

U. S. A. Widens Investigation of Nazi-Controlled Drug Firms

Five More Subpenas Served on Companies Which Make Nationally Advertised Products

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The Department of Justice investigation of possible German control of drug companies in the U. S. A. was expanded yesterday when subpoenas were served on five combines which manufacture a dozen or more nationally-advertised bathroom-shelf products.

The subpoenas served yesterday bring to seven the number of companies asked to produce their records for government investigation. They include such subsidiary firms as Bayer's Aspirin, Ironized Yeast, Dr. Lyon's Tooth Powder. Fifty chemical plants are involved with branches in the U. S. A., Canada and England.

Government agents admit that the American companies may have been victimized—desperately in need of the German-held patents under which they manufacture many products. These spokesmen say the German drug trust forced the "co-operation" of these drug makers.

Financial Setup

In general, the financial setup under which the German firms built up vast dollar credits in New York banks was based on huge sales to Central and South America with profits deposited here to Nazi credit.

The big companies involved are: Winthrop Chemical Co., 170 Varick St., Manhattan and Sterling Products, Inc., of the same address. The Schering Corp., of Bloomfield, N. J., and General Aniline & Film Corp., 230 Park Ave. Two other New Jersey companies which got subpoenas were Hoffman-LaRoche of Nutley and Ciba. of Summit.

Sterling subsidiaries include: Bayer's Aspirin, California Fig Syrup Co., Canadian and American Ironized Yeast Co., Inc., The Centaur Co., makers of Castoria, Charles H. Phillips Chemical Co., makers of Phillips Milk of Magnesia; R. L. Watkins Co., Ohio, makers of Dr. Lyon's Tooth Powder, Multisified Coconut Oil, Glostora; Wells and Richardson Co., Ohio and Canada, makers of Diamond Dyes and other companies making Andrew's Liver Salts, Liquid Arvon, T. Powder, Mollé Shaving Cream and

Energine Cleaning Fluid, and Serutan (spell it backwards).

Sterling Products owns 50 per cent of the Winthrop Chemical Co. stock, which was also subpoenaed.

Winthrop, with \$7,167,867 in gross sales in 1938, is a Delaware corporation manufacturing chemicals. It, in turn, owns the subsidiaries: Antidolor Manufacturing Co., Inc., Cook Laboratories, Inc., and H. A. Metz Laboratories.

The General Aniline & Film Corp., which was until Oct. 31, 1939, according to Moody's Industrials, known as I. G. Farbenindustrie Aktiengesellschaft, with (a) purpose to "foster and finance the development of chemical and allied industries in the United States and elsewhere."

As of Dec. 31, 1939, two months after the new firm name was adopted, the company came into control of all Agfa voting control including Agfa Ansco Ltd., of England; Agfa Raw Film, of Canada, and Ozalid Corp., makers of sensitized photo reproduction paper, Johnson City, N. Y.

Demand New School

The Manhattan Beach Property Owners, weary of getting no action from the Board of Education in providing a decent school for their children, have made a formal protest to the board, saying that immediate relief is mandatory. In the series on worn-out schools, PM pointed out P. S. 195 in Manhattan Beach as one of the most wretched structures in the whole city school system.

Palmolive Revamps Its Ads To Meet FTC Requirements



This is part of a new Palmolive ad.

Last June the Colgate - Palmolive - Peet Co. entered into a stipulation with the Federal Trade Commission agreeing to change certain advertised claims made for Palmolive soap.

"The Colgate - Palmolive - Peet Co.," according to the stipulation, "admits that Palmolive soap has no special protective quality all its own."

The company further "admits that Palmolive soap is not composed either in whole or in part of edible olive oil, as the olive content of such soap consists instead of so-called olive oil foams or sulphur olive oil, normally a non-edible dark colored liquid," according to the stipulation. It added:

"The normal and logical effect of unqualified representations that Palmolive soap is 'made with olive oil,' is to inculcate in the minds of the purchasing public the belief that the oil or fat content of such soap is wholly or predominantly olive; whereas, in fact, the sulphur olive oil (olive oil foams) thus referred to constitutes but a minor portion of the total fats or oils with which the soap is produced."

By terms of the stipulation the Colgate-Palmolive-Peet Co. agreed to cease and desist from representing, directly or otherwise by assertion or by implication:

¶ That the use of Palmolive Soap will keep the skin young or prevent "middle age" skin; or that it is efficacious in retarding the natural aging of skin.

¶ That Palmolive soap "thoroughly" cleanses the pores or gently removes "every trace" of dirt and cosmetics.

¶ That Palmolive soap is "unique" or "utterly unlike" any other soap, or that it is essentially different from various other soaps on the market.

As a result of this agreement the Colgate-Palmolive-Peet Co. has revamped its advertising of Palmolive soap to meet the requirements of the stipulation. The accompanying advertisement, which appeared in last Sunday's *Herald Tribune*, says that three-and-a-half teaspoonfuls of olive oil go into the making of each cake, but does not say that the soap is composed wholly or in part of edible olive oil.