

Agents in du Pont Offices Guide War Goods to Axis

U. S. Trade With Germany, Italy Put at \$10,000,000 Monthly

By GUY RICHARDS T-H 9/24/40

NEW YORK, Sept. 23 (C.T.P.S.).—Despite the British blockade, American industrialists have found corkscrew routes for pouring into Germany and Italy about \$10,000,000 worth of vital war materials every month.

Vast stores of oil, copper, machinery and cotton are finding their way to axis territory through Arctic ocean ports, Spain, Portugal, Cuba, Mexico and Russia.

Backed By Big Business

At least five nations are lending their services to American businessmen who have found gold-lined routes for shipping blockade-barred goods into Germany.

These scattered suppliers, dealing through their New York headquarters, have established contacts with agents all over the world. The agents are sponsored in this country by amazingly influential business interests.

It was learned, for example, that the American representative of Juan March, financial backer of General Franco, Spanish dictator,

has his desk in the offices of Francis I. du Pont Co., at 1 Wall St. He receives a regular salary from the firm, which is engaged in the commodity and brokerage business.

Branch in Wilmington

Three members of the famous Wilmington (Del.) clan that controls E. I. du Pont de Nemours are partners in this Wall Street firm which also has a branch in Wilmington. The interest of its senior member, Francis I. du Pont, is secured with 2,000 shares of Hercules Powder common stock—an investment which was forced out of direct du Pont control by a Sherman antitrust suit of 1912.

Another desk in the Francis I. du Pont office is occupied by Avelino Montes jr., the man whom

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German firms here know as the expert on how to get shipments through Mexico.

The two men—Jose M. Mayo, Spanish emissary of Franco's Juan March, and Mexico's Avelino Montes—sit side by side in a comfortable suite in the du Pont offices, on the ninth floor of the building. They are intimate friends and former classmates at the Harvard Business School. By manufacturers anxious to obtain deliveries in Germany they are known as exactly the right people to see.

Avoid Embargo List

In the newly found loopholes of the blockade thrown around the axis by the British navy and American embargoes, the chief beneficiaries in the United States are cotton, oil and machinery suppliers and the giant copper concerns which have somehow managed to keep their metal, in both scrap and ingot form, off the American embargo list.

How profitable the loopholes have proved for American businessmen can be gleaned from the figures of the Department of Commerce.

They show that shipments to Spain and Portugal skyrocketed

more than \$22,000,000 over last year's figures for the first seven months of this year. Cotton, oil, machinery and scrap iron are the items leading the big increase.

Copper to Russia

To Russia, America shipped \$11,374,940 worth of copper in the seven months ending July 31, this year. None was shipped in the same period last year. Exports of all sorts to the Soviet Union jumped to \$48,342,000 this year from \$23,310,037 in the same seven months of 1939—a rise of more than 100 per cent.

Exports to Cuba soared \$7,700,000, to Mexico, \$8,100,000. These figures may indicate why Spain and Portugal have been spared so long from involvement with the axis powers in actual war.

But a tightening of the British blockade has shifted the flow of goods over the Pacific.

The rising flow of trade to Siberian ports has led to the opening of branches throughout Japan and Russia of the German forwarding agency of Harry W. Hamacher, a former official of Schenker & Co., Berlin, with 208 offices scattered all over the world.

In the Orient, Hamburg-American Line offices have been turned over to Hamacher. In New York, Schenker's agent is the Draeger

Shipping Co., of 17 State St.

The furious pace of transpacific trade has brought numerous charterings by Russia of American tankers.

Cession of Bases

Thus it is in the Pacific that informed circles here believe will come the next Anglo-American move to shut the back door, now wide open, through which invaluable aid is flowing to Germany. This necessity for a joint U. S.-British blockade in the Pacific is seen as the basis behind official discussions now in progress, reportedly involving the cession of naval bases to the U. S. in Australia, New Zealand and Singapore.

Commerce Figures

Official measurement of the traffic, showing the swell of exports over last year, is available in the figures of the Department of Commerce. They show that the five countries chiefly participating in it have bought goods valued at \$81,127,281 more than in the same first seven months of 1939, thus:

	1940	1939
Spain	\$23,255,000	\$8,431,000
Portugal ...	12,090,000	4,655,000
Russia	48,342,000	23,310,037
Mexico	51,702,401	45,602,992
Cuba	49,498,874	41,781,766
Totals	\$184,888,075	\$123,760,794