulties were too great in his grievous physical condition. Littell asked Roosevelt why Bidelle, of all people, was a judge at Nuremberg. Roosevelt did not reply.

9

The Car Connection

William Weiss'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 Fraternity's activities before and during World War II. The Ford chairman in Germany, in charge of all Ford operations after Pearl Harbor, was Dr. Heinrich Albert, partner until 1936 of Gerhardt 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 took the boy into a private vault and gave him \$1 million in gold. Henry Ford controlled more than half of the American automobile market by 1940; in the early years of the century, his famous Model T, the chariot of the common man, revolutionized the nation.

Lein and hard as a Grant Wood farmer, Henry Ford was a knotty puritan, dedicated to the simple ideals of early-to-bed, early-to-rise, plain food, and no adultery. He didn't drink and fought a lifetime against the demon tobacco.

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 first announced his anti-Semitism in 1919, in the

New York *World*, when he expressed a pure fascist philosophy. He said, "International financiers are behind all war. They are what is called the international Jew: German-Jews, French-Jews, English-Jews, American-Jews. . . the Jew is a threat."

In Germany, Hitler was uttering 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 22 carried the headline THE INTERNATIONAL JEW: 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 part. . . ." and continued in the same vein to the end. A frequent contributor was a fanatical White Russian, Boris Brasol, who boasted in one piece: "I have done the Jews more injury than would have been done to them by ten pogroms."

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

Ford's book *The International Jew* was issued in 1927. 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. Visitors to Hitler's headquarters at the Brown House in Munich noticed a large photograph of Henry Ford hanging in his office. Stacked high on the table outside were copies of Ford's book. As early as 1923, Hitler told an interviewer from the *Chicago Tribune*, "I wish that I could send some of my shock troops 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 1924, Erhard Auer of the Bavarian Diet testified that Ford had given Hitler money. Ford formed crucial links in The Fraternity at an early stage. He appointed Gerhardt Westrick's partner Dr. Heinrich Albert as chairman of the Ford Company. Other prominent figures in that company were fanatically pro-Nazi. They included a grandson of the Kaiser and Carl Bosch, Schmitz's forerunner as head of I. G. Farben. Later, Carl Krauch of I. G. Farben became a director and Kurt von Schröder, as one might have predicted, handled the banking.

Carl Krauch testified in an interrogation in 1946:

I myself knew Henry Ford and admired him. I went to see Götting personally about that. I told Götting that I myself knew his son Edsel, too, and I told Götting that if we took the Ford independence away from them in Germany, it would aggravate friendly relations with American industry in the future. I counted on a lot of success for the adaptation of American methods in Germany's industries, but that could be done only in friendly cooperation. Götting listened to me and then he said: "I agree. I shall see to it that the German Ford Company will not be incorporated in the Hermann Göring Company." So I participated regularly in the supervisory board meetings to inform myself about the business processes of Henry Ford and, if possible, to take a stand for the Henry Ford Works after the war had begun. Thus, we succeeded in keeping the Ford Works working and operating independently of our government's seizure.

Edsel Ford had a great deal to do with the European companies. He was different in character from his father. He was a nervous, high-strung man who tried to work off his extreme tensions and guilts over inherited wealth in a furious addiction to tennis and other sports. Darkly handsome, with a whipcord physique, he was miserable at heart. He could not relate to his father, who despised him, and his inner distress caused him severe stomach ulcers that developed into gastric cancer by the early 1940s. Nevertheless, he and his father had one thing in common. True figures of The Fraternity, they believed in Business as Usual in time of war.

Edsel was on the board of American I.G. and General Aniline and Film throughout the 1930s. He and his father, following their meetings with Gerhard Westrick at Dearborn in 1940, refused to build aircraft engines for England and instead built supplies of the 5-ton military trucks that were the backbone of German army transportation. They arranged to ship tires to Germany despite the shortages; 30 percent of the shipments went to Nazi-controlled territories abroad. German Ford employee publications included such editorial statements as, "At the beginning of this year we vowed to give our best and utmost for final victory, in unshakable faithfulness to our Fuehrer." Invariably, Ford remembered Hitler's birthday and sent him 50,000 Reichsmarks a year. His Ford chief in Germany was responsible for selling military documents to Hitler. Westrick's partner Dr. Albert continued to work in Hitler's cause when that chief came to

the United States to continue his espionage. In 1941, Henry Ford delivered a bitter attack on the Jews to *The Manchester Guardian* (February 16, 1941) saying inter alia, that the United States should make England and Germany fight until they both collapsed and that after that there would be a coalition of the powers.

And in 1941 he hired Charles Lindbergh as a member of his executive staff. Lindbergh had been one of the most vocal supporters of Hitler. Indeed, the advent of Pearl Harbor made no difference to Lindbergh's attitude. On December 17, 1941, ten days after the Japanese attack, Lindbergh said to a group of America Firsters at the home of prominent businessman Edwin S. Webster in New York,

There is only one danger in the world—that is the yellow danger. China and Japan are really bound together against the white race. There could only have been one efficient weapon against this alliance. . . . Germany. . . . the ideal setup would have been to have had Germany take over Poland and Russia, in collaboration with the British, as a bloc against the yellow people and Bolshevism. But instead, the British and the fools in Washington had to interfere. The British envied the Germans 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 insuring that his interests in France would not be affected following the German invasion. Management of the Ford interests was in the hands of the impressively handsome and elegant Paris financier Maurice Dollfus, who had useful contacts with the Worms Bank and the Bank for International Settlements. Although he had little knowledge of manufacturing processes, Dollfus supplied much of the financing for the new sixty-acre Ford automobile factory at Poissy, eleven miles from Paris in the Occupied Zone. Under Dollfus the Poissy plant began making airplane engines in 1940, supplying them to the German government. It also built trucks for the German army, as well as automobiles. Carl Krauch and Hermann Schmitz 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

*FBI report, December 18, 1941.

interest in Occupied France, even though this would mean collaboration with the Nazi government. Edsel and Dollfus decided to consolidate their operation in conjunction with Carl Krauch, Heinrich Albert, and Gerhart Westrick in Germany. The problem they had was how to keep in touch, since their two countries were at war. In order to overcome this difficulty, Edsel traveled to Washington at the beginning of 1942 and entered into an arrangement with Assistant Secretary of State Breckinridge Long, who simultaneously was blocking financial aid to German-Jewish refugees by citing the Trading with the Enemy Act. Long agreed that it should be possible for letters to travel to and from Occupied France via Lisbon and Vichy. Since it would be too dangerous to risk the letters falling into the hands of the press or foreign agents, they would have to be carried by a Portuguese courier named George Lesto who, with clearance from the Nazi government, was permitted to travel in and out of Paris.

On January 28, 1942, Dollfus sent the first letter after Pearl Harbor to Edsel Ford in Dearborn, Michigan, via the Portuguese courier Lesto. Dollfus wrote that, "Since the state of war between U.S.A. and Germany I am not able to correspond with you very easily. I have asked Lesto to go to Vichy and mail to you the following information. . . He added that production was continuing as before, that trucks were being manufactured for the occupying Germans and the French, and that Ford was ahead of the French automobile manufacturers in supplying the enemy. Dollfus said he was getting support from the Vichy government to preserve the interests of the American shareholders and that a company in North Africa was being founded for the Nazis with ground plots in Oran. Amazingly, the letter concluded by saying, "I propose to send again Mr. Lesto to the States as soon as all formalities and authorizations are accomplished."

Edsel replied at length on May 13: "It is interesting to note that you have started your African company and are laying plans for a more peaceful future. . . He went on, "I have received a request from the State Department to make a recommendation for issuance of a visa to Mr. Lesto. . . However, the letter went on, Ford was uneasy about making the request; it was clear that he was nervous about the matter being disclosed.

The Royal Air Force, apparently not briefed on the world connections of The Fraternity, had just bombed the Potissy plant. Ford wrote

on May 15 that photographs of the plant on fire were published in our newspapers here but fortunately no reference was made to the Ford Motor Company. In other words, Edsel was relieved that it was not made clear to the American public that he was operating the plant for the Nazis.

On February 11, 1942, Dollfus wrote again—that the results of the year up to December 31, 1941, showed a net profit for Ford's French branch of 58 million francs including payment for dealings with the Nazis.

On June 6, Dollfus wrote Edsel enclosing a memorandum prepared by George Lesto. The memo stated that the RAF had now bombed the plant four times, and that all machinery and equipment had been taken from the plant and scattered all over the country. Lesto was pleased to state that the Vichy government "agreed to pay for all damages. . . The reparation was "approved by the German government. . . Ford replied to this letter on July 17, 1942, expressing pleasure with this arrangement, congratulating Lesto on organizing the repayment, and saying that he had shown the letter to his father and to Charles E. Sorenson, and that they both joined him in sending best wishes to Dollfus and the staff, in the hope that they would continue to carry on the good work that they were doing.

Meanwhile, Dollfus and Heinrich Albert set up another branch of Ford in North Africa, headquartered in Vichy Algiers with the approval of I.G. Farben. It was to build trucks and armored cars for Rommel's army. In a lengthy report to the State Department dated July 11, 1942, Felix Cole, American Consul in Algiers, sent a detailed account of the planned operation, not complaining that the headquarters was located in the Occupied Zone of France or that Dollfus was prominent in the Pucheu* group of bankers that financed the factory through the Worms Bank, the Schröder Bank, and BIS correspondent in Paris. Cole remarked en passant, "The [Worms] firm is greatly interested in the efforts now being made to effect a compromise peace on behalf of Germany. . . Cole had put his finger on something: Dollfus was more than a mere Nazi collaborator working with Edsel Ford. He was a key link in The Fraternity's operation in Europe, scheming

*Pierre Pucheu, Vichy Minister of the Interior, who helped to back the secret of Eisenhower's North African invasion plan to the Nazis and was executed by the Free French for treason in 1944.

with Pucheu, the Worms Bank, the Bank of France, the Chase, and the Bank for International Settlements.

The letter from Cole went on: "It is alleged that the main outlets for the new works [in Oran] will be southwards, but the population which is already getting plenty of propaganda about the *collaboration of French-German-American capital and the questionable (?) sincerity of the American war effort** is already pointing an accusing finger at a transaction which has been for long a subject of discussion in commercial circles."

Dollfus wrote again on August 15, 1942; the letter reached Edsel Ford two weeks later. Dollfus stated that following the RAF bombing, production had been resumed in France at the same rate; that he was not perturbed to say where the new plants were to which production had been disbursed but that they were four of the principal plants. He went on, "Machinery has been overhauled and repaired and some new machinery purchased so that the capital in machinery and equipment is completely restored to its pre-bombing status. I have named a manager in each plant and the methods and standards are the same as they were in Poissy. Essential repairs have been started at Poissy but work is slow because of the difficulty in obtaining materials."

In the rest of a very long letter, Dollfus pointed out that at this stage the Poissy and other works came directly under Dr. Heinrich Albert and a German officer named Tannen, in trust, "Mr. Tannen has in turn given me back most of the powers that I used to have previously to run our business, with the exception of certain ones 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. Albert was clearly anxious to play a part "so as to appear a Good Samaritan after the war in the eyes of the Allies."

On September 29, 1942, Breckinridge Long wrote to Edsel enclosing a letter from Dollfus saying that Vichy's compensation payment to Ford to the tune of 38 million francs had been received. On October 8, Ford sent a letter of thanks.

In April 1943, Morgenthau and Lauchlin Currie conducted a lengthy investigation into the Ford subsidiaries in France, concluding that

* Author's italics.

"their production is solely for the benefit of Germany and the countries under its occupation" and that the Germans have "shown clearly their wish to protect the Ford interests" because of the "attitude of strict neutrality" maintained by Henry and Edsel Ford in time of war. And finally, "the increased activity of the French Ford subsidiaries on behalf of Germans receives the commendation of the Ford family in America."

Despite a report running to hundreds of thousands of words and crammed with exhaustive documentation including all the relevant letters, 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 cargoes of cars to blacklisted José O. Moll of Chile. Another consignee was a blacklisted enemy corporation, Lilienfeld, in Bolivia. On October 20, 1942, John G. Winant, U. S. Ambassador to London, coolly reported to Dean Acheson that two thousand German army trucks were authorized for repair by the Ford motor works in Berne. On the same day, Winant reported that the British Legation and the U. S. authorities recommended the Ford Motor Company of Belgium be blacklisted because its Zurich branch, on U. S. orders, was repairing trucks and converting the use of gasoline for trucks and cars of the German army in Switzerland.

In December 1943 a further report from Minister Leland Harrison in Berne said, "The Ford Motor Company in Zurich, acting for Cologne, supplies spare parts for the repair of Ford trucks and passenger cars to U. S. Ford Motor Company agents in Switzerland. Some of these parts are imported, which provides the enemy with cleaning funds." Thus, one year after these matters were reported in Washington, trading with the enemy was continuing. All Swiss operations functioned under the guidance of Ford's Charles E. Sorenson.

Edsel died of cancer in 1943, but Sorenson went on with the dealings. 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 Ritz-Carlton 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 comparable with Ford's. General Aniline and Film had heavy investments in the company.

Iréne du Pont was the most imposing and powerful member of the clan. He was obsessed with Hitler's principles. He keenly followed the career of the future Führer in the 1920s, and on September 7, 1926, in a speech to the American Chemical Society, he advocated a race of supermen, to be achieved by injecting special drugs into them in boyhood to make their characters to order. He insisted his men reach physical standards equivalent to that of a Marine and have blood as pure as that in the veins of the Vikings. Despite the fact that he had Jewish blood in his own veins, his anti-Semitism matched that of Hitler.

Between 1932 and 1939, bosses of General Motors poured \$30 million into I. G. Farben plans with the excuse that the money could not be expended. On several visits with Hermann Schmitz and Carl Krauch of Farben in Berlin in 1933, Wendell R. Swint, Du Pont's foreign relations director, discovered that I. G. and the gigantic Krupp industrial empire had arranged for all Nazi industry to contribute one half percent of its entire wage and salary roll to the Nazis even before they rose to power. Thus, Swint (who testified to this effect at the 1934 Munitions Hearings) admitted under oath that Du Pont was fully aware it was financing the Nazi Party through one half percent of its Opel wages and salaries as well as through its deals with I. G. and its building of armored cars and trucks.

Simultaneously with the rise of Hitler, the Du Ponts in 1933 began financing native fascist groups in America, including the anti-Semitic and antiblack American Liberty League and the organization known as Clark's Crusaders, which had 1,250,000 members in 1933. Pierre, Irénee, and Lamont du Pont and John Jacob Raskob funded the Liberty League, along with Alfred P. Sloan of General Motors. The League smeared Roosevelt as a communist, claimed the President was surrounded by Jews; and despite the fact that they were Jewish, the Du Ponts smeared Senitic organizations.

The connections between General Motors and the Nazi government began at the moment of Hitler's rise to power. Caring declined to

annex General Motors and indeed received with pleasure William S. Knudsen, General Motors' president, who returned on October 6, 1933, to New York telling reporters that Germany was "the miracle of the twentieth century."

Early in 1934, Irénee du Pont and Knudsen reached their explosion point over President Roosevelt. Along with friends of the Morgan Bank and General Motors, certain Du Pont backers financed a coup d'état that would overthrow the President with the aid of a \$3 million-funded army of terrorists, modeled on the fascist movement in Paris known as the Croix de Feu. Who was to be the figurehead for this ill-advised scheme, which would result in Roosevelt being forced to take orders from businessmen as part of a fascist government or face the alternative of imprisonment and execution? Du Pont men allegedly held an urgent series of meetings with the Morgans. They finally settled on one of the most popular soldiers in America, General Snedley Butler of Pennsylvania. Butler, a brave hero, had been awarded two Congressional Medals of Honor and his brilliant career as commandant of the Marine Corps had made him a legend. He would, the conspiratorial group felt, make an ideal replacement for Roosevelt if the latter proved difficult. These business chiefs found great support for their plan in Hermann Schmitz, Baron von Schröder, and the other German members of The Fraternity.

The backers of the bizarre conspiracy selected a smooth attorney, Gerald MacGuire, to bring word of the plan to General Butler. MacGuire agreed Butler would be the perfect choice. Butler had attacked the New Deal in public speeches.

MacGuire met with Butler at the latter's house in Newton Square, Pennsylvania, and in a hotel suite nearby. With great intensity the fascist attorney delivered the scheme to the general. Butler was horrified. Although there were many things about Roosevelt he disliked, a coup d'état amounted to treason, and Butler was nothing if not loyal to the Constitution. However, he disclosed nothing of his feelings. With masterful composure he pretended interest and waited to hear more.

When MacGuire returned, it was with news of more millions and more extravagant plans, which included turning America into a dictatorship with Butler as a kind of Hitler. Once more Butler was in-

frustrated but kept quiet. After MacGuire left on the second occasion, the general got in touch with the White House. He told Roosevelt of the entire plan.

Roosevelt's state of mind can scarcely be imagined. He knew that in view of the backing from high banking sources, this matter could not be dismissed as some crackpot enterprise that had no chance of success. He was well aware of the powerful forces of fascism that could easily make America an ally of Nazism even that early, only one year after Hitler had risen to power.

On the other hand, Roosevelt also knew that if he were to arrest the leaders of the houses of Morgan and Du Pont, it would create an unthinkable national crisis in the midst of a depression and perhaps another Wall Street crash. Not for the first or last time in his career, he was aware that there were powers greater than he in the United States.

Nevertheless, the plan had to be deactivated immediately. The answer was to leak it to the press. The newspapers ran the story of the attempted coup on the front page, but generally ridiculed it as absurd and preposterous. When Thomas Lamont of the Morgan Bank arrived from Europe by steamer, he was asked by a crowd of reporters to comment. "Perfect moonshine! Too utterly ridiculous to comment upon!" was the reply.

Roosevelt couldn't quite let the matter rest. Under pressure from liberal Democrats he set up a special House committee to investigate. Butler begged the committee to summon the Du Ponts but the committee declined. Nor would it consent to call anyone from the house of Morgan. Then Butler dropped a bombshell. He gave interviews to the press announcing that none other than General Douglas MacArthur was a party to the plot. This again was dismissed by the press, and MacArthur laughed it off.

The committee hearings were a farce. MacGuire was allowed to get away with saying that Butler had "misunderstood" his intentions. Other witnesses lamely made excuses, and there the matter rested.

It was four years before the committee dared to publish its report in a white paper that was marked for "restricted circulation." They were forced to admit that "certain persons made an attempt to establish a fascist organization in this country. . . . [The] committee was able to verify all the pertinent statements made by General Butler."

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 arms and munitions necessary would have been supplied by Remington, a Du Pont subsidiary.

The Du Ponts' fascist behavior was seen in 1936, when Irenée du Pont used General Motors money to finance the notorious Black Legion. This terrorist organization had as its purpose the prevention of automobile workers from unionizing. The members wore hoods and black robes, with skull and crossbones. They fire-bombed union meetings, murdered union organizers, often by beating them to death, and dedicated their lives to destroying Jews and communists. They linked to the Ku Klux Klan. Irenée du Pont encouraged General Motors foremen to join the Legion. In one episode a Detroit worker, Charles Poole, was brutally murdered by a gang of Black Legionists, several of whom belonged to the sinister Wolverine Republican League of Detroit. This organization had as its members several in big business. However, their names were kept out of the papers during the Poole case trial. It was brought out that at least fifty people, many of them blacks, had been butchered by the Legion, which swept through General Motors factories and had 75,000 members.

At the same time, the Du Ponts developed the American Liberty League, a Nazi organization whipping up hatred of blacks and Jews, love of Hitler, and loathing of the Roosevelts. Financed by Lamont and Irenée to the tune of close to \$500,000 the first year, the Liberty League had a lavish thirty-one-room office in New York, branches in twenty-six colleges, and fifteen subsidiary organizations nationwide that distributed fifty million copies of its Nazi pamphlets. In September 1936, while Hitler at Nuremberg expressed his grand design for the Four-Year Plan, the Du Ponts and the American Liberty League poured thousands into backing Republican Alf Landon against Roosevelt in the election. Other backers were the American Nazi party and the German-American Bund.

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, Knudsen of General Motors along with the Du Ponts instituted the speedup systems created by another prominent figure of The Fraternity, Charles Be-

doux. These forced men to work at terrifying speeds on the assembly lines. Many died of the heat and the pressure, increased by fear of losing their jobs at a time when there were very few available. In fact personally paid almost \$1 million from his own pocket for armed and gas-equipped storm troops modeled on the Gestapo to sweep through the plants and beat up anyone who proved rebellious. He hired the Pinkerton Agency to send its swarms of detectives through the whole chemicals, munitions, and automobile empire to spy on left-wingers or other malcontents.

By the mid-1930s, General Motors was committed to full-scale production of trucks, armored cars, and tanks in Nazi Germany. The GM board could be guaranteed to preserve political, personal, and commercial links to Hitler. Alfred P. Sloan, who rose from president of GM to chairman in 1937, paid for the National Council of Clergymen and Laymen at Asheville, North Carolina, on August 12, 1936, at which John Henry Kirby, millionaire fascist lumberman of Texas, was prominent in the delivery of speeches in favor of Hitler. Others present, delivering equally Hitlerian addresses, were Governor Eugene D. Talmadge of Georgia and the Nazi Reverend Gerald L. K. Smith. Sloan frequently visited Berlin, where he hobnobbed with Göring and Hitler.

Gracme K. Howard was a vice-president of General Motors. Under FBI surveillance throughout his whole career with the company, he was an outright fascist who wrote a poisonous book, *America and a New World Order*, that peddled the line of appeasement, and a virulently identical doctrine to that of Hitler in terms of free trade and the restoration of the gold standard for the United States of Fascism in which General Motors would no doubt play a prominent part.

Another frequent visitor to Germany was the rugged, cheerful, hearty James D. Mooney, head of the European end of the business, directly in charge of the Adam-Opel production. On December 22, 1936, in Vienna, Mooney told U. S. diplomat George Messersmith, who despite his German family origin hated Hitler, "We ought to make some arrangement with Germany for the future. There is no reason why we should let our moral indignation over what happens in that country stand in the way." In other words, although the mass of Americans despised the Nazis, business must continue as usual. Messersmith was furious. He snapped back, "We can hardly be ex-

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, Messersmith wrote, "It is curious that Mooney and Col. Sosthenes Behn . . . both give this opinion. The factories owned by IIT in Germany are running full time and in double shifts and increasing their capacity for the simple reason that they are working almost entirely on government orders and for military equipment. The Opel works, owned by General Motors, are [also] working very well [in the same way]."

That Christmas, Mooney was in Berlin for talks with Hyammar Horace Greeley Schacht to discuss Germany's and America's joint future in the world of commerce. He attracted the hatred of the liberal U. S. Ambassador to Germany William E. Dodd, who returned from Berlin to New York in 1937 and referred to The Fraternity in a shipboard press conference in New York harbor. Dodd was quoted in *The New York Times* as saying:

A clique of U. S. industrialists is hell-bent to bring a fascist state to supplant our democratic government and is working closely with the fascist regime in Germany and Italy. I have had plenty of opportunity in my post in Berlin to witness how close some of our American ruling families are to the Nazi regime. On [the ship] a fellow passenger, who is a prominent executive of one of the largest financial corporations, told me point blank that he would be ready to take definite action to bring 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 Boston with Baron Manfred von Killinger, who was Fritz Wiedemann's predecessor in charge of West Coast espionage, and Baron von Tippleskirsch, Nazi consul general and Gestapo leader in Boston. This group signed a joint agreement showing total commitment to the Nazi cause for the indefinite future. The agreement stated that in view of Roosevelt's attitude toward Germany, every effort must be made to remove him by defeat at the next election. Jewish influence in the political, cultural, and public life of America

must be stamped out. Press and radio must be subsidized to smear the administration, and there must be a Führer, preferably Senator Burton K. Wheeler of Montana, in the White House. This agreement was carefully hidden. But a secretary who was loyal to the American cause managed to obtain a copy and give it to George Selas, liberal journalist, who published it in his newsletter, *In Fact*. The patriotic liberal Representative John M. Coffee of Washington State entered the full agreement, running to several pages, in the Congressional Record on August 20, 1942, demanding that the Du Ponts and the heads of General Motors be appropriately treated. Needless to say, the resolution was tabled permanently.

In 1938, Mooney, like Henry Ford, received the Order of the Golden Eagle from Hitler. On March 27, 1939, he arrived in England to confer with the heads of his British company. He learned that three of the Adam-Opel staff had been seized by the Gestapo and charged with leaking secrets of the new Volkswagen to the United States. Mooney rushed to Berlin and arranged meetings with one Dr. Meissner, who was in charge of foreign VIPs. Meissner said that even the Führer could not interfere with Himmler and the SS. Mooney reminded Meissner of his commitment to the Führer.

Meissner agreed that this trivial matter must not be 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 Himmler's lieutenants and on the same day he visited Ribbentrop. But he was powerless to affect the fate of his employees.

On April 19, Mooney met with the invaluable Emil Puhl of the BIS and the Reichsbank, and Helmuth Wohlthat, Göring's American-educated right-hand man in the Four-Year Plan. Mooney conferred with these men on Hitler's 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.

In a state of excitement he traveled to London on April 25 to see Ambassador Joseph Kennedy. Kennedy agreed to meet with Puhl and Wohlthat in Paris. Mooney talked with Francis Rodd of Morgan, Grenfell, the British representatives of the Morgan Bank. They agreed that the loan should be made to Germany through the Bank for International Settlements. Rodd said significantly that the BIS provided a

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

Mooney went to Berlin on April 29. On May 1 he urged Puhl to meet with Kennedy in Paris. He promised to arrange the meeting secretly at Mooney's apartment in the Ritz Hotel. Puhl 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 Wohlthat should go instead. Wohlthat 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 5-6. But he hesitated and asked if Mooney didn't think it was advisable that he put the matter up to the White House first. Mooney said 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 at this late hour.

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 Mooney 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 chartered 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 scribbled out his notes on what was needed: a half to one billion gold loan through the BIS, a restoration of Germany's colonies, a removal of embargo on German goods, participation in Chinese markets. On Germany's side there would be armaments limitations, nonaggression pacts, and free exchange. Whatever Mooney's motives, these were pure Nazi objectives, nothing else.

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 see Wohlthat. Kennedy promised to put pressure on Roosevelt once more. Next morning, Mooney found Kennedy deeply depressed. Kennedy had tried to reach Roosevelt for hours, and when he had done so, Roosevelt had once again refused him.

Mooney now suggested Wohlthat should come to London. Kennedy agreed at once. Mooney called Wohlthat in Berlin and asked

him to come to London. Wohltat obtained permission from Hitler and Göring and arrived at the Berkeley Hotel on May 8. The meeting was held on May 9, apparently without Roosevelt's knowledge or approval. The Nazi economist got along well with Kennedy. Mooney noted that the two men saw eye-to-eye on everything. Wohltat returned to Berlin, promising his help. The press discovered Wohltat was in London and played the visit up tremendously with headlines like "Goering's mystery man is here." This greatly annoyed Mooney, who had assumed the visit was secret.

Roosevelt stepped in as soon as the news was announced and forbade Kennedy to have anything further to do with the arrangement. Mooney was greatly disappointed by this lack of rapport between the President and Nazi Germany. It was this series of meetings with Kennedy and Wohltat that helped to spawn ITT's Gerhardt Westrick's visit to New York the following year, and it is significant that Mooney was high on the list of people who received and encouraged Westrick. Roosevelt was greatly aggravated by Mooney but played along with him in order to see what he was up to.

In the Mooney diaries at Georgetown University in Washington, there is an eighteen-page document signed by Wohltat that lays out Germany's economic plans. It is quite clear that Mooney was in total accord with these.

On September 22, 1939, Mooney had a meeting with Roosevelt. His notes after the meeting, quoting as nearly as possible the President's actual words, suggest that Roosevelt was using Mooney to see what Hitler was up to. Roosevelt pretended he was not interested in telling the Germans what they should do about Hitler. That Mooney should remind the Germans that Roosevelt had gone to school in Germany and had a great many personal friends there. He said he wished Germany would pipe down about domination of the world. He discussed the question of broader distribution of goods in time of peace and that it ought to be reasonably simple to get around a table with the proper will and settle problems like Silesia, Poland, Czechoslovakia, and the general attitude toward Russia. Roosevelt said he would be glad to offer himself as moderator, that the Pope could serve a useful purpose in negotiations, and that practical suggestions must be made satisfactory to Berlin, London, and Paris. He encour-

aged Mooney to see Hitler but to be careful in communicating the results to the White House by telephone.

Armed with this artificial, carefully calculated authorization, Mooney traveled to Europe at the same time as Roosevelt's official emissary, Sumner Welles, in March 1940. He was only one day later than Welles in audience with Hitler on March 4.

Because of the importance of Adam Opel and the Du Ponts to the Nazi war machine, Hitler was extremely cordial. Mooney said that Roosevelt's early days in Germany had remained a nostalgic recollection; that the President's attitude to Germany was more sanguine and warm than was generally believed in Berlin; that Roosevelt would help toward a negotiated peace; that the German reporters ought 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 inactive until it either entered the Axis or was conquered. Hitler said he was delighted to hear Roosevelt's viewpoint and that Roosevelt had constructively undertaken the tasks of the Presidency. He suggested that Roosevelt would be well placed to negotiate peace. These statements were as calculated to deceive Mooney as Roosevelt's.

From the Chancellery, Mooney proceeded to the Air Ministry to see Göring, who later had him to dinner at Karin Hall. Göring played out a similar line of lies, denying among other things that Germany had any desire to affect the British colonial empire when in fact one of Hitler's burning obsessions was to retrieve his lost colonies. Wohltat also attended the meeting at Göring's house, and everyone concurred that the gold loan must once again be pushed by Mooney with the President.

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

Back in New York, Mooney met with Gerhardt Westrick, and joined that party at the Waldorf-Astoria in which some American leaders of The Fraternity, including Sophernes Behn and Tonkild Rieber, celebrated the Nazi conquest of France. On June 27 the Nazi

consul general in New York and local Gestapo chief, Heinrich Borchers, sent a report prepared by Westrick to Ribbentrop. It read:

A group of prominent businessmen and politicians whom I personally regard as reliable in every way, and whose influence I consider to be very great, but who, in the interest of our operation, do not want to be mentioned in any circumstances at this time, suggested that I convey to the Foreign Ministry the following: the aforesaid group, which has the approval and support of a substantial number of leading personalities, will shortly urge upon President Roosevelt the following recommendations: 1. Immediate sending of an American Ambassador to Berlin. 2. A change of Ambassadors in London. 3. Suspension of armament shipments to Great Britain until the new Ambassador to Berlin has had an opportunity to discuss matters with the German government.

On July 18, Hans Thomssen, chargé d'affaires in Washington, wrote to Berlin that this group was headed by James D. Mooney. Thomssen went on to report that Henry Ford had conveyed the same idea to him two days earlier.

In December 1940, Mooney set off on a journey to South America to contact some of the General Motors managers. Secretary of the Interior Harold Ickes, in an urgent meeting with Roosevelt and Cordell Hull on December 20, asked, "Wouldn't it be a good thing if we refuse Mooney a passport and told him why?" Roosevelt said, "That is a good idea. Cordell, how about it?" Hull said, "Passports to South America have never been refused." Ickes commented, "South America is a critical zone. We shouldn't let Mooney in." But Hull did.

The FBI apparently traced Mooney to further meetings with representatives of the German government. In a letter dated February 5, 1941, marked Strictly Confidential, James B. Stewart, U.S. consul in Zurich, wrote to Hatcher Warren of the State Department that he had heard from a French journalist connected to Charles de Gaulle that Edward Winter, GM distributor in Berlin now in Paris, acted as a courier for Mooney, carrying secret messages to the Nazi high officials in Paris. Stewart said that Winter had a special passport that allowed him to travel between occupied and unoccupied France. The letter continued, "Mr. Mooney is known to be in sympathy with the German government."

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 Messersmith, who was ambassador to Cuba. In his letter to Messersmith, 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 not truth in Mr. Stewart's information. There are too many rumors."

Messersmith replied to Warren on March 5, 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 businessmen, including himself, can take care of 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 our Quisling."

Messersmith sent a further letter to Warren on March 7, adding, "The attitude of Jim Mooney has a great deal to do with the attitude of some of the people of the GM Overseas Corp. who are making this difficulty about getting rid of Bartlett and other anti-American representatives of GM." Bartlett was GM's Cuban representative.

Questioned about these activities by Hoover's men, Mooney insisted he was a patriotic American, a lieutenant commander in the Reserves in the United States Navy, with a son on active duty with the Navy. Asked by the FBI's L. L. Tyler in mid-October 1940 if he would return the Hitler medal he said he would, "but it might jeopardize General Motors getting part of the \$100,000,000 of stockholders' money invested in Nazi Germany." Clearly, along with other Fraternity members, Mooney was working for a quick negotiated peace to release those funds, but even in this time of European war, they 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."

Soon after making these remarks, Mooney was promoted to assistant to Sloan in charge of defense liaison work in Detroit. In a special report to J. Edgar Hoover, FBI agent Tyler stated (July 23, 1941): "Men of Mr. Mooney's prominence, holding the views he holds, are potentially dangerous to national security."

Tyler was convinced, he went on, that Mooney "was threatening to the National Defense Program" that Mooney purportedly was aiding. Tyler also felt that Graeme K. Howard was a danger. He had been given a secret report from the State Department, which made clear that Sumner Welles, the Under Secretary of State, had had to threaten Howard with public exposure before Howard would agree to five nine hundred Nazi spies working for the General Motors Export Corporation in South America.

On May 1, J. Edgar Hoover reported to Adolf Berle that he had evidence that Eduard 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 "hopes to be on the winning side whichever is victorious in the present conflict," Hoover stated that Winter was the son-in-law of a German Foreign Office official. He had good party connections in Germany. In a comment on this note, John Riddleberger 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 Germans as director and financial contributor to the German-American Board of Trade for Commerce, which greatly aided certain Nazis. *The German-American Commerce Association Bulletin* contained pictures of Mooney standing in front of a swastika; it named him as a GACA financial contributor.

On March 21, 1942, representatives of Du Pont were reported by the U.S. Consulate in Basle to be meeting with representatives of Hermann Göring's industries at Montreux and St. Moritz. The subject of the discussions was not disclosed, but the meeting caused grave concern in Switzerland. It was alleged in reports after the war that substantial Du Pont funds were retained from 1942 on in Occupied France, gathering interest for Du Pont/General Motors.

On April 15, 1942, a curious item appeared in Gestapo reports in

Berlin. Eduard Winter, it seemed, had been arrested on suspicion of American espionage. He was now running the General Motors Adam-Opel unit in Nazi Germany and had fallen foul of Wilhelm Ohnesorge, the postminister who had similarly denounced Westrick. As in the ITT matter, Himmeler stepped in and Winter was released. It was clear that, like Ford, General Motors was protected from seizure in time of war. Winter continued as usual.

On July 3, 1942, the U.S. Embassy in Panama sent a lengthy report to the Secretary of State, giving particulars of Nazi activities in the area. A paragraph read: "General Motors gives orders for molds to the Nazi firm, Era, or via, the firm Alpa, San Martin. 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, the Nazi alien property custodian appointed Carl Luer, an official of the government and the Dresdnerbank as manager of the General Motors Adam-Opel establishment at Rüsselsheim. This establishment manufactured military aircraft for the German government throughout World War II. It manufactured 50 per cent of all Junkers Ju 88 propulsion systems; the Junkers was the deadliest bomber of the Nazi air force. It was decided by a special court at Darmstadt shortly after November 25 that the directorial board under Eduard Winter would remain unaltered.

Charles Levinson, formerly deputy director of the European office of the CIO, alleged in his book *Vodka-Cola*.

Alfred Sloan, James D. Mooney, John T. Smith and Graeme K. Howard remained on the General Motors-Opel board . . . in flagrant violation of existing legislation, information, contacts, transfers and trade continued [throughout the war] to flow between the firm's Detroit headquarters and its subsidiaries both in Allied countries and in territories controlled by the Axis powers. The financial records of Opel Rüsselsheim revealed that between 1942 and 1945 production and sales strategy were planned in close coordination with General Motors factories throughout the world. . . . In 1943, while its American manufacturers were equipping the United States Air Force, the German group were developing, manufacturing and assembling motors for the Messerschmitt 262, the first jet fighter in the world. This innovation gave the Nazis a basic technological advantage. With speeds up to 540 miles per

hour, this aircraft could fly 100 miles per hour faster than its American rival, the piston-powered Mustang P150.

As late as April 1943, General Motors in Stockholm was reported as trading with the enemy. Henry Morgenstau, in an instruction given in special code, instructed W. B. Wachter, regional manager of GM in New York, to order his Stockholm chief to discontinue trading.

Further documents show that, as with Ford, repairs on German army trucks and conversion from gasoline to wood-gasoline production were being handled by GM in Switzerland.

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 Freon, with permission from State. One letter, dated April 11, 1944, from John G. Winant said, "We are . . . of the opinion that local manufacture of a suitable refrigerator in Sweden should be encouraged, but if it proves impossible for Svenska Nordiska to obtain a suitable local product, we agree that there would be no objection to the supply of [German] refrigerator [similar to that from] I. G. Farben." The refrigerator was imported.

On April 3, 1943, State Department officials reported to Leland Harrison of the American Legation in Berne 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 Axis areas. The report continued, "It is understood that the parent company recently instructed 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! "It is our desire," the cable continued, "that you keep the Legation completely informed of your operations and engage in no transaction to which trading with the enemy regulations of the U.S. government apply without clearing with the Legation."* A copy of this telegram was forwarded by State officials to Cordell Hull with the understandable

* Author's notes.

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 contretemps 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 governor 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. Dated June 18, 1943, it read:

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

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 Mr. James Mooney, of General Motors, who attempted to act as mediator of a negotiated peace in the early winter of 1940; that they have maintained correspondence with Charles Bedaux, now in prison in North Africa and under charges of trading with the enemy, and possibly of reasonable correspondence with the enemy; that they have been in constant contact with Axel Wenner-Gren, presently on our Blacklist for suspicious activity; etc. The Duke of Windsor has been finding many excuses to attend to "private business" in the United States, which he is doing at 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 went unpunished after the war. According to Charles Levinson, in 1967, after a prolonged series of detailed requests, the United States awarded the corporation a total of \$33 million tax exemption on profits for the "troubles and destruction occasioned to its airplane and motorized vehicle factories in Germany and Austria in World War II."

The Systems Tycoon

In 1938, Nazi diplomat Fritz Wiedemann appointed the American millionaire industrial systems inventor, Charles Bedaux, as head of I. G. commercial operations on behalf of The Fraternity in Europe. Bedaux had supplied industrial systems of time and motion study to I. G., ITT, Standard Oil, General Motors, Ford, Sterling Products, and the other Fraternity members. He had introduced brutal methods of production that brought about frequent strikes in the 1930s. He was working in Paris with Torild Rieber's Texas Corporation Nazi contact Nikolaus Benschmann.

It was Bedaux who delegated himself to inveigle the Duke and Duchess of Windsor into the Fraternity's plans for a negotiated peace. Since Hitler's rise, the Windsors had been fascinated by the Führer and his New Order in Europe.

In February 1941 the right-wing journalist Fulton Oursler interviewed Windsor at Government House in the Bahamas, publishing the results in *Liberty* magazine. The Duke declared his approval of negotiated peace to Oursler. He said, "It [the peace] cannot be another Versailles." He went on to express views that were hardcore expressions of Fraternity thinking, with their emphasis on gold as currency, Himmler's police, and the German system: "Whatever happens, whatever the outcome, a New Order is going to come into the world. . . . It will be buttressed with police power. . . . When

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

During his brief period as monarch, Windsor made every effort to overcome British prejudice against the Nazis. He became an inspiration for The Link, the British organization of highly placed Nazi sympathizers, which included in its membership some of the most prominent aristocrats in England.

The Fraternity wanted the Duke tied in more completely with them. Charles Bedaux was selected by Himmler to insure the Duke's political and economic commitment.

Sprightly, stocky and squat, with slicked-back black hair, jug ears, 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 served a stretch in the Foreign Legion before he arrived. He obtained a job digging his way as a sandhog through the construction of the East River subway tunnel. He scraped together what money 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 the average would be paid more and those who fell below it would be demoted or fired. By circulating 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 refectory of a medieval monastery. He often met with his friends Lamont du Pont, and Walker Teagle, and Hermann Schmitz there—in the Chrysler's Cloud Room for lunch. He had an apartment in Greenwich Village in which he entertained his mistresses, redecorating the rooms according to the lady's background or nationality.

He married a Daughter of the American Revolution, Fern Lombard, and thereby obtained a place in the New York Social Register. He bought a chateau in Touraine, France, for three quarters of a million dollars. It was a former abbey, with catacombs under the golf course. He snapped up an estate in North Carolina, a hunting lodge

**Social Justice* was the title of an inflammatory fascist magazine then in circulation in the United States.

in Scotland next to Walter Teagle's, and property in North Africa. An automobile buff, he crossed the Rockies by car in July 1934, and took a caravan of six cars over 9,500 miles of the Algerian and Tunisian deserts the following year.

He insinuated himself with the Windsors, offering his chateau to them for their wedding. Bedaux's wedding present was a statue entitled "Love," the work of Amy Hoefken-Hempel, the lover of Hjalmar Schacht. Schacht had introduced Bedaux to Fritz Wiedemann, who appointed Bedaux industrial espionage agent for the Nazi government.

As the German government's chief overseas contact for The Fraternity next to Wiedemann, Bedaux was ideally placed to snare 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 must be made for them to meet with Hitler and be given 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 close friend Errol Flynn, Rudolf Hess, and Martin Bormann in a secret encounter at the Hotel Maurice in Paris. At the meeting the Duke promised to help Hess contact the Duke of Hamilton, who had a direct link with Himmler and Kurt von Schröder to the Schröder Bank and the Worms Bank through their common membership in Frank Buchman's Moral Rearmament Movement. Hess was determined to insure an alliance with Great Britain that would continue despite Hitler's conquest. Bedaux was the instrument and Errol Flynn the glamorous accomplice. 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 handing a bagful of money 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 bombarded Washington high-ranking officials with telegrams. He wanted the Duke of Windsor to be received at the White House along with the Duchess; State Depart-

ment officials planned that the Duke and the President should enjoy a Gridiron Club dinner while the Duchess appeared separately at the Women's National Press Club. Thousands of letters poured into the White House and the government departments, criticizing Roosevelt for snubbing the couple.

Bedaux and his wife arrived on the *Europa* in November to see what they could do. He had already talked with British Ambassador Sir Ronald Lindsay 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 reasons were not officially disclosed, but Bedaux's fascist connections may have had a great deal to do with it. Appeal after appeal proved useless. Unions made clear they would picket the Duke's ship. Francis J. Gorman of the CIO Textile Workers condemned Bedaux outright for his inhuman systems. Bedaux and the Windsors were very upset.

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

On May 3, 1941, J. Edgar Hoover sent a memorandum to Roosevelt's secretary, Major General Watson, which read as follows:

Information has been received at this Bureau from a source that is socially prominent and known to be in touch with some of the people involved, but for whom we cannot vouch, to the effect that Joseph P. Kennedy, the former Ambassador to England, and Ben Smith, the Wall Street operator, some time in the past had a meeting with Göring in Vichy, France, and that thereafter Kennedy and Smith had donated a considerable amount of money to the German cause. They are both described as being very anti-British and pro-German.

This same source of information advised that it was reported that the Duke of Windsor entered into an agreement which in substance was to the effect that if Germany was victorious in the war, Hermann Göring through his control of the army would overthrow Hitler and would thereafter install the Duke of Windsor as the King of England. This information concerning the Windsors is said to have originated with

Alan McInosh, a personal friend of the Duke of Windsor, who made the arrangements for the entertainment of the Windsors when they were in Miami recently. It is further reported that it is the intention of the Windsors to visit in Newport, Rhode Island, and also in Canada during the coming summer.

When Windsor asked Chamberlain for a more important job, the Duke was frozen out. Mortified, he committed himself to the appeasement group in England which remained part of The Link and still included Montagu Norman, of the Bank of England and the BIS, and Sir Harry McGowan of ICI.* In January 1940, Count Julius von Zech-Burkersroda, Nazi minister to The Hague, sent a special emissary to London to ask Windsor to tell the British government that it was useless to change Germany politically and that Windsor should help bring about a negotiated peace. Windsor was fascinated.

On February 18, according to German foreign office records, Windsor actually disclosed to Zech's emissary the details of a secret meeting of the Allied War Council. Windsor revealed that the Council had discussed in detail the situation that would arise if Germany invaded Belgium. The Council members had discussed the discovery of a German invasion plan found in an airplane that had made a forced landing in Belgium. The Council had decided that the best scheme was to set up a resistance effort behind the Belgian-French border. Some members of the Council were unwilling to surrender Belgium and the Netherlands after the humiliation of the defeat of Poland. They did not feel that a resistance plan was sufficient, and they urged the other members to defend Belgium to the last. The entire message was of such importance to the German government that it was shown to Hitler in person. Baron Ernst von Weizsäcker of the Foreign Office in Berlin wrote to Count Julius on March 2, 1940, that the report supplied by the Duke had been of interest to the Führer. He added, "If you can without inconvenience obtain further information of this nature, I should be grateful if you would pass it on to me; please do so preferably in the form of a report . . . directing it to me personally."

Had these letters slipped into the hands of British Intelligence, there is no question that the Duke of Windsor would have been arrested

* Later, Lord McGowan.

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. By now 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 Worms 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 returned to Germany prior to their taking over the British throne, the couple yielded to pressure from Churchill via their old friend Sir Walter Monckton and sailed to the Bahamas, where Windsor was made governor.

In their absence Winston Churchill personally made the curious move on April 7, 1941, of having U. S. Ambassador William Bullitt pay the Nazi government 55 thousand francs' annual rental on their property in Occupied Paris and 10 thousand francs' insurance plus payment to their servants and 15 thousand francs for the rent of the strong room at the Bank of France, despite the fact that the bank was directly under Hitler's control. Bedaux 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 Morgenthau, Ickes, and Adolf Berle as well as the liberals in Congress headed by John M. Coffee and Jerry Voorhis. Bedaux schemed with Admiral Jean Darlan in North Africa in planning to destroy the British Empire; he 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 rewarded him by making him a special attaché at a time when Bullitt was already publicly criticizing the Nazi government. Bedaux was put in charge of American property in Occupied France as a special economic advisor to Abetz and German Administrator H. J. Caesar. Thus, he enabled The Paternity 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.

In October 1940 he went to Africa at Pétain's request to undertake

developments including railroads, power plants, water and coal production, in alliance with the Vichy General Maxime Weygand, then governor general of Africa. Bedaux presented to the German government his plans for camouflaging refineries at Abadan against Allied bombing; in return for his services he arranged for the transference of his confiscated Dutch corporation to Paris just before Pearl Harbor.

After Pearl Harbor, Bedaux was automatically arrested as an American citizen, but he was released after a month through the intercession of Aberg and the Gestapo. Because of pressure from those Germans who, like Postminister Ohnesorge, objected to dealings with the enemy, Bedaux was arrested again, on September 27, 1942. The elegant American traitor was surprised to find himself, alone with his attractive wife, in the Paris Zoo, where he languished for one night in a cage normally used by monkeys.

Bedaux and his wife were released from imprisonment on the basis that he persuaded General Otto von Stulpnagel, who was in command of the German forces in Occupied France, of the necessity 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 Bourem 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 different points in the Sahara for use by Rommel's army, and it would convey 200,000 tons of peanut oil from French West Africa to Colomb-Béchar for shipping by rail for reshipment by boat 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 Paris et des Pays-Bas.

Bedaux was authorized to hire 240 people initially, many of them from the crews engaged in the construction of the ill-fated Trans-Saharan Railway. The whole culture of peanuts in French West Africa was to be reorganized and the center of industry transferred from Dakar to Ouagadougou; and the vast and fertile area in the bend of the Niger River including parts of the Ivory Coast, French Sudan, and the Niger Colony, were to be exploited on a vast scale. Rafis constructed in French Guinea would carry hundreds of thousands of tons of peanuts a year from western Sudan via the Niger to Bourem, where presses would be erected for the extraction of the oil.

On July 22, 1942, Bedaux went to see S. Pinkney Tuck, chargé 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 leading expert in economic matters 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 misery of the world; when Tuck asked him about the German attitude toward the war's future, he supplied intelligence on German problems. He said he had assisted as a technical advisor at a number of gatherings in which French and German technicians gathered. He talked of the strides the Gestapo was making in France, Major General Karl Oberg's treatment of the Jews, and execution of hostages. He suggested that the United States should trade more with Laval, pretending 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 towards Laval, it might be possible for our Government to make good use of him." Tuck concluded.

I believe that this astonishing person can be classified as mentally unmoral. He apparently lacks the tradition and background which should make him realize that there is anything wrong, as an American citizen, in his open association with our declared enemies. . . . By such opportunistic tactics—which are not unmindful of Laval's—he may be attempting to find for himself a safe place in the New Order. Should this New Order fail to materialize, he evidently imagines that he will be able to justify his association with the Germans by his refusal to accept their pay.

This curious document indicates a very peculiar attitude on the part of Pinkney Tuck. Knowing full well that Bedaux was American and that he was collaborating with the enemy, Tuck nevertheless made no attempt whatsoever as chargé d'affaires to have him arrested.

On October 29, 1942, Charles Bedaux arrived at the American

Consulate General in Algiers and told Minister Robert Murphy that he was bent on his mission to aid the German government. This was almost a year after the United States was at war with Germany. It might well be asked whether a traitor would volunteer such information to an American representative if he were not assured of immunity 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 that 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 Eisenhower had specifically asked the two 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 provenance was restricted to the American continent, Biddle conferred with Hoover, and as a result two prominent FBI agents were sent to Algiers by plane to interrogate Bedaux. The plane carrying them crashed. Two other agents were flown over in their place.

Acting on instructions from Hoover and Biddle, the agents, again acting entirely outside their legal and authorized provenance, showed themselves anxious to protect Bedaux from Army Intelligence. It was painfully obvious that strings had been pulled with Biddle once again. The agents went to see the officers of the French police, who produced the critical evidence of the Bedaux-Schröder Nazi conspiracy. Instead of accepting this material as evidence of treason, the FBI men accused the French detectives of planting the evidence, and they tried to have the charges against Bedaux officially withdrawn. Yet that same evidence can today be seen in U.S. Military Intelligence files.

The U. S. Army under Eisenhower was keen on having action taken, but an Executive Order of the Army Intelligence dated January 4, 1943, shows that pressure from high places was such on the Army that all plans for a tribunal were suspended. The excuse given was that the case against Bedaux "had to be watertight." While in fact it was already conclusive.

Bedaux was held for a full year in prison while nothing whatsoever

was done about him. He continually protested that he had aided and abetted American businesses in Occupied Europe, a mistake since this was the last fact that anybody in high command wanted to have made public. At long last, on December 16, 1943, Bedaux was turned over to Lieutenant Colonel Hemdon for military escort to the United States, arriving on December 23 at Miami, Florida. The same day, Lieutenant Colonel Crabtree of the Army Air Force suddenly released Bedaux from Hemdon's custody, gave Bedaux twenty-seven hundred confiscated dollars and took all of the Bedaux papers to Washington. Army officials ordered the Customs officials (who were not normally under their provenance) to pass papers without examination by censors or Customs, then took Bedaux to the Colonial Hotel 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, one of Biddle's agents suddenly turned up at the Immigration station and asked the authorities to lighten what minimal restrictions Bedaux was experiencing. On December 29, Biddle 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 liberal 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 Fraternity.

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 that citizenship. Further, the INS would order his admission into the United States as soon as certain minor formalities had been complied with. The INS man also told Bedaux that "a grand jury would be convened to inquire into his relations 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 Lemuel Schofield had only recently stepped down as head of 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 Fraternity. There was a strict rule in the Immigration station that sleeping pills must 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 hoarded 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.

II

The Diplomat, the Major, the Princess, and the Knight

Throughout World War II, Max Unger of I. G. Farben ran the organization known as the AO. 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 Stefanie Hohentohle. With I. G. money and direct approval from Himmler, Wiedemann and Stefanie were the most peripatetic members of the American-Nazi international fellowship. They schemed along with Schellenberg for the downfall of Hitler and the advent of Himmler and the Schmitz Council of Twelve. They, like Himmler, dreamed of the restoration of the German monarchy. They visited the Kaiser in Doorn, Holland, until 1941, the year of his death.

Wiedemann and Stefanie entered the United States telling the FBI 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 ambiguous 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

*The nominal chief was Ernst Wilhelm Bothe.

of the Orient Gruppe, the SD network that encompassed the whole Pacific basin including the North and South American coastal states, Thailand, Malaya, Hong Kong, mainland China, Formosa, and Japan while at the same time collaborating with the British and Americans. The Princess Hohenlohe, a widow, was his mistress, with unlimited connections in society.

The princess was half Jewish. She had been given the title of Honorary Aryan by Dr. Goebbels along with General Erhard Milch of the air force in return for her services to the Third Reich. She and Wiedemann had become romantically involved at the time of Hitler's rise to power.

Wiedemann was handsome, with black wavy hair, chiseled features, a powerful jaw, and a boxer's physique. Fluent in many languages, shrewdly intelligent, he was the toast of society on both sides of the Atlantic. The princess had been quite pretty as a young woman but had not aged well. The addition of years had filled out her figure and rendered her features far less attractive. Nevertheless, she had immense charm and vivacity; she was witty, sparkling, high-strung, and wonderful company. She was also one of the most dangerous women in Europe.

In the early 1930s, Wiedemann and Stefanie were entirely devoted to Hitler and J.G. Farben's AO. They were friendly with Lord Rothermere, British millionaire-owner of the London *Daily Mail*, who gave the princess a total of \$5 million in cash to assist in Hitler's rise to power. She was less successful in France, which deported her in 1934 for scheming against an alliance between France and Poland that might have helped protect Europe from Nazi encroachment. She formed a close friendship with Otto Abetz, the smooth Nazi representative in Paris who later became ambassador and was so helpful in the fall of France. In 1938 the princess arranged a meeting between Wiedemann and Lord Halifax, the British Foreign Minister, in London, the purpose of which was to determine Halifax's and Chamberlain's attitude to Hitler. The mission was successful. As the princess had promised, Halifax told Wiedemann that the British government was in sympathy with Hitler and that he had a vision that "Hitler would ride in triumph through the streets of London in the royal carriage along with King George VI."

Wiedemann and the princess were credited by Hitler with helping to pave the way to his annexation of European territories. The Führer rewarded her with the gift of Leopoldsdorfer Castle near Salzburg, former property of the great Jewish theatrical producer Max Reinhardt. Beginning in 1933, Wiedemann made several visits to the United States, chiefly to direct the rabid Nazi organization known as the Friends of New Germany. He aided Ribbentrop in negotiating an anti-Comintern pact with Japan, and in the spring of 1938 traveled to the Balkans to bring them closer into the realm of the Axis.

Stefanie also spent much time in Switzerland, where she linked up with German intelligence nets, many of them connected to her former husband, Prince Hohenlohe, who had been head of Austro-Hungarian intelligence in that country in World War I.

During the British abdication crisis of Edward VIII, Lord Rothermere sent the princess from London to Berlin with a Gobel in tapestry as a Christmas present for Hitler. After Edward abdicated, Hitler called Ribbentrop in London, "Now that the king has been dethroned, there is certainly no other person in England who is ready to play with us. Report to me on what you've been able to do. I shan't blame you if it amounts to nothing." The princess arrived at Berchtesgaden for a tête-à-tête just after this telegram. Hitler flirted with her and touched her hair; she had always wondered if he was a homosexual and was delighted to discover that he was attracted to her. She reminded him cheerfully that there were many in Britain who would indeed "play" with the Führer even if Edward would no longer be able to do so in his new position as Duke of Windsor. She was soon to learn that the Duke of Windsor was still able to "play."

In the late 1930s, Princess Stefanie traveled continuously to London, Paris, Berlin, Salzburg, Madrid, and Rome. She was usually on Rothermere's payroll, and accepted a swastika-shaped diamond clip from Hitler and a photograph on which Hitler wrote "To my esteemed Princess." She and Wiedemann visited the United States in 1937, where they linked up to Fraternity friends such as Sosthenes Behn, Walter Teagle, and Edsel Ford. Their social position gave them great influence over prominent figures who could affect others in the Nazi cause. Hermann Schmitz rewarded the princess with a parcel of I.G. shares. At the Ritz Hotel in London a week after war broke out

in September 1939, several lady aristocrats 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 unsuccessful lawsuit in the London courts against Lord Rothermere for nonpayment of the amounts due to her in her travels on behalf of the Nazi cause. The case tied her up in London. Wiedemann went ahead to New York with the understanding that she would follow soon afterward. Now that Europe was plunged into conflict, their purpose was to help keep America out of the war and to unite German-Americans in business to the Fatherland. Wiedemann set up the German-American Business League, which had as its rules purchase from Germans only, a boycott of Jewish firms, and the insistence that all employees be Aryans. Financed by Max Ilgner through General Aniline and Film, Wiedemann developed the Business League while pretending to denounce the Associated Bunds organization. Among the members were the owners of 1,036 small firms, including numerous import-export companies, fuel services, dry goods stores, meat markets, and adult and children's dress shops. The League stirred up anti-Jewish feeling, financed secret Nazi military training camps, paid for radio time for Nazi plays, and publicized German goods. It ran lotteries without licenses and sold blue candles to aid its brethren in Poland and Czechoslovakia before those countries were annexed.

On September 10, just after war broke out in Europe, Wiedemann 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 is yours. . . ."

The Princess Stefanie's arrival in California in 1940 was not as trivial or absurd in purpose as it seemed, accompanied as it was by a great deal of publicity including seemingly endless column mentions. Given her glamour and notorious reputation, she was asked 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 fondness for England. She was quizzed, gushed over, and interviewed incessantly. Meanwhile, she talked with the wives of business leaders, to try to influence their husbands toward the Nazi cause. She warned of the 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 cartels. She continued her romantic liaison with Wiedemann. FBI agent Frank Angell and a special team tracked the two down to the Sequoia National Forest where Wiedemann and the princess spent the night together in a jag cabin while the G-men 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 Mabel Holtenlohe, an innocent American who had married into the family. Mabel and her friend, the socialite Gunee Munn, were dogged futilely 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 Stefanie met Sir William Wiseman, baronet and Cambridge boxing Blue. Plump, with a bristling mustache and dignified air, he had been head of British Intelligence in World War I. He had become a partner in the Jewish banking company Kuhn, Loeb. Treasury documents assert that the company was aligned with the dominant group of companies in Latin America that had entered into agreement with Nazi trusts to divide up the Latin American communications business.

According to *A Man Called Intrepid*, the well-known biography of Sir William Stephenson, head of British Security Coordination in the United States, Wiseman was a member of Stevenson's staff in World War II and was delegated to spy on Wiedemann and Hohentlohe with the authorization of J. Edgar Hoover and the British government.

The FBI files contradicted this assertion. Indeed, they show that Wiseman was under suspicion and investigation. Army Intelligence chiefs' memoranda show that Wiseman was unauthorized by the British or American governments to act in any negotiations whatsoever. Indeed, his activities were neither condoned nor supported by any government.

In a note dated December 14, 1940, Brigadier General Sherman Miles, Chief of G-2, wrote to J. Edgar Hoover: "I suppose it is possible [Wiseman] is another of the same group of Englishmen that has negotiated with the Nazis in the past through men like Axel Wenner-Gren, Torild Rieber and James D. Mooney."

According to *A Man Called Intrepid*, a most inaccurate work, Wiseman was authorized by the FBI to hold a private meeting on November 26, 1940, at the Mark Hopkins Hotel in San Francisco with Wiedemann and Holtenlohe to discuss a negotiated peace with Hitler. The FBI records and Hoover's notes to Roosevelt on the matter show that the FBI's San Francisco representative N.J.L. Pieper simply got wind of the meeting and, highly suspicious of Wiseman, decided independently to monitor it.

The meeting represented the essence of Fraternity thinking. Wiseman, as the FBI reported later, made it clear that he was acting as the mediator, not for the government of Great Britain, as he later claimed, but for the appeasement group in London headed by Lord Halifax, who was soon to become ambassador to Washington. Winston Churchill had clearly defined in speech after speech, memorandum after memorandum, his position on the war: total surrender of Germany without compromise. Wiseman made clear at the meeting that Halifax and he thought differently.

The princess said she would, as a Hungarian subject, bring Hitler the peace offer from Halifax, obtaining a fake visa in Switzerland in order to enter Germany. She would intercede directly with the Führer, using his affection for her, and if that failed, she would assist in the ill-conceived Royalist/Schellenberg/L. G. Farber coup d'état in which Himmler would take over and permanently restore the monarchy. A representative of Himmler's Gestapo would then meet with Halifax in London to confirm the arrangements for an alliance with Great Britain. Wiseman irresponsibly said 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've 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

for the invasion of England. Simultaneously, Wiedemann gave Wiseman intelligence on the workings of the German High Command. Wiseman said, "If I were advising Hitler as a friend, I would say the amount of damage you could do to America is nothing compared to the damage that can be done if you make the Americans mad. They get mad slowly but it takes them a long time to get unmad. They get hysterical and look for a spy under every sofa, and from that point of view it just takes America more into the war. From my point of view, I do not want them to do it, because 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 so much more difficult." These words are almost identical to those found in Wiedemann's and Chargé d'Affaires Hans Thomsen's memoranda to Berlin.

Hoover kept a tight scrutiny on the three communicants from that moment on. On December 18, 1940, the FBI tapped the princess's telephone. She was calling Wiseman in New York City from California to beg him to assist her in extending her visa and avoiding deportation. Wiseman, clearly embarrassed, told her, "Please don't talk any more about it over the phone. . . . Don't say any more." The princess told him, "You know I will be eternally indebted to you. You know you will never have to regret this." Wiseman went on, "I will send you a telegram telling you when to call me and will do all I can for you."

She kept on calling Wiseman, begging him to do everything in his power to stop the newspapers from printing anything concerning her deportation. He contacted Ingram Fraser of the British Purchasing Commission, trying to pull strings in Whitehall.

On January 3, 1941, Wiseman had a meeting with Herbert Bayard Swope, a wealthy politician, who conveyed a message from Lord Beaverbrook that Wiseman was to meet Lord Halifax soon thereafter "to negotiate peace." Wiseman had a series of discussions with high-level diplomats including figures of the Australian Embassy. A useful contact in the State Department was none other than Cordell Hull's cousin, Lytle Hull. Indeed, when World War II ended, Wiedemann asserted that Lytle Hull supplied him with inside intelligence on the State Department.

Another conspirator was the United States director of the Immigra-

tion and Naturalization Service. Major Lemuel Schofield, an enormously fat man with a head like a football and large, ugly features. When there was a public outcry for the princess to leave the United States in 1940, Schofield announced that no nation would take her, thereby preventing her deportation. He became more and more deeply involved in a romance with her when Wiedemann jilted her in favor of a general's divorced wife, Alice Crockett.

Wiedemann sent Mrs. Crockett to Berlin to meet with Hitler and Himmler and determine if the German government was satisfied with his efforts. This ordinary San Francisco housewife found herself in a whirlwind of high-level meetings. She was astonished to discover that Himmler gave her a special reception. But when she returned, she turned on Wiedemann and reported him and his secret activities to the FBI. She also sued him for several thousand dollars for unpaid fees in connection with her journey to Germany. She charged that Wiedemann was in concert with J. G. Farben, General Aniline and Film, Henry Ford, and Charles Lindbergh to bring about "subversion and sabotage in the interests of the Nazi government." She said that many American government officials, as well as plant superintendents, workers, and foremen in industries, particularly the steel and munitions industries, were in Wiedemann's pay. She claimed he "employed ruffians to stir racial hate . . . and paid such ruffians from funds of the German government."

Despite the fact that Mrs. Crockett was telling the truth, and that her husband had been a prominent figure in the U.S. Army, her case was thrown out of court and she was not even granted public recognition for her efforts.

Meanwhile, Sir William Wiseman was still working hard to prevent the Princess Stefanie from being shunted off to Nazi Germany, where she might reveal too much. His guilty collusion with her is as clear as Major Schofield's in the numerous documents that have recently been declassified.

Wiseman, in a conversation one midnight with a British person whom the FBI could not identify, said that he had "done everything possible to keep the threatened deportation quiet" but he was "drastically concerned with Steffi's habit of blowing her cover."

He said in a conversation with Ingram Fraser of the British Par-

chasing Commission that 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." Fraser said, "This may spoil a very beautiful friendship." Wiseman said, "If the friendship spoils, 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, train, and plane. There was a flurry of meetings between Wiseman and Ingram Fraser, Wiseman and the Hohenlohes strongly welcomed the appointment of Lord Halifax as ambassador for Great Britain in the United States.

Lord Beaverbrook in London cabled 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 Swope, and others, apparently on the matter of the negotiated peace.

On May 20, 1941, Schofield came through. He dropped the deportation proceedings and gave an interview to newspapermen 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 25, 1941, 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 "interesting information" Hohenlohe had given him, the major 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

appeared in the New York Sun. It was: "If 130 million people cannot exclude one person with no legal right to remain here, something seems wrong."

Hoover tried very hard to obtain from the Attorney General the "important information" to which Schofield referred, but there was no reply to his or his assistant's many phone calls. In fact, FBI memoranda show the FBI couldn't even interview the princess. When Percy Foxworth of the New York FBI headquarters sent a memorandum on June 1 to Hoover saying, "It appears desirable to have Princess Hohenlohe interviewed in order that complete information which she can furnish may be available for consideration in connection with our national defense investigations . . . regarding German espionage activities," Hoover scribbled a note at the foot of the memo, "Not until we get from McGuire [Matthew F. McGuire, assistant to Attorney General Jackson] a copy of what she told Schofield, then we should ask McGuire for clearance * to talk to her."

Next day at a congressional committee hearing in Washington, author Jan Valtin testified that Wiedemann's consulate was a clearing-house for the Gestapo.

By early June, McGuire had still not yet yielded up Hohenlohe's statement to Schofield. The applications went on and on. Wiedemann was still out of town by early June, filming bridges and roads and dams from Colorado to Florida.

On June 15, 1941, McGuire sent a memo to Hoover saying that the princess's statement was "in the personal possession of Lemmy Schofield and was being typed." The same day, Drew Pearson in his Washington Times-Herald column said that Hohenlohe had paid for her freedom with "some amazing revelations about subversive operations in this country and Britain." Hoover wrote on the article photocopy sent to his office, "Have we gotten this statement yet? Maybe if the Dept. won't give it to us we might get Pearson to supply us with a copy!"

Pearson's article went on to say that the princess had told Schofield that Wiedemann was in bad odor with Hitler because of his friendship with Himmler's friend Hess, who had just flown to England on his

* Author's italics.

famous peace mission; that she had given Immigration officials a list of Nazi sympathizers in Britain who had been trying to effect a negotiated peace with Hitler; that she had specifically named Rothermere; 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 Steff's revelations. McGuire was stalling and refused to disclose why Drew Pearson had information the FBI did not. "This is the worst pushing around we have gotten yet," Hoover wrote at the foot of a memorandum from Edward A. Tamm of his staff on the latest delaying tactic. Meanwhile, Hoover was tireless in ordering reports on Steff's Nazi connections.

Agent N. J. L. Pieper in San Francisco tapped several telephones to learn that Wiedemann had had a falling-out with Steff. An informant called Pieper to say that he was a German friend of Wiedemann's who felt he owed something to the American government. He leaked the contents of a conversation he had had with Wiedemann, who said, "There is nothing the Princess could have said that would harm me. She wouldn't. Indeed, she gave nothing to Immigration. It was a blind so that Schofield could let her out. And there's another element, Cordell Hull's cousin, Lytle Hull, was together with Schofield in this matter. He wanted her released."

This disclosure could not be acted on by Hoover, because of his limited powers.

In mid-June 1941, under enormous pressure from Roosevelt, the government dropped a bombshell. All Nazi consulates 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 to say "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 neighbors reported smoke pouring from the chimney of the consulate with flakes of ash. Papers were being stuffed into the consulate fires while others were loaded into the official Mercedes-Benzes to be put aboard German ships bound for their homeland. There were rumors

that Wiedemann had offered to tell the Hearst organization everything he knew about Nazis in America in return for being allowed to remain in the United States. But this turned out to be false.

By June 26, Hoover still did not have Steff's report. When Wiedemann and three friends went to the Stairway to the Stars nightclub in San Francisco, patrons at surrounding tables asked to be moved away. On July 3, Edward Tamm of the FBI reminded Hoover in a memo that after two months McGuire had still failed to come up with the promised report.

On July 8, Wiedemann traveled to Los Angeles to give all of his espionage reports in person to local Consul George Gysling. Gysling was leaving for Germany of the S.S. *West Point*; Wiedemann was to travel to China to continue with his work linking up the German and Japanese intelligence nets. He would also meet there Ludwig Ehrhardt, Steff's second cousin by marriage, who was to become espionage chief for the Abwehr in the Orient two years later.

On July 9 it was announced that Wiedemann and Dr. Hans Borchers, new consul general in New York, would be leaving on the Japanese liner *Yawata Maru*. The British government had failed to give assurance of the safety of agents on the Japanese shipping lines, and this made Wiedemann extremely nervous.

Suddenly the British announced that Wiedemann would be exempt from seizure under his diplomatic immunity. For some reason Wiedemann didn't believe this. Possibly he thought it was a trick, because at the last minute he chartered three planes for himself and his staff and flew via Omaha and Chicago to New York.

Hoover had them followed. Meanwhile, Steff was in Washington at the Wardman Park Hotel. It became the talk of the town that she was continuing her affair with Schofield. On July 31, Steff's reports still not yielded up, Schofield sent to Attorney General Biddle (who had replaced Jackson) that in order to help America, she would supply a series of articles criticizing Hitler: domestic broadcasts; short-wave broadcasts to the Axis; replies to pro-German speeches by Lindbergh, Senator Wheeler, and so on; lectures. And all these would include the following: She would attack Hitler violently, describing his "treachery, deceit and cunning," adding that he was a "sly and cunning trickster" and "doesn't shrink from murder to achieve his purposes." In August 1941 the FBI apparently gave up hope of ever

receiving Hohenlohe's report. With incredible boldness, the major moved from the Raleigh Hotel to the Wardman Park on the same floor as the princess.

Princess Stefanie was in bad form, screaming constantly at the staff. Schofield had to pay enormous tips to pacify the maids. On 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 Harry M. Kimball sent a memo to agent Foxworth next day saying rather plaintively, "It might be as well to yet again request this information from Mr. McGuire, pointing out the indication mentioned in the article that the press intends to fully publicize 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."

At long last, on August 18, 1941, the Princess Hohenlohe was asked to leave Washington. The scandal of her affair with Schofield was such that acting Attorney General Biddle asked her to have her returned to California immediately. When Edward Tamm of the FBI got wind of this, he called Biddle. Where was the princess's statement? Biddle stated he knew nothing whatsoever about it.

At the end of August, Wiedemann was in Berlin, reporting to Himmler on his many findings. In September he was on his way by L.A.T.I. airlines to Argentina, where Nazi activities were extensive. He arrived in Rio in September, to confer with the Gestapo leader Gottfried Sandstede, who had just escaped from Buenos Aires. The Brazilian newspaper *O Globo* had a photograph of Wiedemann 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 rings.

Throughout August the Princess Hohenlohe 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 determined that he was headed for the Orient, a fact he himself confirmed the following day.

Wiedemann sailed for Kobe on the *Manila Maru* via Chile on September 8. Violent demonstrations outside the embassy caused him

to leave on the first available vessel. Two small bombs exploded as he drove in an armed car to the Buenos Aires wharves.*

Meanwhile, the princess was staying in a house (described as a "lovenest" by Walter Winchell) in Alexandria, Virginia. FBI men saw Schofield arriving at the house in the evenings and leaving in the mornings. She was still using the name "Naney 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 wasted no time. As the Princess Hohenlohe left a Philadelphia theater with her mother at 10:20 P.M. on the night of December 8, FBI agents seized her. They bundled her into a car, leaving her eighty-nine-year-old mother screaming imprecations at them on the sidewalk. Hohenlohe was fingerprinted and photographed. She used 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 trampled on the American flag and who spent much of her time doing double somersaults while the princess read the reminiscences of Madame de Pompadour.

It was now confirmed by Hoover that the supposed confession the princess had made out in order to be released from deportation had never existed. McGuire's and Jackson's statements that the important document was being typed amounted to little more 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. M. Ladd, it was made clear that the princess had "a very influential friend in the State Department whose mistress she had been; the Princess had stated that this friend had the authority to permit Axis aliens to enter the country and to keep anti-Axis aliens out of the country." The name to this day is blacked out in the report. Since Schofield's name appears in all the other reports.

* Widenmann's movements are erroneously reported in *A Man Called Intrepid*.

the reference presumably is to Breckinridge Long. To this day, the FBI refuses to declassify 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 camp, faking a stroke and invoking her friendship with Sir William Wiseman. 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 inspector and the head 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 "stroke" changed to a fit of temperament and the princess stayed where she was.

Schofield dared 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 romance. Also, he thinks it best not to change the present domicile as the person in question is much easier to watch at that place. Please do a confidential check for me."

On June 17, 1942, Roosevelt wrote again to Hoover: "Once more I have to bother you about that Hohenlohe woman. I really think that this whole affair verges not merely on the ridiculous but on the disgraceful. Is the woman really at Ellis Island?"

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

For all the favoritism shown to that Hohenlohe woman, I will have to have an investigation made and the facts will not be very palatable, going all the way back to her first arrest and continuing through her intimacy with Schofield. . . . Honestly, this is getting to be the kind of scandal that calls for very drastic and immediate action. . . .

The princess had her problems. She was being threatened with a legal action for the recovery of funds paid out and legal services supplied by her London lawyers, Theodore Goddard and Company. She tried to finance the repayment by pressing several publishers to take her memoirs; the ever-reliable Schofield managed to get her a special pass to travel to New York to discuss the matter with her agents in March. The President was getting more and more restless. An interesting episode took place on July 16, 1942. An FBI special agent went to the visiting room of the prison on the pretext of interviewing one of the inmates. He noticed the lax conditions: a Nazi spy who had recently been arrested was speaking on the pay telephone in German without being monitored. The princess was perched on a desk; she seemed to be in good spirits and taking a letter cheerfully from a prison staff member. Apparently her skills included a mastery of shorthand. Or she may have been making a translation.

The prison staff man said boldly in conversation to the agent, "The princess has to have personal attention, and I like to keep her company. Sometimes she helps me censor the mail!"

What this did to national security can only be guessed at. Not surprisingly, Hoover ordered an "all-out effort to discreetly obtain information concerning the activities of the princess. . . ."

It was reported by several plants at Gloucester that employees received raises via Schofield because of their kindness to the princess. Every effort was made to survey the princess's activities from adjoining windows; Hoover had ordered the use of "a rooming house" for the purpose. Unfortunately, there was no such building and "the main street in front of the station is patrolled by Coast Guards who are suspicious of any individuals who may 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 drastically concerned and sent a message to his New York office reading (August 3, 1942), "In view of the interest which

has been shown in this matter by the President of the United States and the Attorney General, you are directed to obtain all developments concerning it immediately and submit the same to the bureau for the attention of the espionage section. . . ."

The princess's luck was remarkable: it proved difficult for the law firm 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 turning to the church when Schofield proved understandably cool. She asked the priest to contact Cardinal Doherty, but he declined, perhaps in part because she wasn't a Catholic as she pretended.

In order to allay or smother the President's suspicions, Attorney General Biddle decided to transfer the princess to Seagoville, Texas, a convenient distance from Washington. Schofield made sure that a contact man was planted 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 Coast Guard was under special instruction to watch every move the princess's mother made in case she tried to spring Stefanie loose.

Stefanie became violent at the thought of being transferred to Texas and, in the words of a report, "acted like a tigress. . . . She said that if her captors 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 sheet and a strait-jacket. When she saw these, she announced she felt better and proceeded to the railway station in an Immigration car. As she sailed out of the camp's gate, someone was heard to say, "Is Schofield in Texas?"

The answer was in the affirmative. In fact, Schofield had preceded her there by two days. Suddenly the reason for her going to Texas became clear: She could try to escape across the Mexican border.

The princess left the train station in style. She demanded the Coast Guard carry her suitcases, and when they declined, she castigated them, accusing them of being physically weak. Stung to the quick, they obliged. When she arrived on the train, she expressed astonishment that she had not been given a drawing room but was compelled

to sit in the day coach with an officer on either side of her. But she soon flirted with the two men so outrageously that they brought her a glass of white wine and some peanuts.

The baroness, her mother, was already installed at the Hotel Adolphus in Dallas. The princess arrived at Seagoville only to dash off a telegram to an Immigration official that read: IMPOSSIBLE FOR MOTHER. PLEASE DISCARD ALL CONSIDERATION OR ETIQUETTE. PURSUE AND INSIST THAT B [her code for Schofield] DOES WHAT YOU WISH. UNBEARABLE HURRY. STEFANIE.

The telegram was no problem to understand; it meant that the official, firmly in Hohenlohe's pocket, was to abandon his own caution and make sure that Schofield got her back to Gloucester with no further ado. Apparently, the heat had already proved more than a counterbalance to the chances of escape to Mexico.

The princess began threatening everybody at Seagoville, saying that she would be out of Texas in a very short time. Whether that meant she intended to go to Mexico or New Jersey was far from clear.

To confuse matters further, the same day she arrived in Seagoville, Wiedemann was reported to have arrived by submarine near Seattle. It is scarcely surprising that Schofield was in fact in Seagoville when Princess Hohenlohe came off the train on a stretcher and was carried to the hospital for ten days despite the fact there was nothing wrong with her. She demanded use of the telephone, extended hours for visits from her mother, and sleeping powders. However, the major's influence was limited at Seagoville. The inspector in charge of Immigration, Joseph O'Rourke, ignored Schofield's pleas and made sure she had no privileges at all. He also added a couple of guards to the cyclone fence. The princess announced that no fence would hold her and she would escape and go to Mexico at the slightest opportunity. Stefanie's mother announced that she wished to be interned with her daughter as she had nowhere else to stay. Biddle conveniently placed an order for her arrest.

Desperation set in by the end of November. The princess had given Schofield some jewelry to sell for additional favors and he had failed to return it. On an impulse she called the local FBI man in Dallas and said she would personally give Hoover a full account of her activities with Lord Rothermere, her association with Fritz Wiedemann, and particularly her contact with Major Schofield. She asked to be

assured that this information would not be furnished to INS. She was warned that Biddle and Schofield were very close personal friends and Biddle would ignore her. She then said that her mother had told Schofield that Stefanie was being framed and that Stefanie was about ready to go to Hoover about the case when Schofield became alarmed and paid the baroness's way back to Texas. As a last ditch stand Stefanie offered to throw in personal information about Hitler and Goebels to insure her release. Edward Tamm of the Washington FBI, in his memo to Hoover, said that the "Princess 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 reworked version of her life and sent it off to the FBI. She told the Dallas agent John Little as she handed over this scrambled document, "What I have to tell will be as sensational as [any] saboteur's trial. What I have to tell is a 50-50 proposition. You will never regret it as long as you live. If you help my story 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 internment to protect Schofield's name. She said, "Anyone who comes in contact with me—it is 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 knew of "secret misunderstandings" between Hoover and Schofield. She said Schofield was dreadfully afraid of Walter Winchell. She said Schofield had her jewels and she would report 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, Schofield, 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?" She

sent a letter to Hoover, grossly flattering to John Little. She then said, mysteriously: "I have something to tell you, Mr. Hoover, of a personal nature. As a result, I will be cleared!"

With blackmail in the air, Little left.

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

In a further statement she pretended that she had not been intimate with a man since 1920. ("Where some women take pleasure in giving themselves, I take pleasure in denying myself.")

The material was the mixture as before: a blend of truth and fantasy and veiled threats. It seems to have impressed somebody in Washington, because efforts were made to arrange a new hearing of the Princess Hohenlohe's 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 posed as an insane person and asked for commitment to a mental institution. She was judged mad at a state court at Dallas. She was put in a pauper's ward.

Another agent went to see the Princess Hohenlohe in November 1943 and found her extremely distraught and in an emotional condition. He described her as "a consummate actress," "her emotion . . . artificial and designed to win my sympathy."

On March 1, 1944, the Princess Hohenlohe finally got her hearing. These 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 paroled at once. She sailed triumphantly out of Seagoville—but not at once. Hoover held up the matter for some weeks. Roosevelt personally overruled the board and saw to it that the princess was not released for the duration.

In late January 1945, Stefanie tried to kill herself with an overdose of pills. How she obtained them is a mystery. The princess sent a harsh letter to Biddle and a long rambling 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 reconquered New York society. Seen dancing at the Stork Club, she provoked columnist Robert Ruark into writing that soon Ribbentrop would be observed in similar circumstances.

Wiedemann was equally fortunate. During the war years he had successfully run Nazi intelligence in Occupied China from the consulate in Tientsin, guarding his safety by claiming diplomatic immunity when the American troops moved in and by pointing out that he had protected Jews there.

Arrested in China in 1945, Wiedemann turned state's evidence at Nuremberg, providing familiar information in a mélange that secured him immunity from the Nuremberg Trials. Wiedemann breazed through denazification. He was credited with being part of the plot whereby Admiral Canaris, head of the Abwehr, had hoped to remove Hitler—not, more accurately, with the Himmler plot. The FBI never sent the huge file on him and the princess to Nuremberg. They were not asked to so do. Once again, The Fraternity had closed its ranks.

advanced paranoid schizophrenia. Newspapers reported him screaming that the Jews and the communists were crawling on the floor of his room seeking to destroy him.

The rest of the conspirators lived out full life-spans.

When Germany fell, Hermann 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 covered in terror as bombs exploded about him. But he was softly handled 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 aggressive 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.

Thinner now and equipped with a distinguished Vandyke beard, Schmitz cleverly decided not to give evidence at the trial. He claimed illness but in fact was seldom absent. His only statement came at the end of the hearings when he had the audacity to quote St. Augustine and, for good measure, Abraham Lincoln, to the judges. He spent only eight more months in prison.

Max Ilgner was equally cunning. 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 transatlantic figures was considered. Dietrich Schmitz, now on a chicken farm in Connecticut, and Rudolph Ilgner went unpunished. In various court hearings of the 1940s, Schmitz and Ilgner 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 statement: "The history of the use of the I.G. Farben trust by the Nazis reads like a detective story. Defeat of the Nazi army will have to be followed by the eradication of those weapons of economic warfare."

The powers of the Allied Military Government who favored the Fraternity disagreed and insisted upon I.G. Farben being retained af-

12

The Fraternity Runs for Cover

The Nuremberg Trials successfully buried the truth of The Fraternity connections. Schacht, who was more privy to the financial connections than most German leaders, gave an extraordinary performance; mocking, hectoring, and pouring contempt upon his chief prosecutor—Biddle's predecessor, Robert H. Jackson. Charged with engineering the war when he had only wanted to serve the neutralist policies of Fraternity associates, he was understandably acquitted. Had he chosen to do so, he could have stripped bare the details of the conspiracy, but only once in his entire cross-examination, when he admitted to complicity in the shipment to Berlin of the Austrian gold; * did he indicate any knowledge of such matters. Never in those days on the witness stand was he asked about the Bank for International Settlements or Thomas H. McKittrick. Not even in his memoirs was there an inkling of what he knew.

Conveniently for The Fraternity, Göring and Himmler committed suicide, carrying with them the secrets that Charles Bedaux, William Rhodes Davis, William Weiss of Sterling, and William S. Farish had carried to their graves. James V. Forrestal also ended his life by suicide. In 1949 he hanged himself from the window of the Bethesda Naval Hospital in Washington, D.C., where he was suffering from

* But not the Czech, Belgian, or Dutch.

er fight punishment for its leaders. Morgenthau protested to Roosevelt, who summoned him to a discussion at the Quebec Conference in September 1944.

Morgenthau laid out his idealistic and impractical Morgenthau Plan—actually the creation of Harry Dexter White. Based upon his profound knowledge of collusion, White wanted a total elimination not only of I.G. Farben but of all German armaments and chemical and metallurgical industries. He wanted Germany to become a strictly agrarian economy; Roosevelt seemed to agree. In December 1944, Roosevelt, taking his cue from Morgenthau, made a statement via John G. Winant in which he called for an abolition of the Nazi industrial war machine. But already there were some compromises in the plan. Morgenthau came under a storm of abuse from the right wing, and the ailing President was now yielding to some minor pressures and starting to back away. In February 1945, at the Yalta Conference, Roosevelt, by now grievously ill, strove to follow Morgenthau's reasoning by making the much criticized arrangements to divide Germany down the middle into eastern and western zones.

When Truman became President, Eisenhower, as commander in chief of European forces, continued to follow Morgenthau's attitude with severe edicts, calling for disruption of any Nazi source of a possible World War III. But Truman disagreed. He was convinced that to render Germany agrarian was to leave an open path for Bolshevik conquest. General George S. Patton agreed with him and began to put Nazis back in office in Germany after the war.

Those who, with ideals held high, arrived in Germany from the United States to try to disrupt the cartels were severely handicapped from the start. One of these was a promising young lawyer, Russell A. Nixon, a liberal member of the U.S. Military Government Cartel Unit. He was handicapped from the start. He came directly under Brigadier General William H. Draper, who was, along with James V. Forrestal, a vice-president of Dillon, Read, bankers who had financed Germany after World War I. Nixon quickly realized that Draper, director of the economics division, and Robert Murphy, 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 found his posi-

tion was virtually untenable. He had been asked to explore a tunnel that had already been bricked up.

He asked Colonel E. S. Pillsbury, Special Control Officer in charge of I.G. Farben, what had been done these several months after V-E day to carry out Eisenhower's directives on dismantling Farben. Pillsbury failed to give any information and seriously questioned whether Nixon had any jurisdiction to investigate the cartel. 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 I.G. plants.

One man, Joseph Dodge, told Nixon he had instructed his team to dismantle an I.G. poison gas plant but that Draper had canceled the order. Again, Dodge tried to wreck the I.G. underground plant at Mannheim and again Draper intervened. Soon afterward, Dodge told Nixon, Draper arranged for both plants to obtain added business.

Frustrated, Nixon went over Draper's head. He reported to General Lucius D. Clay on December 17, 1945, that Eisenhower's orders had been deliberately violated. He charged that, contrary to Draper's statements in the press that every I.G. plant had been bombed or dismantled, none had been. He said that General Henry H. Arnold of the Army Air Force had protected I.G. and he added that despite the pleas of the Jewish councils the installations and communications systems of Auschwitz had not been destroyed.

Clay listened to Nixon's charges but did nothing about them. Nixon found that scientific and mechanical equipment in I.G. plants had been saved from removal on specific orders from Washington. Searching through files on January 15, 1946, Nixon found a letter written by Max Unger that gave the game away. Dated May 15, 1944, and addressed to the I.G. Central Finance Department, the letter instructed the staff to keep "in constant touch" in delicate Germany since the American authorities "would surely permit resumption of I.G. operations." Thus, the head of the N.W. 7 I.G. espionage unit 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-

dustrial connections in Germany. Like the American government, it was busy reconstituting I.G. When Russell A. Nixon pleaded with Sir Percy Mills at meetings of the Joint Chiefs of Staff to use his influence with Clay and Draper, Mills simply held matters up further. As a result, scarcely any Nazi industrial leader was in custody by 1946.

Nixon did manage to have a few people brought in. These included Paul Denker, I.G.'s chief accountant in the poison gas division; Carl von Heider, sales director of inorganic chemicals; Hans Kugler, director of dyestuff sales; Gunther Frank-Fahle and Kurt Kreuger of Tigner's espionage group; and Gustave Kupper, head of the dyestuffs' legal division. None of these spent any time in custody. Nixon also wanted to bring in directors of the banks that had been deeply involved with I.G., including the Deutsche Bank, the Deutsche Landesbank, the Reichsbank, and the Dresdnerbank. He wanted to ask them about the whereabouts of German looted gold and cash including the Austrian and Czech gold transferred through the BIS. Again he was blocked: Draper told Counter-Intelligence not to make the arrests. Nixon pleaded directly to Washington, and after a considerable delay Draper was overruled. But no sooner had the bank officials been taken to Army headquarters than a Major General Adcock, representing Draper, brought orders for their release. Nixon was told he had been insubordinate in going over Draper's head and should be court-martialed as a radical.

Nixon later reported to the Senator Owen Brewster War Committee in Washington that by the spring of 1946 only 85,000 of 200,000 industrial and Gestapo leaders had been arrested. He was particularly annoyed by the exception accorded to the major Nazi industrialist Richard Freudenberg, who had worked with Göring and Carl Krauch on the Four-Year Plan and had been on the board of the Schröder Bank. When Nixon took the bold step of ordering Freudenberg arrested under mandatory arrest provision JCF 1067, the denazification board in Frankfurt voted four to one to exempt him from the provision, and Ambassador to Germany Robert Murphy ordered his release. Murphy made a statement that proved to be significant: "It is not in conformity with American standards to cut away the basis of private property. . . . Apparently it was in conformity with American standards to restore high-ranking Nazis to their previous positions. With unconscious humor a member of the Industry Division of the

Occupying Forces confirmed Murphy's position by saying, "This man Freudenberg is an extremely capable industrialist: a kind of Henry Ford." No one could quarrel with that.

Draper sent an official to take charge of Nixon's operation in the winter of 1946. Carl Peters was in charge of Foreign Economic Administration under Leo Crowley. He was also a director of the Advanced Solvents Corporation, a subsidiary of General Aniline and Film. He had been indicted for dealing with the enemy but had pleaded the nolle prosequi and had been awarded the position of colonel in the Pentagon. No sooner was he in charge of Nixon than he began securing the release of German industrialists and set up the old Norwegian plant Norramco as an I.G. subsidiary once more.

Nixon had had enough. He returned to the United States and condemned the entire protection of Nazis to Senator Kilgore's investigative committee. He charged that elements in the United States, British, and French foreign offices had consciously maneuvered to prevent the Allies from being involved in the search for Nazi assets in neutral countries, because that search would lay bare the fascist regimes in Spain, Portugal, Switzerland, Sweden, and Argentina "and would reveal all the elements of collaboration of certain industrialists in the Allied countries with these regimes."

The young, very sharp lawyer James Stewart Martin of the Department of Justice's investigative team came to Europe from Washington. He arrived at U.S. Military Command at Busby Park, London, only to find that Graeme K. Howard of General Motors was colonel over him. Martin protested to G-2 about the General Motors-Nazi connection, and nothing was done. But he managed to find a copy of Howard's book *America and a New World Order*. Fearful of a public outcry, the Army shipped Howard home.

Martin investigated the whereabouts of Gerhard Westrick. In the last year of the war Westrick had played an increasingly difficult and dangerous role in Germany. After General's Felgiebel and Thiele were hanged for treason, Westrick managed to hang on almost to the end of the conflict. He fled when Berlin was bombed and his home was destroyed. He hid out in a castle in southwest Germany. Belin, clearly afraid of the consequences if his association with Westrick became known, refused to answer his old friend's pleading letters. Instead, he arranged for Westrick to be brought by his Army associates to

to give a full report to ITT's Colonel Alexander Sanders at the El Chiridge on the status of the ITT companies in Germany. Westrick was given a light prison sentence and released. Martin found out that Leo T. Crowley and Ernest K. Habbach, two custodians of General Airlie and Film, when asked to supply the fact of GAF's actual ownership through I.G. Chemie, had simply referred the matter to Allen Dulles. The head of the OSS had failed to supply the required information.

At the I.G. headquarters in Frankfurt, Martin discovered files that confirmed earlier beliefs that Schmitz had laid out plans for a conquered world in which America would join in triumph. He began to understand why Schmitz and the others of I.G. had turned against Hitler. It was clear that Hitler wanted to attack the United States with crippling bombers when sufficiently long-distance aircraft were developed. But Schmitz was loyal to his American colleagues, preferring to maintain the alliances in perpetuity. These alliances could be sustained if Hiramler and/or the German generals ran the Third Reich. They would be content with Schmitz's dream of a negotiated peace. Further evidence came to light showing the continuing connection between Schmitz and the United States during the war. In 1943 a magazine article by R. T. Haston of Standard Oil appeared in *The Petroleum Times*. It stated that the relationship with I.G. Farben had proved to be advantageous to the United States government. In 1943 a special report of I.G. Farben emphatically denied this, pointing out the innumerable benefits that Germany had obtained from her American friends, including the use of tetraethyl, without which the war effort would have been impossible, and the supply of which the war effort proved by the U.S. War Department. The report said, "At the outbreak of war we were completely prepared from a technical point of view. We obtained standards not only from our own experiences but also from those of General Motors and other big manufacturers of automobiles." The report also revealed that Standard had sold \$20 million worth of mineral oil products including airplane benzene to I.G. The report concluded: "The fact that we actually succeeded . . . in buying these quantities demanded by the German government from Standard Oil Co. and the Royal Dutch Shell group and importing them into Germany was only because of the support of Standard Oil

Company." Even more damning, Martin found that I.G. had placed a 50 million mark credit to Karl Lindemann'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 business in Nazi Germany was open as usual and that its German subsidiary was being paid handsomely for prewar 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 American business. The forces 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 approved by the President . . . in short, whatever it was that had stopped us was not "the government." But it clearly had command of channels through which the government normally operates. The relative powerlessness of governments in the growing economic power is of course not new . . . 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 rummaging through documents, many of the Nazis in Schmitz's and Hitler's immediate circle were untouched by defeat. Schmitz's fellow director of the Deutsche Bank, Hermann Abs, was now financial advisor in the British zone. Heinrich Dinkelbach, also a partner of Schmitz, was in charge of the administration of all iron and steel industries in the British zone. Yet another director of the Steel Union, Werner Carp, the closest friend of Baron von Schroeder's, was released from detention and became Dinkelbach's partner. So much for Eisenhower's orders to denazify industry. Schmitz in his prison could afford to smile. "The Nazi chieftains," Raymond Daniell wrote in *The New York Times* on September 20, 1945, "[are] in positions where they can continue to control to a large degree the machinery whereby Germany made war." Daniell continued:

The effect of the breakdown of the denazification program . . . preserves the power of men whose nationalistic and nihilistic ideas were

the very antithesis of democracy . . . in industry, in the fields of transportation and communication, the flouting of General Eisenhower's order is particularly flagrant . . . in avoiding compliance with [that] order, Army and Military government officials have shown considerable versatility. Where they have not ignored the order completely, they have got around it by reclassifying important jobs under other names and leaving the Nazi incumbent alone.

Daniell continued:

Not has there been any known development on the plan for the disposition of the property of active Nazis, as must have been contemplated when their accounts were blocked. At present a proposal is being circulated to provide for the payment of their old salaries to executives who have been arrested and who are giving evidence to the Occupation authorities. In other words, it is proposed that those who helped the Nazis be treated as employees whose services are worth to us approximately what the Nazis paid them.

Martin made a serious discovery in October 1945. He reported that General Patton literally had sabotaged the Potsdam Agreement calling for a destruction of I. G. and that in fact it was simply being split into components and allowed to continue with several of Schmitz's minor executives continuing in higher positions. Simultaneously, the Kilgore Committee reported in Washington on November 15, 1945, that the Swiss banks led by the BIS and its member bank, the Swiss National Bank (which shared directors and staff members), had violated agreements made at the end of the war not to permit financial transactions that would help the Nazis dispose of their loot. Senator Harley Kilgore stated, "Despite . . . the assurances of the Swiss government that German accounts would be blocked, the Germans maneuvered themselves back into a position where they could utilize their assets in Switzerland, could acquire desperately needed foreign exchange by the sale of looted gold and could conceal economic reserves for another war. These moves were made possible by the willingness of the Swiss government and banking officials, in violation of their agreement with the Allied Powers, to make a secret deal with the Nazis." Martin's team, working with a special Treasury group of T-men, unraveled much of this information for Kilgore.

They found a letter from Emil Puhl to Dr. Walter Funk dated March 30, 1945, which said: "Above all I have insisted [for the National Bank] on our receiving Swiss francs in return for Reichsmarks which the Reichsbank might release for any reason. That is important as it will enable us to use these francs to transfer funds into a third country."

It was agreed by the mission to Switzerland headed by U. S. economic advisor Lauchlin Currie in 1945 that gold might be used for embassy expenses. Puhl made the Swiss buy the German gold. A further letter, dated April 6, 1945, from Puhl to Funk read: "All in all, I believe that we can be satisfied that we have succeeded in obtaining . . . arrangements for German-Swiss payments. Whatever form events will take, such connections will always exist between our countries, and the fact that there exists a contract agreement may be of considerable importance in the future. Anyway, the contrary, the breaking off of the innumerable connections, would have been a rubble pile which would have presented immense difficulties."

The day after the Kilgore Committee made these disclosures, the Treasury team along with Martin's was drastically restricted from further activities. Raymond Daniell wrote in *The New York Times* on November 16 that the experts who came to hunt down the Reich's hidden assets were suddenly relegated to obscure roles. "As a result," Daniell wrote, "140 Treasury employees are wondering tonight whether they are going to be recalled or ordered to stay on here compiling reports and making recommendations that other departments can use or ignore as they choose. Many of them feel that their usefulness here has been ended."

All through those difficult weeks Martin, his team, and the T-men clashed with Brigadier General Draper and Charles Fahy of Draper's legal division, both of whom flagrantly ignored Eisenhower's policy and the mandatory terms of the Potsdam Agreement. Russell Nixon sympathized with their largely hopeless efforts to smash Nazi economic power in Germany and overseas. He said, "Treasury experts are in the doghouse at the office of Military government." "Most devastating of all, he stated that Draper had flatly refused to denazify any financial institution in Germany."

In Washington, Colonel Bernard Bernstein of the Treasury squad was delivering a powerful series of blows to I. G. before the Kilgore

Committee. He denounced Standard's synthetic rubber agreements, its \$20 million contract for aviation gasoline, its \$1 million supply of tetraethyl. He named Ernest K. Halbach and Hugh Williamson of GAF as organizers of direct deliveries to I.G.'s South American subsidiaries after Pearl Harbor. He charged that Du Pont owned 6 per cent of I.G.'s common stock throughout World War II and that Swiss banks had uniformly refused to yield up details of I.G. Chemie. Kilgore, commenting on these statements, said, "I am profoundly disturbed by a number of recent events pointing to an attitude on the part of some of our key officials which countenances and even bolsters Nazism in the economic and political life of Germany." He said that Draper had ignored directives of six months earlier to destroy I.G.'s plants. He added that the State Department blatantly supported Draper's policy. Kilgore made clear that State Department policy did not have President Truman's concurrence.

A U.S. Military Government spokesman, who was not named, denied Kilgore's charges in *The New York Times* on Christmas Day 1945. He said it was untrue that the I.G. organization had not been broken up; that in fact "the entire I.G. question has been placed on a four-power level." He was pointing to the fact that the United States, Britain, France, and Russia all had parts of Farben because of its diffuse character; he neglected to point out that only Russia of the four powers had tried to shatter I.G.'s structure.

In July 1946, James Stewart Martin was still struggling to expose the full truth of Nazi-American business arrangements. He was not helped by the fact that Brigadier General Draper hired the adventurous Alexander Kreuter, Charles Bedaux's partner in the Wornis Bank, as his economic aide.

Gordon Kern of ITT also turned up on the scene. Kern, ostensibly there to be in an advisory capacity, spent most of his time transferring the Focke-Wulf factories from the Russian to the American zone. He also arranged for ITT's Nazi factory to be used by the Army Signal Corps, which prevented its dissolution, and had Westrick brought to Switzerland to disentangle ITT's Nazi patents held in Swiss banks.

In October 1946, Senator Kilgore arrived in Germany with the Senate War Investigating Committee to try to determine why attempts to decartelize the Nazis were being obstructed at every turn. George Meader, counsel for the committee, prepared a thousand pages of

testimony from scores of U.S. Army officers. A few weeks later, when the investigations were continuing, Averell Harriman (of Brown Brothers, Harriman), Jesse Jones's successor as Secretary of Commerce, sent Philip D. Reed, head of General Electric, which had suppressed tungsten carbide in favor of Krupp and financed Hitler, on an urgent mission to Berlin to confer with Draper. Simultaneously, General Lucius Clay was questioned for two hours secretly by Kilgore in Washington. The results of the questionnaire were never disclosed.

In December, Clay was back in Germany, smarting at criticisms of his activities. He arranged a meeting between Draper and Philip D. Reed at the office of his finance chief, Jack Bennett. At the meeting Richard Spencer of Clay's legal division attacked President Truman's policy on denazification and breaking up I.G. Reed reported to Harriman that the investigation of I.G. and the Americans, which was still struggling feebly along under Martin's guidance, was a symptom of Martin's "extremism" and should be brought to an immediate end.

Meader's detailed report, damning in detail and forceful in execution, was too strong even for Kilgore. He said, inter alia, "I will put it this way: that men, some men, if the Germans had ever invaded this country and conquered us, would have been the first to collaborate with the conquerors, and have been influential in decisions being made in Germany."

Secretary of War Robert B. Patterson said that he was of the opinion that Meader's statement "gave a distorted and frequently erroneous picture of the American Zone." Lieutenant General Dan I. Sultan, Inspector General of the Army, also denounced Meader, saying his charges were "unverified." Yet Meader had based his report on thoroughly reliable sources. Military officer after officer was disclosed as corrupt, unsavory, and in collusion with the Nazis.

Among the testimonies was that of Colonel Francis P. Miller who had been executive officer of Army Intelligence under Clay and had formerly been with the OSS. He charged that "Officials selected for influential economic positions in the military government had business connections at home that might influence their outlook and acts." He called for an intensified use of Army Intelligence to expose malfeasances in high office.

That December the Kilgore Committee uncovered more and more scandals. Meader introduced documents showing how Draper had told a visiting party of newspaper editors that the program of purging Nazis was holding back economic development.

There were efforts made to obtain a reversal of Truman's policy of removing patents from German hands. The leader of this attempted reversal was an executive of the U. S. Steel Corporation, who remained unnamed because of the connections to the Schmitz and Krupp steel empire. This personage called for a reopening of the German Patent Office immediately and charged that the President had jeopardized it by his policy declarations. The steel executive also wanted an outright prohibition of inspections of German plants. Phillips Hawkins pointed out that the reestablishment of patent systems and prohibition of search would be disastrous for decartelization.

General Clay had, the committee revealed, sent a stern memorandum to Draper telling him that denazification was beneficial and that the failure to denazify industry would have created major labor-management problems. He rebuked Draper loudly and clearly for opposing the removal of Nazis.

Several letters were read from James Stewart Martin showing how he had been forced into retreat. He named—but the name was not made public—an American industrialist who was trying to obtain a penicillin monopoly in Germany by buying up one American corporation after another with Nazi links, including I.G. He also charged that lobbying in Washington was allowing ITT, National Cash Register, and Singer sewing machine company to enter Germany on special licenses in defiance of presidential orders.

Kilgore was infuriated by Meader's charges and denounced him to the press.

James Stewart Martin resigned his position in frustration. His replacement, Phillips Hawkins, married General Draper's daughter.

In February 1947, Richardson Bronson, formerly Martin's deputy control officer, fired one quarter of his staff and announced that there would no longer be any decartelization of I.G. or any other heavy industry in Germany. Only small consumer-goods firms would be affected. The decision was approved by former President Herbert Hoover, who had received Hermann Schmitz at the White House in

1931. Hoover's report at the end of an investigative trip urged that I.G. and Krupp should be enabled to rebuild Germany.

Those few who raised voices against such goings-on were dismissed by the military arm as "communies." Draper still had some critics. Alexander Sacks, formerly of James Stewart Martin's staff, charged before the Ferguson Commission on decartelization in 1948 that in every way "the policies of the Roosevelt and Truman administrations have been flagrantly disregarded by the very individuals who were charged with the highest responsibility for carrying them out." Sacks was dismissed.

As for General Antine and Film, that indestructible organ of The Fraternity, all efforts against it by Morgenthau and his successors in the Treasury proved futile. Robert F. Kennedy as Attorney General protected the company from dissolution—in his father's tradition. On March 9, 1965, GAF was sold in the largest competitive auction in Wall Street history. The buyer, offering \$340 million, was an affiliate of I.G. Farben in Germany.

Those who had opposed The Fraternity were not so fortunate. In 1948 the House Un-American Activities Committee, in one of its unbridled smear campaigns, named Morgenthau's trusted associates Harry Dexter White and Lauchlin Currie as communist agents. Based on the uncorroborated testimony of one Elizabeth Bentley, a self-confessed Soviet spy who was turning state's evidence, the Morgenthau Treasury administration was smeared in the eyes of the public. White and Currie, those deeply loyal enemies of fascism, those investigators of the Bank for International Settlements, of Standard, the Chase, the National City Bank, the Morgans, William Rhodes Davis, the Texas Company, ITT, RCA, SKF, GAF, Ford, and General Motors, were effectively destroyed by the hearings. Currie disappeared into Colombia, his U. S. citizenship canceled in 1956, and White died of a heart attack on August 16, 1948, aged fifty-six, after returning home from an investigative session. While the surviving Fraternity figures flourished again, helping to form the texture of postwar technology, those who had dared to expose them were finished. The Fraternity leaders who had died could sleep comfortably in their graves—their dark purpose accomplished.

Selective Bibliography

- Allen, Gary. *None Dare Call It Conspiracy*. Waukesha, Wis.: County Beautiful Corporation, Concord Press, 1971.
- Ambruster, Howard W. *Treasurer's Peace*. New York: The Beechhurst Press, 1947.
- Angebert, Jean, and Angebert, Michel. *The Occult and the Third Reich*. New York: Macmillan, 1974.
- Archer, Jules. *The Plot to Seize the White House*. New York: Hawthorn Books, 1973.
- Biddle, Francis. *In Brief Authority*. New York: Doubleday, 1962.
- Blum, John Morton. *From the Morgenthau Diaries. Years of Crisis, 1928-1938; Years of Urgency, 1938-1941; and Years of War, 1941-1945*. Boston: Houghton Mifflin, 1959-1967.
- Barkin, Joseph. *The Crime and Punishment of I. G. Farben*. New York: The Free Press, 1978.
- Dodd, William E., Jr., and Dodd, Martha, Eds. *Ambassador Dodd's Diary, 1933-1938*. New York: Harcourt Brace, 1941.
- DuBois, Josiah E., Jr. *The Devil's Chemists*. Boston: Beacon Press, 1952.
- Dulles, Eleanor. *The Bank for International Settlements at Work*. New York: Macmillan, 1932.
- Fargo, Ladislav. *The Game of the Foxes*. New York: David McKay, 1971.
- Gellman, Erika. *Good Neighbor Diplomacy*. Baltimore: Johns Hopkins, 1979.
- Guerin, Daniel. *Fascisme Et Grand Capital*. Paris: Francois Maspéro, 1965.
- Hargrave, John. *Montagu Norman*. London: Greystone Press, n.d. [1942].

- Hexner, Ervin. *International Cartels*. Chapel Hill: University of North Carolina Press, 1945.
- Hirszowicz, Lukasz. *The Third Reich and the Arab East*. London: Routledge and Kegan Paul, 1966.
- Hoke, Henry R. *It's a Secret*. New York: Reynal and Hitchcock, n.d.
- Howard, Grame K. *America and a New World Order*. New York: Scribner's, 1940.
- Johnson, Arthur M. *Winthrop W. Aldrich: Lawyer, Banker, Diplomat*. Boston: Harvard University Business School, 1968.
- Langer, W. L., and Gleason, S. Everett. *The Challenge to Isolation*. New York: Harper Brothers, 1952.
- Lee, Albert. *Henry Ford and the Jews*. Briarcliff Manor, N.Y.: Stein and Day, 1980.
- Martin, James Stewart. *All Honorable Men*. Boston: Little, Brown, 1950.
- Novins, Allan, and Hill, Frank Ernest. *Ford: Decline and Rebirth, 1933-1962*. New York: Scribner's, 1962.
- Peterson, Edward Norman. *Hjalmar Schacht*. Boston: Christopher Publishing House, 1954.
- Quigley, Carroll. *Tragedy and Hope*. New York: Macmillan, 1966.
- Rees, David. *Harry Deuter Wine: A Study in Paradox*. New York: Coward, McCann, & Geoghegan, 1973.
- Reiss, Curt. *The Nazis Go Underground*. New York: Doubleday, 1944.
- Rogge, O. John. *The Official German Report: Nazi Penetration 1924-1942. Pan-Arabism 1939-Today*. New York: Thomas Yoseloff, 1961.
- Rogow, Arnold A. *James Forrestal: A Study of Personality, Politics and Policy*. New York: Macmillan, 1963.
- Root, Waverley. *The Secret History of the War*. 3 vols. New York: Scribner's, 1945.
- Sampson, Anthony. *The Sovereign State of ITT*. New York: Stein and Day, 1973.
- Sayers, Michael, and Kahn, Albert E. *The Plot Against the Peace: A Warning to the Nation!* New York: The Dial Press, 1945.
- Schacht, Hjalmar. *Confessions of the "Old Wizard"*. Boston: Houghton Mifflin, 1956.
- Schlösser, Henry H. *The Bank for International Settlements*. Amsterdam: North Holland Publishing Company, 1958.
- Seldes, George. *Iron, Blood and Profits*. New York: Harper Brothers, 1934.
- _____. *Facts and Fascism*. New York: In Fact, Inc., 1943.
- Stocking, George W., and Watkins, Myron W. *Cartels in Action*. New York: Twentieth Century Fund, 1946.

- Sutton, Antony C. *Wall Street and the Rise of Hitler*. Seal Beach, Calif.: 76 Press, 1976.
- _____. "Trials of War Criminals Before the Nuremberg Military Tribunals Under Control Council Law No. 10," Volume VIII, I G. Farben case, Nuremberg, October 1946-April 1949. Washington: U.S. Government Printing Office, 1953.
- United States Army Air Force. Aiming point report No. 1. E. 2 of May 29, 1943.
- United States Congress. House of Representatives. Special Committee on Un-American Activities and Investigation of Certain Other Propaganda Activities. 73rd Congress, 2nd Session, Hearings No. 73-DC-4. Washington: U.S. Government Printing Office, 1934.
- United States Congress. House of Representatives. Special Committee on Un-American Activities (1934). *Investigation of Nazi and Other Propaganda Activities*. 74th Congress, 1st Session, Report No. 153. Washington: U.S. Government Printing Office, 1934.
- United States Congress. Senate. Hearings before the Committee on Finance. *Sale of Foreign Bonds or Securities in the United States*. 72nd Congress, 1st Session, S. Res. 19, Part 1. December 18, 19, and 21, 1931. Washington: U.S. Government Printing Office, 1931.
- United States Congress. Senate. Hearings before a Subcommittee of the Committee on Military Affairs. *Scientific and Technical Mobilization*. 78th Congress, 2nd Session, S. Res. 107, Part 16, August 29 and September 7, 8, 12, and 13, 1944. Washington: U.S. Government Printing Office, 1944.
- United States Congress. Senate. Hearings before a Subcommittee of the Committee on Military Affairs. *Scientific and Technical Mobilization*. 78th Congress, 1st Session, S. 702, Part 16. Washington: U.S. Government Printing Office, 1944.
- United States Congress. Senate. Hearings before a Subcommittee of the Committee on Military Affairs. *Elimination of German Resources of War*. Report pursuant to S. Res. 107 and 146, July 2, 1945, Part 7. 78th Congress and 79th Congress. Washington: U.S. Government Printing Office, 1945.
- United States Group Control Council (Germany). Office of the Director of Intelligence, Field Information Agency. Technical Intelligence Report No. EF/ME/1. September 4, 1945.
- United States Congress. Senate. Subcommittee to Investigate the Administration of the Internal Security Act. Committee on the Judiciary. *Morganthau Diary (Germany)*. Volume 1, 90th Congress, 1st Session.

- November 20, 1967. Washington: U.S. Government Printing Office, 1967.
- United States Strategic Bombing Survey. *Aeg-Ostlandwerke GmbH*, by Whitworth Ferguson, May 31, 1945.
- United States Strategic Bombing Survey. *Plant Report of A.E.G. (Allgemeine Elektrizitäts Gesellschaft), Nuremberg, Germany*, June 1945.
- United States Strategic Bombing Survey. *German Electrical Equipment Industry Report*. Equipment Division, January 1947.
- Wall, Bennett H., and Gibb, George S. *Teagle of Jersey Standard*. New Orleans: Tulane University, 1974.

Magazines and Newspapers Consulted

- The Nation: The New Republic: The Hour: Friday: In Fact; The Protestant; The New York Times; The Washington Post; The Washington Times-Herald; PM: The (London) Times; The New Statesman and Nation; Time and Tide; The Wall Street Journal.*

Select Documentary Sources

Bank for International Settlements*

- Telegrams from Merle Cochran to Henry Morgenthau, Jr.: February 14, March 14, May 9, 1939.
- Memoranda from Merle Cochran to Henry Morgenthau, Jr.: April 27, May 9, May 15, 1940.
- Reports on meetings of the Bank for International Settlements, 1940-1945. U.S. Consulate, Basle, Switzerland.
- Resolution, H. Res. 188, 78th Congress, March 26, 1943.
- Bretton Woods Conference, New Hampshire. Minutes of meetings of the U.S. delegates, July 10, July 17, July 18, July 19, July 20, 1944.
- Memorandum from Orvis A. Schmidt to Henry Morgenthau, Jr. March 23, 1945.
- Reports on Carrie Mission to Switzerland. Minutes of meetings, memoranda to the President. April 12, May 2, May 21, 1945.

* Files available from Roosevelt Memorial Library, Hyde Park, New York.

Bedaux, Charles*

Embassy of the United States of America. Confidential Report. Vichy, May 4, 1942.

Interview with Charles E. Bedaux. Report by American Consulate, Algiers, October 30, 1942.

War Department Message. Secret, January 4, 1943.

War Department. Military Intelligence Service. Washington. Report, January 15, 1943.

Headquarters North African Theater of Operations. U.S. Army Inquiry, September 5, 1944.

Allied Force Headquarters. U.S. Army, G2. Report, February 14, 1945.

The Chase Bank—Paris**

Morgenthau Minutes. Meeting with Dr. Benjamin Anderson. April 28, 1937.

Department of State Memoranda. June 19, 1940.

Minutes of Treasury Meetings. August 26, 27, 1940.

Correspondence between Chase Bank, Paris and Chicauneuf, France, August 5, October 15, October 24, November 17, 1940.

Memoranda from Winthrop W. Aldrich to Henry Morgenthau, Jr. May 12, May 25, 1941.

Correspondence between Chase Bank, Paris, German banks, Vichy Headquarters and New York, December 30, 1941, January 3, 10, 15, 23, and 30, 1942; February 2, March 3, March 6, March 24, March 25, March 30, 1942; April 16, May 7, May 23, June 1, June 4, June 18, June 22, July 20, August 3, September 18, October 9, October 28, and December 31, 1942.

Accounts of Chase Bank, Paris, 1941-1942.

Memorandum from Randolph Paul to Henry Morgenthau, Jr. January 13, 1943.

Select Documentary Sources

233

Accounts, Transactions, German Military Government Orders. Nazi Embassy, Paris, 1943.

Minutes of Meetings, Treasury, January 4, 13, 1944.

Report, Treasury Investigative Team, Paris, 1944.

Memoranda from Randolph Paul to Henry Morgenthau, Jr. February 3, 4, 1944.

Correspondence. Transaction List, Accounts, Memoranda between Nazi Embassy, Paris, and Chase Bank, May 22, May 30, June 8, June 29, July 3, August 10, August 16, 1944.

Memorandum from J. J. O'Connell, Jr., and Harry Dexter White to Henry Morgenthau, Jr. September 12, 1944.

Various memoranda, J. J. O'Connell, Jr., and Harry Dexter White to Henry Morgenthau, Jr. October 20, 27, 1944.

Henry Saxon to Henry Morgenthau, Jr. Memoranda, December 20, 1944.

Treasury Investigative Reports. December 30, 1944.

Harry Dexter White to Henry Morgenthau, Jr. February 12, 1945.

William Rhodes Davis*

Chapter drawn in its entirety from Davis Main File, FBI, 1937-1941, Washington, D.C.

Ford Motor Company**

Letters from Maurice Dollfus to Edsel B. Ford, September 19, October 31, November 27, 1940, October 13, 1941, January 28, February 11, August 15, 1942.

Report by Felix Cole, American Consulate, Algiers, July 11, 1942.

* Files available from Department of the Army, Fort Meade, Maryland.

** Files available from the Department of the Treasury, Washington, D.C.

* File available from Freedom of Information Office, FBI Headquarters, Washington, D.C.

** Files available from Charles H. Johnson Collection, Dolbny Library, University of Southern California, Los Angeles.

- Telegram from John G. Winant, U.S. Embassy, London, to Cordell Hull, October 20, 1942.
- Telegrams from Leland Harrison, U.S. Minister in Bern, Switzerland, to Cordell Hull, October 29, December 4, 1942.
- Reports by John J. Lawler to Henry Morgenthau, Jr., December 9, 10, 11, 1942 (includes transcripts of Edsel Ford's letters to Maurice Dolfus in Occupied France).
- Accounts reports and details of transactions, Ford Motor Company, Dearborn and Poissy, December 11-12, 1942.
- Report by Randolph Paul to Henry Morgenthau, Jr., May 25, 1943.
- Report by Leland Harrison to Cordell Hull, December 13, 1943.
- Report by John G. Winant to Cordell Hull, April 3, 1944.

General Motors*

- Report by James D. Mooney to Adolf Hitler, n.d. (presumably January 1940).
- Letter from James D. Mooney to Adolf Hitler, February 16, 1940.
- Summarized statement of Hitler's conversation with James D. Mooney, March 4, 1940.
- Notes covering James D. Mooney's visit to Göring, March 7, 1940.
- Letters from James D. Mooney to Franklin D. Roosevelt, Rome, Italy, March 11, 15, 1940.
- Letter from Franklin D. Roosevelt to James D. Mooney, April 2, 1940.
- Detailed program of meetings in Berlin and London in 1939 by James D. Mooney, January 24, 1941.
- Letter from James D. Mooney to Franklin D. Roosevelt, February 21, 1941.
- Report by J. Edgar Hoover to Adolf A. Berle, Jr., May 1, 1941.
- FBI Reports, Various, 1942.

* Files available from Georgetown University Library, Washington, D.C., FBI, and National Archives Diplomatic Records Room.

- Report by Leland Harrison to Cordell Hull, March 21, 1942.
- Report of U.S. Embassy, Panama, June 26, 1942.
- Report by U.S. Embassy, Buenos Aires, July 20, 1942.
- Reports by John G. Winant to Cordell Hull, October 20, 1942.
- Report by Jacques Reinstein to General Motors, April 2, 1943.
- Telegram from U.S. Embassy, London, to Cordell Hull, May 18, 1944.
- Report from U.S. Embassy, La Paz, Bolivia, to Cordell Hull, February 10, 1944.
- Report from John G. Winant to Cordell Hull, April 11, 1944.

Princess Stefanie Hohenlohe, Fritz Wiedemann, and Sir William Wiseman*

Chapter drawn in its entirety from FBI Main Files on these individuals, Washington, D.C., 1940-1945.

IET and Radio Corporation of America**

- Telegram from American Legation, Bucharest, Rumania, to the Treasury, January 3, 1941.
- Notes and Memoranda by E. H. Foley, Jr. and Herbert Feis to Sumner Welles, March 24, 25, 26, 1941, and October 9, 1941.
- Undated draft on unification of Mexican telephone systems, Treasury files, 1941.
- Censored conversation intercept, Hans Sturzenegger and Hugh Williamson, Basle and New York, June 24, July 3, 1941.
- Memorandum from E. H. Foley, Jr., to Henry Morgenthau, Jr., September 8, 1941.

* Files available from FBI.

** Files available from National Archives and Records Service, Social and Industrial Records Room, Washington, D.C.

Memoranda from Breckinridge Long to Harry Hopkins, January 5, January 12, 1942.

Seized records, January-March 1942, ITT, South America.

Detailed reports of TTP, South America, State Department File, 1941-1942.

Staff memorandum for members of the interdepartmental advisory committee on hemisphere communications, Allen W. Sawyer, January 13, 1942.

Intercepted conversation, Cia Radio International of Brazil, February 11, 1942.

FBI report, February 14, 1942.

Memo to Thurman Arnold from Robert Wohlforth, February 20, 1942.

Memo from R. T. Yingling to Breckinridge Long, February 26, 1942.

Censorship reports, January-May 1942.

Memoranda to Sumner Welles, from Breckinridge Long, April 21, 1942.

Memoranda of Breckinridge Long on meetings on ITT and RCA/Consortium, June 26, July 13, July 14, July 20, August 10, August 11, 1942. Also August 25 and September 21, 1942.

Censorship reports May-December 1942.

Special report on Mexican telephone merger, State Department, 1942.

Special report, State Department, August 20, 1942.

Minutes of meetings of the IHCAAC, September-December 1942.

Intercepted communications, 1942-1943.

Report on leakage of shipping information. Office of Censorship, July 24, 1942.

Report on evasions of communications regulations and cable communications with the Axis, December 7, 11, 14, and 15, 1942.

Report on Axis pressure on ITT, November 18, 1942 (no source given).

Questionnaire, responses, and reports, U. S. Commercial Company to Henry A. Wallace, 1942-1943.

Breckinridge Long memoranda to the State Department, 1943.

FBI reports, ITT, Main File, 1943.

Censorship intercepts, ITT, April 14, 1943.

Minutes of meeting between W. A. Winnetonum and Breckinridge Long, August 16, 1943.

ITT, intelligence report, Bartholomew Higgins to Wendell Berge, September 20, 1943.

Memorandum to Secret Intelligence Service, Berlin, FBI, September 12, 1945.

Interrogations of Baron Kurt von Schröder, November 20-25, 1945.

Interrogatory reports: numerous. Gerhard Westrick, 1945 (no day or month).

SKF*

Memorandum re SKF, Heinrich Kronstein, March 6, 1942.

Secret memorandum, Foreign Economic Administration, Lauchlin Currie to Oscar Cox, February 4, 1944.

Memorandum for Foreign Economic Administration. Control groups in Sweden and their German tie-ups, 1944.

Memorandum from Captain W. D. Pulleston to Lauchlin Currie, Foreign Economic Administration, March 15, 1944.

SKF Industries, Inc. report, 1944.

Jean Pajus draft report, Swedish ball-bearing business, May 1944.

Foreign Economic Administration. Memorandum for the files of the Economic Intelligence Division, May 1, 1944.

Miscellaneous telegrams from Ambassador Herschel Johnson in Stockholm to the Department of State. Encoded, May 1944.

Memorandum by Franklin S. Judson, Foreign Economic Administration, May 11, 1944.

Telegram, Stockholm Legation to Foreign Economic Administration and Secretary of State, May 13, 1944.

*Records available from National Archives and Records Service, Suitland, Maryland.

Securities and Exchange Commission. Memorandum covering interviews with E. Austin and Ernest Wooler. Foreign Economic Administration file, May 19, 1944.

Memorandum of interview with J. W. Tawressey. Franklin S. Judson. June 7, 1944.

SKF. Introduction and summary. Jean Pajus, Foreign Economic Administration, September 15, 1944.

Telegrams received. American Legation, Stockholm, to Secretary of State, Washington, D.C., October 9, 1944.

Memorandum by Jean Pajus to Lauchlin Currie and Frank Coe, Foreign Economic Administration, November 2, 1944.

Complete summary of SKF wartime activities. Jean Pajus, 1945.

Standard Oil of New Jersey*

Report to Sumner Welles by Herbert Feis. March 31, 1941.

Report by John J. Muccio. *Chargé d'Affaires*, U.S. Consulate, Panama, to Cordell Hull, May 5, 1941.

Report by H. E. Linam, Standard Oil, Caracas, Venezuela, to Nelson Rockefeller, July 9, 1941.

Report by Major Charles A. Burroughs. G-2. Columbus, Ohio, to Headquarters, July 15, 1941.

Report from American Legation, Bucharest, Hungary, to State Department, August 5, 1941.

Report from E. H. Foley, Jr., Acting Secretary of the Treasury, to Cordell Hull, October 30, 1941.

Report by E. H. Foley, Jr., to the Senate Special Committee on Defense, April 30, 1942.

Letter from H. E. Linam, Standard Oil, to Dr. Frank P. Corrigan, U.S. Embassy, Caracas, Venezuela, June 8, 1942.

Report from Samuel F. Gilbert to Donald Hiss, State Department Foreign Funds Control, July 14, 1942.

Letter from John J. Muccio, U.S. Embassy, Panama, to Cordell Hull, August 24, 1942.

Report by Leland Harrison, U.S. Embassy, Berne, to Cordell Hull, October 3, 1942.

Report by Daniel J. Reagan, Commercial Attaché, Berne, November 6, 1942.

Telegram in code from Leland Harrison to Cordell Hull, December 8, 1942.

Report by Jacques Reinstein to John N. Bohannon, Standard Oil, December 26, 1942.

Report from U.S. Embassy, London, to Cordell Hull, December 29, 1942.

Cable in code from Jacques Reinstein to U.S. Legation, Berne, January 20, 1943.

Telegrams from Leland Harrison, U.S. Legation, Berne, to Cordell Hull, January 28, 1943.

Report from Adolf Berle to U.S. Legation, Berne, February 27, 1943.

Telegrams from Leland Harrison, U.S. Legation, Berne, April 15, 21, 1943.

Telegrams from John G. Winant to Cordell Hull, May 5, 15, 17, and 18, 1943.

Reports from C. F. Sabourin to F. P. Corrigan, U.S. Embassy, Caracas, Venezuela, June 9, 1943.

Report from Frank P. Corrigan to A. T. Prosdoff, Standard Oil of Venezuela, June 24, 1943.

Licenses permitting trading with enemy nationals. Various, 1943.

Sterling Products, Inc./General Aniline and Film*

Reports. Foreign Economic Administration, 1942, 1943.

Memorandum. Charles Henry Lee to John E. Lockwood, Foreign Economic Administration, July 19, 1941.

* Records available from National Archives and Records Service, Diplomatic Records Room.

* Records available from FBI and from National Archives, Diplomatic Records Room and Records Service, Washington, D.C.

- Memorandum. Dean Acheson to Jefferson Caffery. n.d. [1942].
- Memorandum. J. Edgar Hoover to Adolf Berle. Alleged German agents in Brazil. May 26, 1942.
- Memorandum. E. Schelleneberger. Chief. Commercial Intelligence. Department of Commerce. June 9, 1942.
- Memorandum. Dean Acheson to the American Ambassador, Paraguay. June 29, 1942.
- Memorandum. George Messersmith to Cordell Hull. July 14, 1942.
- Memorandum. J. Edgar Hoover to Adolf Berle. July 28, 1942.
- State Department Memorandum to the Chargé d'Affaires, Buenos Aires. September 11, 1942.
- Memorandum. Frederick B. Lyon for Adolf Berle to J. Edgar Hoover. September 16, 1942.
- Memorandum. Robert A. Scotton to State Department. September 21, 1942.
- Memorandum. J. Edgar Hoover to Adolf Berle. September 28, 1942.
- Memorandum. J. Edgar Hoover to Adolf Berle. October 3, 1942.
- Memorandum. Frederick B. Lyon to J. Tannenwald. January 12, 1943.
- Correspondence. Philip W. Thayer to State Department. August 1943.
- Memorandum. Flemming T. Liggett, FBI, to J. Edgar Hoover. December 30, 1943.

Texas Company*

- Enclosure to Dispatch No. 10008 of February 12, 1940, from U.S. Embassy, Mexico City, to State Department.
- Memorandum from U.S. Embassy, Montevideo, Uruguay, to Lawrence Duggan, State Department, June 5, 1940.
- Report of the U.S. Legation, Costa Rica, to Cordell Hull. June 13, 1941.
- Military Intelligence Division Report, October 9, 1940.

- Memorandum from J. Edgar Hoover to Adolf Berle. February 10, 1942.
- Report by A. R. Randolph. Acting Commercial Attaché, Guatemala. December 8, 1942.
- Division of the American Republics Report. December 28, 1942.
- Miscellaneous authorizations. A. R. Randolph. 1943.
- Memorandum from Leland Harrison, U.S. Legation, Berne, Switzerland, to State Department. January 27, 1944.
- Memorandum from Leland Harrison, U.S. Legation, Berne, Switzerland, to State Department. January 30, 1944.

* Records available from National Archives and Records Service, Diplomatic Records Room.

BOARD FOR INTERNATIONAL SETTLEMENTS
BOARD OF DIRECTORS*

Ernst Weber, Zurich Chairman

Cott. V. Azolini, Rome

Y. Breaud de Boisvenger, Paris

Baron Brinard, Paris

Walter Funk, Berlin

Alexandre Galopin, Brussels

Prof. Francesco Giordani, Rome

Hisakira Kato, Tokio

Sir Otto Hiemeyer, London

Montagu Collet Norman, London

Ivar Rooth, Stockholm

Dr. Hermann Schmitz, Berlin

Kurt Fratherr von Schröder, Cologne

Dr. L. J. A. Trip, The Hague

Marquis de Vegue, Paris

Yoneji Yamamoto, Berlin

Allerrestes

Dot. Giovanni Acanfora Rome

Dot. Mario Parronchio

Cameron F. Cobbold, London

Emil Puhl, Berlin

EXECUTIVE OFFICERS

Thomas H. McKittrick President

Roger Auboin General Manager

Paul Hechler Assistant General Manager

Dot. Raffaele Filioth Secretary General

Marcel van Zeeland Manager

Dr. Per Jacobsson Economic Adviser

Dr. Felix Waiser Legal Adviser

15th June 1943.

Selected Documents

OFFICE OF THE ASSISTANT
CHIEF OF THE ARMY GENERAL STAFF
WASHINGTON, D. C.
HEADQUARTERS FIFTH CORPS AREA
OFFICE OF THE CORPS AREA COMMANDER
FORT HAYS, COLUMBUS, OHIO
WAR DEPARTMENT

0-2

July 19, 1942

SUBJECT: Standard Oil Company of New Jersey Ships Under Examination
Belgium.

TO: A. G. of S., 0-2,
War Department
Washington, D. C.

1. A report has been received from Cleveland, Ohio, in which it is stated that the source of this information is unascertainable, to the effect that the Standard Oil Company of New Jersey now ships under Pan-American registry, transporting oil (fuel) from Antea, Dutch West Indies to Grenville, Canary Islands, and is apparently diverting about 20% of this fuel oil to the present German government.

2. About six of the ships operating on this route are reported to be manned mainly by Nazi officers. Seaman have reported to the informant that they have seen submarines in the immediate vicinity of the Canary Islands and have learned that these submarines are refueling there. The informant also stated that the Standard Oil Company has not least any change to date in regarding to have other companies run on ships operate to other ports.

For the A. G. of S., 0-2,

MA - 10

Harold G. Summers

Chief, Intelligence,
War Department,
Asst. A. G. of S., 0-2

4-34

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 interests would point 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 Governments 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. Bonsal felt that, in any case, we should be much better informed than we were 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 them word to go ahead. This suggestion was based especially on the possibility that the Chilean Government might cut the circuits in the near future on its own initiative, and that since such initiative would lead the country nearer to a complete diplomatic break with the Axis, it would be preferable to company initiative.

The meeting thereupon adjourned to the Secretary's Office, where Mr. Long placed the problem and 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 coopera-

tion 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. Bonsal 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.

DEPARTMENT OF STATE
Memorandum of ~~CONFIDENTIAL~~
CONFIDENTIAL

DATE: May 24, 1943.

SUBJECT: Communications.

PARTICIPANTS: Colonel Sarnoff, et al

Mr. Long.

COPIES TO: E.I. TR.

It talked to Colonel Sarnoff on the telephone and explained to him that we had reason to believe that more messages than the agreed 700 code-groups a week were being sent from B. G. by the Axis powers to their Governments. I told him I could not disclose down there the source of our information. In an effort to obtain additional information our representatives down there had approached Hayes. Hayes had seemed to them noncooperative. There may have been very sound reasons why he refused to disclose the exact number of messages sent in code-groups by each of the Axis representatives to their Government. However, there didn't seem to be any reason why the managership should not request a report on all code-groups being sent over a period of time, day by day, and to include a report on all belligerents, and that if he could obtain that information through confidential channels we would be appreciative. I suggested it be not done by telegraph or telephone and suggested the mail, but offered to make the pouch available.

Colonel Sarnoff replied that he would talk to Mr. Winterbottom but he saw no reason why we should not do it and that he would communicate with us if they wanted to use the pouch.

After receipt of this information we will be in a better position to judge what our policy should be.

E. L.

A-1:Bl:142

Secretary Morgenthau
Randolph Paul

May 25 1943

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 its control over its French subsidiary. Since the investigative report is rather lengthy, I have attached hereto a summary thereof which discloses that from the fall of France to July 1942--the date of the last letter in the files from Ford of France to Ford of America: (1) the business of the Ford subsidiaries 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 clearly their wish to protect the Ford interests" because of the attitude of strict neutrality maintained by Henry and Edsel 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.
(Initialed) H. E. P.

Attachment.

(Signed) H. Morgenthau, Jr.

Approved: _____

RRE:SWRTZ:PHB 5:2245

By Jean Fajus-June 1944

Memorandum by Jean Fajus, Foreign Economic Administration

June 1944.

MEMORANDUM ON SKF

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

1. The important foreign files, including the correspondence 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 custom 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 curtail 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 VKF 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 B shares--those 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 is now manager of the Swedish company.

5. The largest share of SKF's production is located in Axis-controlled Europe, 52% in Germany and 64% 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 Hess-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 \$2,800,000 reported paid to the Germans by the Swedish Company for the property was 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 Bearing Company, Cannstadt, 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 licensee under the Conrad Patent. In 1929 the Norma Company was merged into SKF 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 1919. At that time William Batt acted as an attorney in fact for the Norma Company. This indicates how closely knit Mr. Batt's interests with the Germans have been in the past.

8. Until 1940 Mr. Batt 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 cloak 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. Batt's connections with German companies, which was sent to the White House. The memorandum raised the question of the desirability of allowing Mr. Batt 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. Batt 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 based primarily on the long-term business interests of the company rather than the needs of the war effort.

At the present time an FEA representative is in Sweden attempting to purchase the SKF production in Sweden for \$30,000,000. 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 voting trust agreement now placed by Swedish SKF in the hands of Mr. Batt.
- 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., Asea, 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.

TREASURY DEPARTMENT
INTER OFFICE COMMUNICATION

DATE FEB 12 1948

TO Secretary Korzenstein

FROM Harry White

Information
re Chase Bk.
activities in Paris.

You will recall that on September 12, 1944, we reported to you that a study of an exchange of correspondence in New York between Chase, Paris, and Chase, New York, from the date of the fall of France to May 1942 disclosed that (1) the Paris branch collaborated with the Germans; (2) Chase was held in "very special esteem" by the Germans; (3) the Paris manager was "very vigorous" in enforcing restrictions unnecessarily against Jewish property; and (4) the home office took no direct steps to remove the Paris manager as it might "react" against their interests. We were then aware that the Paris branch of Chase acceded to the demands of the Germans to continue normal operations, even though both the Guaranty and National City had refused and substantial liquidation ensued.

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

1. S. P. Bailey, an American citizen who was in charge of the Paris office in June 1940, felt that it was desirable to, and actually commenced to, liquidate the Paris office. Some time thereafter and certainly by June 1941 his powers were revoked when the home office conferred authority on Niederman who thereafter successfully ran the Paris office during German occupation, and Bertram who remained at Chateaufort in then unoccupied France.

2. Although Chase in New York did not, so far as is presently known, send instructions for the Paris branch after February 4, 1942, there is thus far no evidence that Chase even attempted to veto any transactions of the Paris

office or between the office in the Free Zone and the office in Paris even when such contemplated transactions were the subject of requests for instructions.

3. Between May 1942 and May 1943, deposits in the Paris office virtually doubled. Almost half of the increase in deposits took place in two German accounts.

4. About a month after United States' entry into the war, the Chase attorney in Paris advised that it was a matter of "the most elementary prudence" to block American accounts notwithstanding that no such instructions had been issued by the occupying authorities. We are awaiting for their reports as to whether the suggested action was taken.

5. In May 1942 the Paris branch advised a Berlin bank that certain instructions of the latter had been carried out and that the Paris branch "are at your disposal to continue to undertake the execution of banking affairs in France for your friends as well as for yourselves etc."

I will keep you advised of further developments in the investigation of Chase and the other American banks in Paris. In this connection you might be interested in reading the attached cable received yesterday from Refrom in Paris which describes a meeting he held with Mr. Larkin who was apparently sent to Paris by Adrich to try to strengthen up the Chase offices. Larkin reported that Adrich and the New York board of Chase were very much concerned over the situation in the Paris office of Chase, and that it was Larkin's job "to get to the bottom of the situation and make the necessary adjustments in personnel." It is significant that Larkin emphasized the fact that Chase, New York, had been cut off from the Paris branch since the United States entered the war. This does not agree with our findings which disclose that between the date of the fall of France and May 1942, Chase, New York, was kept advised about activities in Chase, Paris.

Attachment.

Ref: 1634/21/43
101 366

RECEIVED
DEPARTMENT OF STATE

JUN 1 PM 3 21

DIVISION OF
JUN 21 1943
BY AMERICAN PERSONS
AND RECORDS
DEPARTMENT OF STATE



His Majesty's Ambassador presents his

compliments to the Secretary of State and has the honour to state that His Royal Highness, the Duke of Windsor, Governor of the Bahamas, has enquired whether the United States Government would be so good as to grant exemption from United States censorship to the correspondence of the Duchess of Windsor. Lord Halifax would be grateful for such sympathetic consideration as can properly be given to this enquiry.

BRITISH EMBASSY,

WASHINGTON, D.C.,

31st May, 1943.



DEPARTMENT OF STATE
ASSISTANT SECRETARY

JUL 2 - 1943
JUN 18, 1943



Memorandum

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

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 Mr. James Mather, of General Motors, who attempted to act as mediator of a negotiated peace in the early winter of 1940; that they have maintained correspondence with Fedaux, now in prison in North Africa and under charges of trading with the enemy, and possibly of treasonable correspondence with the enemy that they have been in constant contact with Axel Wenner-Gren, presently on our Blacklist for seditious activity; etc. The Duke of Windsor has been finding every excuse to attend to "private business" in the United States, which he is doing at present.

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

A. A. B. Jr.

A-B:AA:ES

Index

- Abeitz, Otto, 11, 25-28, 183-184, 190
Abs, Hermann, 217
Achesson, Dean: at Breton Woods, 12-15; Davis Oil and, 68; Ford Company and, 161; ITT and, 100; SKF and, 123, 125, 128; Standard Oil and, 40-41, 55-57, 60-61
Adam-Opel (GM subsidiary), 168, 171, 175
Admiral Graf Spee (battleship), 149
Aegia company, 133-134
Agricultural Advisory Commission, 3
Aguirre, Ernesto, 108-109
Alba, Duke of, 94
Alba Pharmaceutical Company, 142
Albert, Dr. Heinrich, 95, 142, 154-160
Aldrich, Winthrop (of Chase National Bank), 20, 22-23, 25, 28-31; BIS and, 12, 18-19; SS and, 132
Algeria, BIS in, 10-11
Alien Property Custodian, Office of (*see also* Crowley, Leo T.); GAF and, 137-139; SKF and, 118, 127, 140; Sterling and, 141-142, 151
All-American Cables, Office, 104
All Honorable Men (Martin), 217
Allied Military Government, 211-212
Allied War Council, 182
Almazán, Juan, 77
Alpa (Nazi firm), 175
Ambrose, Howard, 144-145, 151-152
America and a New World Order (Howland), 166, 215
America First movement, 72, 157
American Agriculture, The (journal), 3
American Chemical Society, 162
American Cyanamid, 140
American I.G. Chemical Corp.: Esso Ford and, 156; GAF and, 131, 133, 134; Standard Oil and, 33-34, 36; succeeded by General Antifine and Film, 36
American Liberty League, 162, 165
American Magazine, 35
American Nazi party, 165
American Red Cross, 18, 125
American Telephone and Telegraph Company (AT&T), 94
Anderson, Sir John, 15
Angell, Frank, 193
Anso, 133

- antiblack and anticomunist movements. Du Pont involvement in, 162, 165
- anti-Semitic *see also* Auschwitza Jews: at Ford Motor Company, 154-155, 157-158; among German-Americans, 192; at GM, 162, 165, 167-168; at SKF, 121; in U.S. State Department, 85
- Antonescu, General Ion, 37
- AO (Organization of Germans Abroad), 133, 135, 189-190
- Arabian-American Oil Company (Arampco), 82-85, 88-92
- Arab Legion, 80
- Arab world, Hitler and, 80-81
- Aranco, *see* Arabian-American Oil Company
- Arranda Capriles and Company, 104
- Arnold, General Henry H. ("Hap"), 122, 213
- Arnold, Thurman, 44-53, 152
- Asea, 122
- Asfa and the Americans* (journal), 84
- Associated Buntis organization, 192
- Associated Press, 6
- AT&T, 94
- Authoin, Roger, 5
- Auer, Eihard, 155
- Auschwitz: BIS and, 18; GAF and, 131; postwar treatment of, 211, 213
- Austrie National Bank, gold looted from, 4-5, 210n, 214
- Austrian State Opera, 37
- aviation fuel, wartime trade in, 34-36, 52-53, 220
- Axis powers: Ford and, 159-161; ITT and, 111-112, 113; Standard Oil and, 43
- Azzolini, Vincenzo, 3
- Backer, Mrs. Dorothy S., 89
- Bahnen, Spaulth of, 84
- Balfry, S. P., 28-29
- ball bearings, international wartime trade in, 116-129
- Banca Commerciale Italiana, 24
- Banco Alemann Transatlantico, 26, 122, 150
- Bank for International Settlements (BIS), 1-19; at Breton Woods, 12-19; Bank of England and, 2, 5-9; Bank of France and, 2, 3, 5, 8, 16; Chase Bank and, 2, 12, 17, 18-19, 20; Davis Oil and, 63, 72; Farben and, 145; Ford Motor Company and, 159-160; GAF and, 151-152; GM and, 168-169; ITT and, 95, 96; postwar role of, 210, 214, 218; Standard Oil and, 18, 59
- Bankhead, William, funeral of, 86
- Bank of Belgium, gold looted from, 1, 8, 16-17, 210n
- Bank of England: BIS and, 2, 5-9; Czech gold transfer and, 6, 7; Standard Oil and, 59
- Bank of France: BIS and, 2, 3, 5, 8, 16; Ford Motor Company and, 160; Hitler and, 183; Standard Oil and, 59; Windsor and, 183
- Bank of Italy, 2, 3
- Bank of Sweden, 9
- Banque de Paris et des Pays-Bas, 22, 24, 184
- Banque Française et Italienne pour l'Afrique du Nord, 24
- Barro pipeline, 76
- Barth, Alfred W., 23, 30
- Berch, Bernard, 51
- Bar, William L. (of SKF), 116-122, 125-129
- Bayer Company, 141-142, 145, 147, 149-152
- Beacon Research Laboratory, 78
- Beaverbrook, Lord, 195, 197
- Bedaux, Charles (systems inventor), 165-166, 177, 178-188, 220
- Bedaux, Fern Lombard, 179-181, 184
- Beekman, Gustave, 88-89
- Boer Business (Germany), control of, 67
- Behn, Nando, 107
- Behn, Sosthenes (of ITT), 93-96, 98-104, 109, 111-115; AO and, 191; GAF and, 137; GM and, 167, 171; National City Bank and, 39; postwar role of, 215-216; SKF and, 116-117, 121-122; SS and, 132; Standard Oil and, 36
- Bennett, Jack, 221
- Bensmann, Nikolaus, 77-78, 178
- Bentley, Elizabeth, 223
- Berge, Wendell, 152
- Berger, Bernard, 82
- Berle, Adolf A. (of U.S. State Department): Davis Oil and, 68-70; Farben and, 148-149; GM and, 174, 177; Standard Oil and, 39; Windsors and, 183
- Bernstein, Colonel Bernard, 219-220
- Bernard, Albert, 25-27, 31
- Byejen, J. W., 5, 6-7, 12, 13
- Beyond Our Shores the World Shifts* (Know Us (RCA)), 112
- Biddle, Francis (attorney general): AO and, 200-208; Bedaux and, 186-187; Chase Bank and, 28; GAF and, 137-139; Proclaimed List and, 40; Standard Oil and, 40, 45, 48; Sterling and, 151-153; Welles and, 87
- BIS, *see* Bank for International Settlements
- Black Legion, 165
- Black Luftwaffe, 64
- Blatt, Frank A., 142
- Blume, Hans, 105-106, 108-109
- Blume, Kurt, 109
- Board of Economic Warfare, 43-44, 82, 101
- Board of Trade for German-American Commerce, 134
- Bofors, mercurious empire, 117
- Böhlle, Ernst-Wilhelm, 189n
- Boissinger, Yves Briant de, 3, 10
- Bone, Senator Homer T., 48-53, 151
- Borchers, Dr. Hans, 200
- Borchers, Heinrich, 172
- Bornmann, Martin, 180
- Bosch, Carl, 142, 155
- Bosch company, 118
- Brady, William G., Jr., 53
- Brasel, Boris, 155
- Braun, Miguel, 54
- Bretton Woods, International Monetary Conference at, 12-19
- Bretton Woods Act, 15
- Brewster, Senator Owen, 87, 89-90, 214
- British-American Chamber of Commerce, 7
- British Cable and Wireless, 104-106, 108, 110-111
- British Intelligence, 35
- British Ministry of Economic Warfare, 123
- British Purchasing Commission, 120, 195, 196-197
- Bronson, Richardson, 222
- Brown, Heywood, 43
- Brown, Edward E. (Ned), 12, 14-15
- Brown Brothers, Hartman, 221
- Buchman, Frank, 180
- Bullitt, William C. (U.S. ambassador to France): Aranco and, 82-83, 85-87; BIS and, 4; GAF and, 138; Standard Oil and, 37; Welles and, 85-87; Windsors and, 180, 183
- Burke, Thomas, 105-107
- Burrows, Major Charles A., 40-41
- Butler, General Smedley, 163-164
- Cesear, Hans-Joachim: Bedaux and, 183; Chase Bank and, 20-21, 25-28; Davis and, 67; ITT and, 95

- Cahill, John T., 30
 California Standard, 76, 84
 Caltex, 80-82, 85, 89-92
 Canaris, Admiral Wilhelm, 189, 209
 Capshart, Senator Homer, 115
 Cárdenas, Lázaro, 66-67
 Carrillo, Afefandro, 66
 Carp, Werner, 217
 Chamberlain, Neville (British prime minister), 5-6, 181-182, 190
 Chase Manhattan Bank (formerly Chase National Bank), 20
 Chase National Bank: Bedaux and, 183; BIS and, 2, 12, 17, 18-19, 20; Ford Motor Company and, 160; GAF and, 20, 132, 134; Nazi account of, 20-21; Rocketteller ownership of, 18-19, 20; Standard Oil and, 32, 57; Sterling and, 20
 Chemical Company (Farben subsidiary), 133
 Chemie (I.G.) (Farben subsidiary), 34, 134, 216, 220
 Chemnyco (Farben subsidiary), 54, 137
Chicago Tribune, Hitler interview in, 135
 Churchill, Winston (British prime minister): BIS and, 6; Ben Sand and, 83, 84; war policy of, 194; Windsor and, 181, 183
 Cia Argentina Comercial de Pasajeria, 54
 CIDRA, 103
 CIG, 66, 68-69, 71-72, 74
 Circle of Friends (members of the Gestapo), 20, 84, 94, 132
 Clark, Bennett C., 88-89
 Clark, Charles, 62
 Clark, Edward Terry, 143
 Clark, Thomas C. (Tom), 75
 Clark's Crusaders, 162
 Clauson, Pete, 77
 Clay, General Lucius D., 213-214, 221, 222
 Clayton, Wm, 98
 Clemm, Karl von, 63-65, 67, 71-74
 Clemm, Werner von, 63-65, 67, 71-72, 74
 Cochran, Merle, 4-9
 Coffey, John M., 11-12, 168, 183
 Cole, Felix, 159-160
 Collier, Harry D. (of California Standard), 36, 44, 84-85; Caltex and, 83; Davis Oil and, 74; Texas Company and, 79
 Compagnie Générale, 104
 Compania Veracruzana, 72
 Condor airline, 39, 41
 Conlidge, Calvin, 142-143
 Corcoran, David, 146
 Corcoran, Thomas (Tommy), 145-146, 151-152
 Coudert, Frédéric, 8
 Council of Twelve, 132, 189
 Crouker, Alice, 196
 Crowley, Leo T., alien property custodian; GAF and, 137-140, 215, 216; SKF and, 118; Sterling and, 143, 151
 Cuba, GM in, 173
 Cummings, Homer S. (attorney general), 79, 135
 Currie, Leuchlin (of White House Economic Staff); at Bretton Woods, 18; denounced by HUAC, 223; Ford Motor Company and, 160-161; postwar mission of, 219; SKF and, 119-121, 123-125, 128-129
 Curtis-Wright Aviation Corporation, 120
 Czech National Bank, gold footed from, 1, 5-9, 16-17, 210n, 214
 Darnell, Raymond, 217-218, 219
 DAPG (Standard Oil German subsidiary), 56
 Darden, Jean, 183
 Davis, General Robert C., 18, 104, 107-110
 Davis, William Rhodes (of Davis Oil Company), 63-74
 Davis Oil Company, 63-74; Adheson and, 68; Berle and, 68-70; BIS and, 63, 72; Farben and, 63, 65; GM and, 63; ITT and, 95; Texas Company and, 77
 Day, Stephen A., 136
 Dearborn, Richard J., 51-52, 77
Deutscher Independent (Ford news-paper), 155
 Death's Head Brigade, 132
 de Gaulle, General Charles A., 113, 172
 Denker, Paul, 214
 Deterding, Sir Henri, 33, 65
 Deutsche Bank, 214
 Deutsche Ubersseische Bank, 26
 Deutsche Landesbank, 214, 217
 De Wolf, Francis, 102-103
 diamond trade: Chase Bank and, 24, 28, 30; von Clemms and, 63-65, 67, 71-74
 Dickson, George, 97
Dixie (cargo ship), 124
 Diesel company, 122
 Dillon, Read (bankers), Hitler and, 135, 212
 Dinkelbach, Heinrich, 217
 Dodd, Thomas E., 17
 Dodd, William E., 167
 Dodge, Joseph, 213
 Dollfus-Maunice, 157-161
 Donovan, William, 98
 Dryer, Brigadier General William H., 129, 212-215, 219-223
 Drescherbank, 152, 175, 214
 Dulles, Allen (of Sullivan and Cromwell law firm): Chase Bank and, 22; Farben and, 143; Ford and, 154; ITT and, 112-113; postwar role of, 216
 Dulles, John Foster (secretary of state; member of Sullivan and Cromwell law firm): Belgian Bank and, 82; Chase Bank and, 22; Farben and, 8, 143; Ford and, 154; GAF and, 139-140; ITT and, 95; SKF and, 118
 Dunnington, Walter G., 79
 du Pont, Irénée, 162-163, 165-166
 du Pont, Laamot, 142, 162, 165, 179
 du Pont, Pierre, 162
 Du Pont family: Farben and, 220; FDR overthrown plotted by, 163-165; GAF and, 131; GM and, 162-66; Hitler and, 171, 174; Standard Oil and, 34
 Durr, C. J., 102-103, 110
 Duvoisin, David, 55, 58
 Dwyer, Dudley G., 150
 Eamman Kodak: GAF and, 140; ITT and, 98
 Eden, Anthony, 12
 Edward VIII of England, see Windsor, Duke of
 Einzig, Paul, 5-7; *In the Center of Things*, 7
 Eisenhower, General Dwight D.: Bedaux and, 186; North African invasion planned by, 10; postwar policies of, 212-213, 217, 218, 219
 Electrofax: Geting and, 67; SKF and, 117, 122
 Emanuel, Victor, 139, 140
Epoca (journal), 39
 Erca (Nazi firm), 175
 Etharik, Ludwig, 200
 Erickson, P. E., 104
 Ericsson Company, 102
 Esso 4 (Standard Oil's Rhine barge), 56
 Ethyl company, 34-35

- European Standard Corporation (ITT in Europe), 101
- Eurobank, 63, 65, 69, 70, 72, 73
- Export-Import Bank, 104
- Fabry, Charles, 219
- Forbes (I.G.) industrial must *use also* Heger, Max; Schmitz, Hermann, 130-153; AO and, 189, 193, 196; Auschwitz and, 131; Bedaux and, 178; Berle and, 148-149; BIS and, 145; Chamberlain and, 6; Davis Oil and, 63, 65; Dulles and, 8, 143; Ford Motor Company and, 33, 142-143, 159; GAF and, 130-141, 142, 148, 149; GM and, 162, 176, 216; Hitler overthrow plotted by, 194; intelligence network, *see* N.W.T. ITT and, 96, 113; postwar treatment of, 211-223; Roosevelt letter on, 211; SKF and, 118; Standard Oil and, 33-38, 46-50, 52, 54, 56, 58, 61-62, 216-217, 220; "Statistical Branch" of, 133; Sterling Products and, 135, 141-153; systems of, 178; Texas Company and, 76, 78
- Furish, William S., 32, 35-39, 42-53, 55
- French family, 52-53
- Fuchs, Greckshore, 21-22, 52
- FBI (Federal Bureau of Investigation; *see also* Hoover, J. Edgar; AO and, 189, 193-209; Arzuno and, 88-91; Bedaux and, 186-187; Chase Bank and, 24-25; Davis Oil and, 65, 67, 69, 70, 74; GAF and, 134; GM and, 172-174, 176; ITT and, 108, 109, 112; sexual deviants pursued by, 86, 89
- Federal Communications Commission, 102-130, 108-110
- Federal Reserve Bank, BIS and, 1-2, 10, 11; Belgian gold and, 8; Chase Bank and, 31; *New York Post* financed by, 89; Standard Oil and, 59
- Felgiebel, General Erich, 112-113, 215
- Ferguson Commission, 223
- Frazzini and Spertle, 136
- Fifth Column, 82, 89
- Financial News*, 5
- First National Bank of Boston, 63
- First National Bank of New York, 2
- Flack, Joseph, 59
- Flynn, Errol, 180
- Focke-Wulf company; ITT and, 93, 95; postwar disposition of, 230; SKF and, 116
- Foley, Edward H., Jr., 41
- Ford, Edsel, 154, 156-161; American I.G. and, 156; Forbes and, 33; GAF and, 131, 135; ITT and, 97-98; Sterling Products and, 142; trucks sold to enemy by, 55, 159-60
- Ford, Henry, 154-157, 159, 161; AO and, 191, 196; BIS and, 159-160; Farben and, 142-143; Hitler and, 154-156, 168, 172; *International Jew, The*, 155; ITT and, 97-98; Standard Oil and, 33
- Ford Motor Company, 154-161; Acherson and, 161; anti-Semitism at, 154-155, 157-158; Bank of France and, 160; Bedaux and, 183; Chase Bank and, 160; Farben and, 159; ITT and, 95, 97-98; SKF and, 116; systems of, 178
- Foreign Economic Administration; GAF and, 139; postwar operation of, 215; SKF and, 121, 127-128
- Forrestal, James V.; GAF and, 135; ITT and, 114; postwar policies of, 212; Standard Oil and, 39; suicide of, 210-211; Texas Company and, 78, 80, 83, 85
- Fortune* magazine, 118
- Foxworth, Percy, 198, 201
- France; Generalissimo Francisco; Chase Bank and, 21; ITT and, 94, 95, 100; Standard Oil and, 59-61; Texas Company and, 76
- Frank-Fahle, Gunther, 214
- Fraser, Ingram, 195, 196-197
- Fraser, Leon, 2, 11, 12, 13
- Fraternity, The, defined, *sin-viv*
- Freon, GM and, 176
- Freudenberg, Richard, 214-215
- Friends of New Germany, 191
- Funk, Dr. Walter (Reichsbank president); BIS and, 1-2, 4-5, 14, 17, 18; Chase Bank and, 22, 25; *Iron Sand* and, 80; ITT and, 96; postwar findings on, 219
- GAF, *see* General Aviline and Film Gallagher, Ralph W., 53, 58, 59, 61-62
- Galopin, Alexandre, 3, 8
- Gant, Robert A., 101
- General Aviline and Film (GAF); American I.G. and, 36-38, 131, 133, 134; AO and, 192, 196; Auschwitz and, 131; BIS and, 131-132; Chase Bank and, 132, 134; Farben and, 130-141, 142, 148, 149; Ford Motor Company and, 131, 135, 154, 156; GM and, 131, 162; ITT and, 137; postwar status of, 215, 216, 220, 223; SKF and, 118; Standard Oil and, 139-140; Texas Company and, 78
- General Dyestuffs, 137, 139
- General Electric, 221
- General Motors (*see also* Mooney, James D.), 162-177; anti-Semitism at, 162, 165, 167-168; Berle and, 174, 177; BIS and, 168-169; in Cuba, 173; Davis Oil and, 63; Farben and, 162, 176, 216; GAF and, 131, 162; ITT and, 95, 97, 167, 170, 171; Standard Oil and, 34; systems of, 178
- Georgetown University; Mooney diaries at, 170
- Gerard, James W., 58
- German-American Bund, 165
- German-American Business League, 192
- German-American Commerce Association Bulletin, The*, 25, 174
- German Americans, anti-Semitism among, 192
- German Economics Ministry, 130
- German Import-Export Corporation, 67
- German Secret Service, 135
- German TransOcean News Agency, 84
- Germany (*see also* Nazi Germany), postwar reconstruction of, 15-16, 212
- Gestapo (*see also* Himmler, Heinrich; Schellenberg, Walter); AO and, 194, 198, 201; Bedaux and, 184; BIS and, 2, 7, 17; financing of, 20, 84, 94, 132; Chase Bank and, 20, 23, 27; Davis Oil and, 63; GM and, 174-175; ITT and, 93, 98-99; postwar treatment of, 214; Schröder (of GAF) and, 132; Texas Company and, 78, 84
- GM, *see* General Motors
- Goddard (Theodore) and Company, 204
- Goebbels, Dr. Joseph, 58, 190
- gold; financiers' emphasis on, 178; Nazi looting of, 1-19, 210, 214, 218-219
- good neighbor policy, Standard Oil violation of, 47
- Göring, Hermann; art collection of, 27; BIS policy opposed by, 10; Davis

- Goring, Herman (Cont.)
 Oil and, 63-64, 67-72; Ford and, 156; Four-Year Plan of, 131, 137; GM and, 162-163, 170-171, 174; ITT and, 94-95; quoted, 144; SKF and, 116, 117, 126; Standard Oil and, 35, 37-38; Texas Company and, 76; Windsors and, 181
- Gortan, Francis J., 181
- Grand Mufti of Jerusalem, 80-82, 84
- Grasselli company, 142
- Gray, William Steele, Jr., 79
- Great Britain and the World* (journal), 84
- Griffis, Stanton, 125-126, 129
- Grobbé, Dr. Fritz, 84
- Grube, Colonel Wilhelm, 101
- Guernsey, disband smuggling in, 24
- Guthey, Senator Joseph F., 66, 72
- Günther, Christian E., 123
- Gyssling, George, 200
- Hackworth, Green H., 41-42
- Hague Memorandum, 36-37
- Halbach, Ernest K., 136-141, 216, 220
- Halifax, Lord, 177, 190, 194-195, 197
- Hallaer, Martin, 110
- Hachberg, Harold, 125-126
- Hamilton, Duke of, 180
- Hardy Bank, 71
- Harriman, Averell, 221
- Harris, Henry Upham, 79
- Harrison, Earl G., 152
- Harrison, Leland (U.S. minister to Switzerland); Davis Oil and, 74; GM and, 176; Standard Oil and, 55, 57-58
- Haskin, R. T., 61, 216
- Havero Trading Company, 104
- Hawkins, Phillips, 222
- Haves, Carlton J. H., 59-60, 100
- Hayes, George W., 109-111
- Hedley, James E., Jr., 30-31
- Hellersch, Emil, 20
- Heider, Carl von, 214
- Hemisphere Communications Committee, 101-102
- Hengeler, Henri, 55
- Hersler, Joachim G. A., 67-70
- Hess, Rudolf, 180, 198-199
- Hill, James J., 79, 147-148
- Himmler, Heinrich (Gestapo chief); AO and, 189, 194, 196, 198, 201; Bedaux and, 179-180; BIS and, 17; Chase Bank and, 20; Davis Oil and, 63, 65, 68, 69; GAF and, 132; GM and, 168, 175; ITT and, 98-99, 113
- Hitler, Adolf; AO and, 189-91, 194, 196, 198-199; BIS and, 2, 10; Chase Bank and, 21, 25; Davis Oil and, 65, 68-69; Du Ponts and, 171, 174; Farben and, 194; Ford and, 154-156, 168, 172; France and, 181, 183; GAF and, 132; GE and, 221; GM and, 162, 166, 170-171, 173; Hohenlohe and, 200-201; Ibn Saud and, 80-83, 85; ITT and, 94-95, 98-99, 112-113; Jewish financial aid to, 135; Jewish power as viewed by, 80-81; Lindbergh and, 157; *Mein Kampf*, 153; plots against, 9-10, 113, 189, 194; Standard Oil and, 54-55; Windsors and, 178, 180, 182
- Hogland, Warren E., 41-42
- Hoerlein-Hempel, Army, 180
- Hohenlohe, Princess Mabel, 193
- Hohenlohe, Princess Stefanie, 189-208; husband of, 191
- Holland National Bank, gold hoard from, 1, 16-17, 210a
- Holt, Senator Rush D., 73, 136
- homosexuality, public officials charged with, 86-89
- Hoover, Herbert; AO and, 197; Farben and, 142, 143; GAF and, 131; postwar report of, 222-223
- Hoover, J. Edgar (see also FBI); AO and, 193-195, 198-209; Aramco and, 86-89; Bedaux and, 186; Chase and, 24-25; Davis Oil and, 68-70; Farben and, 148-149; GM and, 172-174; homosexuality imputed to, 86; ITT and, 97, 112; Windsors and, 181-182
- Hopkins, Harry L., 81, 138
- hops, German franchise in, 67
- House Un-American Activities Committee (HUAC), 223
- Howard, Frank A., 36-38, 45, 47, 52, 53, 54, 61
- Howard, Grenne K., 166, 174, 215
- Hubbard, Father Bernard R., 135-134
- Hudek, Karl, 96-97
- Hull, Cordell (secretary of state); Bedaux and, 186; BIS and, 4, 8, 14; Chase and, 29; Davis Oil and, 69; Farben and, 211; GM and, 172, 176-177; ITT and, 96, 98, 109; Standard Oil and, 38, 39, 41, 43, 54, 57-61; Welles and, 87
- Hull, Lytle, 195, 199
- Hungary; BIS loans to, 9
- Ibn Saud, Abdul-Aziz, 80-85, 90
- Ickes, Harold L. (secretary of the interior); Aramco and, 83-85; GM and, 172; Standard Oil and, 42-49, 53-54, 60-61; Texas Company and, 78; Windsors and, 183
- I.G., see American I.G. Chemical Corp.; Chemie (I.G.) Farben (I.G.) industrial ems
- Igger, Max (of Farben); AO and, 189, 192; GAF and, 131, 133, 141, 143-144; postwar role of, 211, 213; Texas Company and, 77-78
- Igner, Rudolf, 133-134, 136, 137, 211
- Immigration and Naturalization Service, 187-188, 195-197, 199, 203-207
- Imperial Chemical Industries, 6
- Industrial Electric-Ace Paint, 103
- In Fact* (newspaper), 168
- Inglis, Major General Harry C., 115
- Inglessi, Jean, 56-58
- International Jew, The* (Henry Ford), 155
- International Monetary Conference (Breton Woods, 1944), 12-19
- International Telephone and Telegraph Corporation (ITT); see also Bohn, Sosthenes; Westrick, Gerhardt, 93-115; Acheson and, 100; BIS and, 95, 96; Chase Bank and, 20; Davis Oil Company and, 95; Farben and, 96, 113; Ford Motor Company and, 95, 97-98; GAF and, 137; GM and, 95, 97, 167, 170, 171; Nazi arrangement with, 98; postwar role of, 216, 220, 222; SKF and, 116, 122; SS and, 133; Standard Oil and, 36, 95, 113; Sterling and, 95, 97; systems of, 178; U.S. arrangement with, 100
- International Trading Company, 24
- In the Center of Things* (Einzig), 7
- Inverforth, Lord, 65
- Iran, Hitler and, 81
- Iraq, Hitler and, 81-85
- falsable, 104, 107
- ITT, see International Telephone and Telegraph Corporation
- Jackson, Robert H. (attorney general); AO and, 198, 200, 202; Davis Oil and, 69; GAF and, 137; at Nuremberg, 210
- Jacobs, John R., Jr., 50, 52

- Japan: American and British wartime trade with, 11-12, 34-35; BIS in, 11, 96; ITT in, 113; RCA in, 113; Standard Oil in 34-35, 47
- Jews (*see also* anti-Semitism; Auschwitz): Arab and German hatred for, 80-81; Chase Bank and, 25, 27; gold looted from, 1, 16-18; Hitler's financial aid from, 135; Hitler view on power of, 80, 85
- Johnson, Herschel, 123, 125, 128-129
- Jones, Jesse H. (secretary of commerce): Davis Oil and, 74, 81, 90-92; ITT and, 101; Roosevelt and, 81; SKF and, 130; Standard Oil and, 40, 43, 44, 46, 47
- Jones, Walter A., 66
- Judson, Franklin S., 121
- Junkers propulsion systems: GM and, 175
- Justano, Mario, 149-150
- Kaufman, Samuel H., 91-92
- Keithan, Wilhelm, 32
- Kennedy, Joseph J. (U.S. ambassador to England): GM and, 168-170; Standard Oil and, 36; Windsors and, 181
- Kennedy, Robert F., 223
- Kepler, William, 84, 94, 132
- Kern, Gordon, 230
- Keynes, John Maynard, 12, 14-15
- Keynes, Lydia Lopokova, 12, 14
- Khalid Al-Hud Al-Qadami, 80
- Kilgore, Senear Harley, 215, 218-222
- Kiltinger, Baron Manfred von, 167-168
- Kinball, Harry M., 201
- Kirby, John Henry, 166
- Knapp, Lawrence, 103
- Koureen, August von, 61
- Knowlton, Hugh, 102-103, 109-110
- Knox, Franklin (secretary of the navy), 45-46
- Krusden, William S. (GM president), 163, 165-166
- Kuhn, Charles, 143
- Krutch, Carl (Fletcher), 130; Ford and, 155-158; GM and, 162
- Kreuger, Kurt, 214
- Krenner, Alexander, 220
- Krupp Works: early Nazi financing by, 162; GIE and, 221; Göring's Four Year Plan and, 131; postwar influence of, 222, 223; Standard Oil and, 56
- Kuebler, Hans, 214
- Ku Klux Klan, 165
- Kupper, Gustave, 214
- Ladd, D. M., 202-203
- La Follette, Senator Robert M., Jr., 49-50
- Lammot, Thomas, 164
- Landon, Alfred M., 165
- Langer, Senator William, 90
- Lapham, John H., 79
- Larkin, Joseph J., 20-31
- L.A.T.I. airline, 38-39, 52, 71, 201
- Laval, Pierre, 185-186
- La Valle, William, 38-39, 140
- Lee, Higginson and Co., 7
- Lee, Ivy, 33-34
- Lee, Senator John, 72-73
- Leibowitz, Samuel, 88-89
- Lemé-Lévesque program, 47, 73, 81
- Leopoldskron Castle, 191
- Lerner, Max, 188
- Lesro, George, 158-159
- Les Trois Rois, 9
- Levinson, Charles, 175-176, 177
- Lewis, John L., 66, 68-69, 71-72, 74
- Liberty* magazine, 178
- Life* magazine, 77
- Litensfeld company, 161
- Lindbergh, Charles, 72, 157, 196, 200
- Lindermann, Kurt, 20, 93, 113, 217
- Lindsay, Sir Ronald, 181
- Link, The, 179, 182
- Lionel* cargo ship, 124
- Lipkowitz, Irving, 49-50
- Linell, Norman, 45, 146, 151-153
- Little, John, 207-208
- London bombing, Standard Oil and, 34-35
- London News Chronicle, 122
- Long, Breckinridge (assistant secretary of state): AO and, 203; Ford Motor Company and, 158, 160; ITT and, 99-100, 106-111
- Luhlia company, 18
- Luerc, Carl, 175
- Ludwiger, SKF and, 116; Standard Oil and, 34-36
- Lunden, Ernest, 136
- MacArthur, General Douglas, 164
- MacGuire, Gerald, 163-164
- Maek, John E., 138
- Maloney, William Power, 91-92
- Man Called Intrepid*, 4 (Stevenson), 73-74, 193-194
- Manchester Guardian*, *The*, 157
- Mann, Henry, 94
- Mann, Rudolf, 144, 146
- Mann, Wilhelm, 141
- Markham, James E., 140
- marks: U.S. wartime sale of, 23, 30
- Marshall, Verne, 72
- Martin, James Stewart, 215-223; *AF Hornable Men*, 217
- McChintock, Earl, 141-142, 145-146, 148, 150
- McGarrath, Gates W., 2
- McGohay, John F. X., 30
- McGowan, Sir Harry, 182
- McGuire, Matthew F., 198-202
- McInyre, Marvin, 87
- McKintick, Thomas H., 1-2, 7-20, 210; family of, 7, 13
- McLarin, H. M., 54
- Meador, George, 220-222
- Meib, E. H., 25
- Mein Kampf* (Hitler), 155
- Messersmith, George S., 70, 166-167, 173
- methanol, wartime restrictions on, 52
- Mexican Telephone and Telegraph, 101-102
- Mexico, Davis Oil Company of, 63-75
- Meyer, Emil, 7
- Meyer, Julius P., 134
- Middle East Supply center, 82
- Mitch, General Ethard, 190
- Miles, Sherman, 194
- Miller, Colonel Francis P., 221
- Mills, Sir Percy, 214
- Mitchell, Charles E., 131
- Moffett, James, 79-81, 89-92
- Moll, Alfredo E., 136, 139, 143
- Moll, José O., 161
- Morsekott, Sir Walter, 183
- money: world community, Schack's concept of, 130
- Montgomery, General Bernard, 54
- Mooney, James D. (GM European head), 97, 166-177, 194
- Moral Rejuvenation Movement, 130
- Morgan, Grenfell, 168
- Morgan, J. P., 94
- Morgan Bank, 27, 163-164, 168, 183
- Morgan family, 2
- Morgenthau, Elmer, 3, 14
- Morgenthau, Henry (secretary of the treasury): BIS and, 3-8, 11; at Bretton Woods, 13-15; Chase Bank and, 24-25, 28-30; Davis Oil and, 68, 71, 74; Farben and, 147-149; Ford Motor Company and, 160-161; GAF and, 137-

- Morgenthau, Henry (Cont.)
 139: GM and, 176; ITT and, 99,
 101; postwar work of, 212, 223;
 SKF and, 119-121, 128; Standard
 Oil and, 36, 40, 41, 42, 55, 57;
 Winklers and, 133
 Morgenthau Plan, 212
 Mouvement Syndicatifque Revolution-
 naire, 27
 Muccio, John J., 39, 54
 Mount, Gunter, 193
 Murphy, Robert D., 10, 186, 212,
 214-215
 Mussolini, Benito, 69, 80
- Nation*, *The*, 89, 139, 187, 188
 National Cash Register, 222
 National City Bank of New York (NCB):
 Chase and, 20, 25; Davis Oil and,
 63; Farben and, 141, 146-147;
 GAF and, 131, 134, 137, 139; ITT
 and, 20, 94, 106, 110; SKF and,
 121
 National Council of Clergymen and
 Laymen, 166
 National War Labor Board, 48
 Nazi Germany (see also Germany):
 American and British wartime trade
 with, 11-12; Chase Bank and,
 20-31; ITT and, 98, 110-113;
 marks sold in U.S. by, 22-24;
 RCA in, 113
 Nazi Winter Help Fund, 104
 NBC, 104-105
 NCB, see National City Bank of New
 York
 Nelson, Donald, 118
 Neutrality Act, 69
 Newcomer, Dr. Mabel, 13
 Newsum, Earl, 53
 New York Daily News, 97
 New York Evening Mail, 142
- New York Guaranty Trust Bank, 27
 New York Post, 88-89
 New York Sun, 198
 New York Times, *The*, 31, 47, 59, 60,
 61, 96-97, 111, 151, 161
 New York World, 2
 Niedermann, Carlos, 25-29
 Niemeyer, Sir Otto, 7-9
 Nippon Electric Company, 102
 Nixon, Russell A., 212-215, 219
 No Foreign Wars Committee, 72-73
 Noranco, 215
 Norman, Morgan, 5-8, 182
 North African invasion, BIS and, 10-11
 Norway: at Bretton Woods, 12, 18; SKF
 strike in, 128
 Nuremberg trials, 17-18, 153, 209, 210
 N.W.T. (Farben spy network), 39,
 133-135, 141, 213
 Nye, Gerald P., 88
- Oberg, Major General Karl, 185
 O'Dwyer, William, 88
 Office of Economic Programs, 120
 Office of Strategic Services (OSS), 22,
 125, 216
O Globo (Brazilian newspaper), 201
 Ohnesorge, Wilhelm, 98-99, 112-113,
 175, 184
 oil: international wartime trade in; by
 Davis Oil Company, 73; by Stan-
 dard Oil, 37-38, 52-62; by Texas
 Company, 77-85
 OKW (Nazi armed forces high com-
 mand), 112
 Opel works (GM subsidiary), 162,
 167-168, 171, 175
 Oppenheimer, Waldemar, Baron von,
 84
 Organization of Germans Abroad, see
 AO
 Orient Gruppe, 190
- O'Rourke, Joseph, 206
 OSS, see Office of Strategic Services
 Oursler, Fulton, 178
 Ozald company, 133
- Pajus, Jean, 120, 122, 128-129
 Panama: Chase Bank in, 24, 30-31;
 SKF vessels registered in, 121-
 122; Standard Oil German ships
 registered in, 39
 Pan American Airways, 71, 76-77
 Papan, Franz von, 84, 132
 Paramount Studios, 125
Parents for Hitler (Reimann), 21
 Patterson, Robert P., 124, 127-128,
 221
 Patton, General George S., 212, 218
 Paul, Randolph, 11
 peanut oil: North African pipeline for,
 184
 Pearson, Drew, 97, 198-199
 Pease, H. M., 104
 Pell, Hamilton, 74
 penicillin: trading of, 222
 Perkins, Milo R., 40
 Petain, Marshal Henri, 85, 183-184
 Peters, Carl, 215
 Petroda (Swiss syndicate), 56
Petroleum Times, *The*, 216
 Phillips Milk of Magnesia, Farben and,
 141
Pico I and Pico II (Danube barges), 56
 Pieper, N.J.L., 194, 199
 Pillsbury, Colonel E. J., 213
 Pincemin, Henri, 108
 Pinckton Agency, 166
 pipeline, North African, 184
 P.M., 12, 126-127, 139, 188
 Poland, BIS loans to, 9
 police power, financiers' emphasis on,
 178-179
 Poole, Charles, 165
- Portugal, wartime trading in, 25
 Portet, Douglas, 125-126
 Potsdam Agreement, sabotage of,
 218-219
 Pratt-Whitney, SKF and, 121
 Probst, Otto, 66-67
 Proclaimed List: ITT and, 103-104;
 SKF and, 116, 119, 126, 128;
 Standard Oil and, 40, 59; Sterling
 and, 149-152
 Pucheu, Pierre, 10, 159-160
 Puhl, Emil (of BIS), 1-2, 4-5, 7, 8, 11,
 16-19; Chase and, 20-22, 25-26,
 29; Davis Oil and, 67; GM and,
 168-169; Ibn Saud and, 80-81;
 ITT and, 94, 95; postwar findings
 on, 219
 Pullston, Lieutenant James, 124-125
 P.Y.L. (Chile radio station), 105-106
- Quebec Conference, 212
- Rachid Ali El-Kilani, 84
 Radiobras, 106, 110
 Raeder, Admiral Erich, 67
 Raschok, John Jacob, 162
 RCA (Radio Corporation of America),
 101, 104-105, 107-115; *Beyond
 Our Shores the World Shall Know
 Us*, 112
 Reagan, Daniel, 55-57
 Redman, Joseph R., 114-115
 Reed, Philip D., 221
 Reichsbank: BIS and, 1-2, 4, 7, 8-9,
 11, 16-17; Chase Bank and,
 20-23, 25, 29; Davis Oil and, 65;
 Ibn Saud and, 80; ITT and, 96;
 postwar treatment of, 214, 219;
 SKF and, 117

- Reinmann, Guenter, *Parsons for Hitler*, 21
- Reinhardt, Max, 191
- Remington company, 165
- Ribbentrop, Joachim von (Nazi foreign minister): AO and, 191; Arab world and, 80; Davis Oil and, 63; GAF and, 135-136; GM and, 168, 172; ITT and, 95-96
- Richter, George, 108
- Riddlerberger, John, 174
- Rieber, Torkild "Cap" (of Texas Company), 76-79; GM and, 171; ITT and, 95-97; as Nazi-English go-between, 194
- Riefler, Winfield, 123
- Ringer, Fritz, 36-37
- Rio Conference, 107
- Rios, Fernando de los, 21
- Rockefeller, Avery, 22
- Rockefeller, John D., 20, 32
- Rockefeller, John D. II, 48-49, 53
- Rockefeller, Nelson, 39-40, 59n, 101
- Rockefeller family: BIS and, 2; Chase National Bank and, 18-20; corporations owned by, 20; Nazi government and, 20-31; Standard Oil and, 32, 45, 49
- Rodd, Francis, 168-169
- Rodgers, William Starling Sullivan, 79-80, 83-85, 91-92
- Rogers, Edward S., 143
- Rogge, O. John, 74-75
- Rommel, General Erwin (German commander in Africa), 81; Ford trucks used by, 159-160; pipeline for use of, 184
- Roosevelt, Eleanor, 2, 181, 208
- Roosevelt, Franklin D.: AO and, 197, 203-204, 208; Armino and, 78, 81, 83, 84, 86-87, 88, 90-91; Bernack and, 51; Davis Oil and, 66, 68-72; Farben and, 211; GAF and, 135, 137-138, 140; GM and, 163-164, 169-172; lakes and, 42-44; 47-48; ITT and, 101, 113; Morgenbau and, 3; Nazi consulates and, 199; plots against, 71-72, 163-165; postwar plans of, 211-212, 223; SKF and, 121; Sterling and, 152-153; Welles and, 86-87; Windsors and, 181-182
- Rooth, Ivor, 9
- Rosen, Hugo von (Görring cousin), 116-122, 126, 128-129
- Rothemann, Lord, 190-192, 199, 206
- Royal Air Force (RAF): Ford Motor Company bonded by, 158-160; royalties paid to Nazi Germany by, 35
- Royal Dutch Shell Group, 33, 216
- Royalist party: Hitler overthrow planned by, 394
- Rusak, Robert, 208
- Rubber, international wartime trade in, 36, 51-52, 220
- Rubber Reserve Company, 51-52
- Rubinstein, Serge, 72, 74
- Rückwanderer scheme, 23, 30
- Rumanian Iron Guard, Farben and, 37
- Rumely, Edward A., 142
- Sacks, Alexander, 223
- Sahara, plans for development of, 184-185
- Sanders, Alexander, 216
- Sandstraße, Gottfried, 201
- Santoff, Colonel David, 105, 107-110
- Saudi Arabia, oil deals with, 80-85, 90
- Savournin, C. F., 59
- Schacht, Hjalmar Horace Greeley (Nazi minister of economics; Reichsbank president): BIS and, 1-2; Davis Oil and, 65; GAF and, 130; GM and, 167; Hitler overthrow plotted by, 9-10; at Nuremberg, 210; policies and beliefs of, 10, 13-14; world money community concept of, 130
- Schacklin, Commander George, 108
- Schellenberg, Walter (SD head): AO and, 189; GAF and, 132-133; Hitler overthrow plotted by, 194; Ibn Saud and, 84; ITT and, 95, 98-99, 112-113; Windsors and, 183
- Schmidt, Orvis A., 15-18
- Schmitz, Dietrich, 97, 131, 133-134, 137, 211
- Schowitz, Hermann (Farben joint chairman), 141-142, 145-146; AO and, 189, 191; Bedaux and, 179; BIS and, 2, 4, 5, 11; Davis Oil and, 65, 65; Ford and, 157; GAF and, 130-134, 136-137; GM and, 162-163; Hitler and, 216; postwar status of, 211, 217-218, 222; Standard Oil and, 33-35, 37-38; Texas Company and, 77
- Schofield, Major Lemuel, 188, 195-208
- Schröder, Baron Bruno von, 20, 22
- Schröder, Baron Kurt von: Arab oil and, 84; Bedaux and, 180, 186; BIS and, 2, 4, 7, 10-11, 16; Chase Bank and, 22; Davis Oil and, 65; Farben and, 145; Ford and, 155; GAF and, 131-132; GM and, 163; ITT and, 93-95, 98-99
- Schröder, Rockefeller and Company: Investment Bankers: Bedaux and, 180; Chase and, 22-24; Davis Oil and, 63; Ford Motor Company and, 159; Standard Oil and, 49
- Schröder (J. Henry) Bank: Chase Bank and, 22-24; Davis Oil and, 63; Farben and, 145; GAF and, 139-140
- SD (Gestapo counterintelligence service; see also Schellenberg, Walter), 132-133, 190
- Sears, Roebuck, 118
- Securities and Exchange Commission (SEC), 34-35, 121, 145
- (SECC) Securities and Exchange Control Commission, 149-150
- Selbourne, Lord, 173-174
- Seldes, George, 168
- Separator company, 122
- SFT (Farben subsidiary), 147
- SGE; see Standard Gas and Electric
- Shell Oil Company, 33, 65
- Siemens company, 104, 108, 122
- Sieting, Werner, 148-149
- Sifing, Phillip, 108
- Simon, Sir John, 5-6, 10
- Singer sewing machine company, 222
- SKF (Swedish Enskilda Bank), 116-129; Acheson and, 123, 125, 128; anti-Semitism at, 121; Chase Bank and, 20; Farben and, 118; Ford and, 116; GAF and, 118; ITT and, 116, 122
- Sloan, Alfred P., 53, 162, 166, 174
- Smith, Leonard J., 24, 28-30
- Smith, Congressman Al (of Wisconsin), 152-155
- Smith, Ben, 181
- Smith, Gerald L. K., 166
- Smith, Lawrence, 102
- Social Justice* magazine, 179n
- Sorenson, Charles E., 159, 163
- South America, international wartime trade in: by ITT, 101-111; by SKF, 121-122; by Standard Oil, 39-54; by Siefing Products, 142; Welles's knowledge of, 85
- Spain, General Carl, 122-123
- Spain, Chase Bank in, 21, 25
- Spencer, Richard, 221
- SS, 18, 132, 168
- Standard Electrica, 100
- Standard Gas and Electric (SGE), 139, 140
- Standard Oil, 32-63; Acheson and, 40-41, 55-57, 60-61; American

- Standard Oil (Cont.)
 I.G. and, 33-34, 36; Bank of Eng-
 land and, 59; Bank of France and,
 59; Berle and, 39; BIS and, 18, 34,
 59; Chase Bank and, 32, 57; Farben
 and, 33-38, 46-50, 52, 54, 56, 58,
 61-62, 216-217, 220; GAF and,
 139-140; Hitler plot and, 113; ITT
 and, 36, 95, 113; SS and, 132;
 systems of, 178
- Standard Oil of California, 76, 131
- Standard Oil of New Jersey, 20, 22, 25,
 131
- Starnes, C. R., 51
- Stein (I. H.), Bank of Cologne, 2, 63,
 131-132, 145
- Stephenson, Sir William, *A Man Called*
Ironhide, 73-74, 193
- Steeding Dyestuffs, 142
- Sterling Products: Chase Bank and, 20;
 Farben and, 135, 141-153; Ford
 family and, 142; ITT and, 95, 97;
 systems of, 178
- Stewart, James B., 172-173
- Strimson, Henry E. (secretary of war),
 124, 134, 145-146
- Stockholm Enskilda, 117
- Stockton, Kenneth, 113
- Stone, J. F., 58, 139-140, 151, 188
- Strakosch, Sir Henry, 6
- Strauss, George, 5-6, 19
- Strezin, Harvey, 88
- Stuart, Sir Campbell, 108-109
- Sulpanzel, General Otto von, 184
- Sullivan and Cromwell law firm, 8, 22,
 154
- Sulzm. Lt. General Dag J., 221
- Sweden: GM in, 176; SKF and govern-
 ment of, 116-117
- Swedish Enskilda Bank, *see* SKF
- Swire, Wendell R., 162
- Swiss National Bank, 13, 16-18, 218-
 220
- Swiss Standard, 54-59
- Swope, Herbert Bayard, 195, 197
- synthetic rubber agreements, postwar
 findings on, 220
- Talmade, Eugene D., 166
- Tanun, Edward A., 199-201, 207
- Tawresy, J. S., 121
- Teagle, Walter C. (Standard Oil chair-
 man), 32-35, 37, 43-45, 47-50,
 53, 59; AO and, 191; Bedaux and,
 179-180; family of, 53-53; Farben
 and, 142; GAF and, 131, 135;
 Schacht and, 65; ship rented for,
 36; SS and, 132
- Teitelbaum, 104
- Telefónica y Telefónica del Plata
 (TTP), 104-105
- Telephone and Radio (ITT Swiss and
 Spanish subsidiary), 100-101
- tetraethyl lead, international trading in,
 34-35, 216, 220
- Texas Company, 76-79, 84, 95, 97, 178
- Texas Oil of Arizona, 77
- Thayer, Phillip W., 149
- Thiele, General Fritz, 99, 113, 215
- Thomson, Hans, 97, 135, 172, 195
- Thornburg, Max, 44
- time and motion study, effects of, 178
- Time* magazine, 22
- Tippelskirch, Baron von, 167-168
- Titanic, Saroff and, 105
- Tomen (U.S. Treasury agents), 218-220
- Tobey, Charles W., 13
- Toledano, Vicente Lombardo, 66
- Trading with the Enemy Act, 30, 42,
 100, 158
- Transradio Consortium, 18, 104-110
- Trans-Saharan Railway, 184
- Truman, Harry S.: Atomic and, 90;
 Farben and, 146; postwar policies
 of, 212, 220, 221, 222, 223; Stan-
 dard Oil and, 46-49, 53; Welles
 and, 87; Wheeler and, 75
- TTP, *see* Telefónica y Telefónica del
 Plata
- Tuck, S. Pinkney, 185
- tungsten, international trade in, 60-61,
 221
- Tyler, L. L., 173-174
- U-boats, SKF and, 116
- Underwood company, 98
- Union of Soviet Socialist Republics
 (USSR): Farben postwar status in,
 220; Hitler and, 80-81
- United River Plate Telephone Company,
 103
- U.S. Army Signal Corps, 220
- U.S. Censorship Office, 120
- U.S. Coast Guard, 204-205
- U.S. Commerce Department (*see also*
 Jones, Jesse H.): GAF and, 140;
 Standard Oil and, 40
- U.S. Commercial Company, 98, 101,
 103, 109-110
- U.S. House of Representatives: GAF
 and, 135-136; Un-American Ac-
 tivities Committee of, 223
- U.S. Interior Department (*see also*
 Ickes, Harold L.): 42-49, 53-54,
 60-61
- U.S. Justice Department (*see also* At-
 tord, Thurman; Bisdle, Francis;
 Cummings, Homer S.): AO and,
 197-198; Chase Bank and, 28;
 Standard Oil and, 44-49; Texas
 Company and, 90
- U.S. Military Government Control Unit
 (*see also* Nixon, Russell), 212, 220
- U.S. Military Intelligence: FBI and,
 186; GAF and, 132; ITT and, 112;
 Standard Oil and, 39
- U.S. Naval Intelligence, homosexual
 brothel raided by, 88
- U.S. Navy Department (*see also* Knox,
 Frankin): SKF and, 127; Texas
 Company and, 90
- U.S. Senate, 135-136: Antitrust Com-
 mittee, 49-50; Defense Commit-
 tee, 146; Military Affairs Commit-
 tee, 18; Patent Committee, 48-53,
 151; War Investigation Committee,
see Kilgore, Harley
- U.S. State Department (*see also* Ache-
 son, Dean; Berle, Adolf; Dulles,
 John Foster; Hull, Cordell; Welles,
 Sumner): anti-Semitism in, 85;
 GAF and, 134; postwar role of,
 220; SKF and, 127; Standard Oil
 and, 41-42
- U.S. Steel Corporation, postwar influ-
 ence of, 222
- U.S. Treasury Department (*see also*
 Morgenthau, Henry): BIS and, 18;
 Chase Bank and, 28; GAF and,
 137-138; postwar activities of,
 218-220, 223; SKF and, 127;
 Standard Oil and, 40-41
- U.S. War Department (*see also* Stim-
 son, Henry L.): SKF and, 127;
 Standard Oil and, 40-41
- Valira, Jean, 198
- Vanderbilt, Harold S., 2
- Vaican: North African invasion and,
 11; Roosevelt and, 170
- Vichy Algiers, Ford plant in, 159-
 160
- Vichy France, Hitler and, 181
- Vodka-Coke* (Levinson), 175-176

- Volkswagen, GM and, 168
 Vortals, Congressman Jerry: BIS and, 11; Sterling and, 152-153; Windsons and, 183
 Wachter, W. B., 176
 Waldman, Henry, 60
 Wallace, Henry, 44, 82-83, 101
 Wallenberg, Jacob, 102, 117, 122, 124-125, 129
 Wallenthein, Baroness Ingrid von, 96
Wall Street Journal: *The*, 118
 Walsh, David L., 82-83, 88-89
 War Petroleum Board, 43, 48, 49, 55
 War Production Board, 116, 118-121
 Warren, Fletcher, 172-173
Washington Post: *The*, 126
Washington Times Herald, 201
 Watson, Major General Edwin M., ("Pat"), 68, 87, 181-182
 Weber, Ernst, 13, 16
 Webster, Edwin S., 157
 Wehrlich, Erna, 67-68, 70, 74
 Weiss, William E., 33, 97, 135, 141-148
 Weizsäcker, Baron Ernst von, 182
 Welles, Sumner (of State Department): GM and, 171, 174; policies of, 85; at Rio Conference, 107; sex problems of, 86-87; Standard Oil and, 39, 60
 Werner-Gren, Axel (of Electrolux): Göring and, 67, 74; ITT and, 102; as Nazi-English go-between, 194; SKF and, 117, 122; Windsons and, 177
 Western Electric, 114
 West India Oil Company, 54
 Westrick, Gerhard (ITT chief in Germany), 93-99, 103, 113, 115; Ford

- and, 154-156, 158; GM and, 171-172; postwar activities of, 215-216, 220; Texas Company and, 79
 Weygand, Maxime, 184
 Wheeler, Senator Burton K.: GM and, 168; isolationism of, 88-90; ITT and, 113-115; Nazi sympathies of, 71-73, 75, 200
 White, Harry Dexter (assistant secretary of the treasury): BIS and, 4, 12, 13, 15; Chase Bank and, 25-26, 28, 30; HUAC and, 223; ITT and, 101; Morgenthau Plan and, 212; Standard Oil and, 42
 White, William Allen, 136
 Wiedemann, Fritz (Nazi diplomat): AO and, 189-202, 206, 209; Bedaux and, 178, 180; GAF and, 133; ITT and, 96
 Wilkinson, H. A., 82
 Williamson, Hugh, 137, 220
 Wilkie, Wendell, 2, 72
 Winant, John G. (U.S. ambassador to England): BIS and, 8; Ford Motor Company, 161; GM and 176; ITT and, 100-101; postwar role of, 212; SKF and, 122-123; Standard Oil and, 57
 Winchell, Walter, 97, 197, 202
 Windsor, Duke and Duchess of, 117, 177, 178-183, 191
 Wingquist, Sven, 117, 122
 Winter, Edward, 172, 174-175
 Winterbottom, W. A., 108-111
 Winthrop Chemical, 140, 141-142
 Wiseman, Sir William, 193-197, 203
 Witby, Fred C., 31
 Wohlbat, Helmut, 67, 70, 168-171
 Wojahn, Max, 143-144, 147
 wolfrana, international trade in, 60-61
 Wolverine Republican League, 165

- Wood, Sir Kingsley, 10, 57
 Worms Bank: Bedaux and, 180, 183; BIS and, 10; Chase and, 22; Ford and, 157, 159-160; postwar activities of, 220
 Wyzanski, Charles E., 61-62
 Yalta Conference, 212
 Yingling, R. T., 99-100
 Young, Owen D., 2
 Zech-Burkenrode, Count, 182
 Zingg, Gustav, 40, 59