

BRITISH ASK U. S. AID ON WAR BLACKLIST

NYT 5/2/41

Would Plug Blockade Leaks by Moving Against Firms Here That Act for the Axis

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Special Cable to THE NEW YORK TIMES.

LONDON, May 1—The British Government is trying to bring the United States into line with its own policy in the economic phase of the war—a phase in which, according to the British, the United States could spring into immediate action by cooperating on its blacklist of concerns trading with the Axis and by boycotting Axis trade in every way.

Specifically, the British suggest that there are three ways in which the United States could at once combine with Britain to strangle the Axis economically. Such a combination would, the British believe, be virtually lethal if it could really be worked out. If South America could be included, it would be final.

First, as Dr. Hugh Dalton, the Minister of Economic Warfare, said today, the United States could freeze all German and Italian assets in the United States. Already, of course, the United States, has frozen all assets of countries that have fallen to the conquering march of the German Army. But, according to Dr. Dalton, that is not enough. He said that the Germans and the Italians still wielded assets in the United States with which they were able to make purchases and run the blockade—and with which they were able to support their agents.

Would Uncover Dummies

Dr. Dalton said the Germans and the Italians had expected long ago that these assets would be frozen and therefore had taken steps to cloak them. Actual freezing now might not be the most useful procedure, he said, because most Axis funds are probably held in dummy names—Swiss, Swedish or South American. If the United States does decide to freeze the assets, it would be necessary, the British believe, to establish a system whereby this sort of financial veil could be torn aside.

An alternative, as the British see it, is for United States banks and investment houses to refuse to hold accounts, transfer funds or deal in securities in cases where they believe there might be some benefit to Germany.

For example, the British cite the Chase National Bank, whose president, Winthrop Aldrich, is one of Britain's best friends in the United States and heads the British War Relief Society. They say that the American Express Company, a Chase subsidiary, is functioning fully in Axis-occupied countries. If this company existed only for the benefit of United States citizens in these countries, the British say, there would be no objection. But if American Express is undertaking new business either in Germany or in occupied countries, the British assert, it would help the British war effort by closing down.

Another financial point that the British make is that since the Germans are systematically looting all the countries they capture, the United States has clapped on control of imports and securities, but did not set up a control over actual dollars and therefore the Germans

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are able to swell their dollar balances to the extent that they have captured dollars.

Because the Germans have much sterling, the British refuse entry to sterling in this country. Indeed, there have been unconfirmed reports that the Germans are counterfeiting sterling, and there have been suggestions that the British should do the same with marks and drop them on Germany. But that would be a two-edged weapon. What the British would like to see would be a United States ban on importation of United States currency unless it could be proved it did not come from an occupied country and thus go to swell German purchasing power.

The second point on which the British believe the United States could give them much more aid short of war than they are getting is the question of Axis-controlled concerns in the United States that are taking over the former business done between the Axis and South America—business whose profits are said here to be devoted to Axis interests.

Several concerns in the United States were named by the Ministry of Economic Warfare today as being German-controlled and having been carefully organized before the outbreak of the war to supply the requirements of German subsidiaries in South America when German supplies should be choked off by the blockade.

The most important of these was said to be the General Aniline and Film Corporation, formerly known as the American I. G. Chemical Company. The Ministry said this concern was part of the I. G. Farben interests and was a holding company controlling the Agfa Ansco Corporation, supplying photographic materials formerly sent from Germany.

Dyestuffs to the same specifications as I. G. Farben used in Germany, the Ministry declared, are now being produced by General Aniline in New York and exported through the General Dyestuffs Corporation or through merchant concerns that act for it.

Farben pharmaceutical interests, it was asserted, are handled by Sterling Products, Inc., through many subsidiaries. This corporation, the Ministry said, has been carrying on trade with Farben's direct subsidiaries in Latin America. The concern manufactures under license Farben products such as Bayer Aspirin, according to Dr. Dalton's organization. The Ministry said the manufacturing capacity of all this group had been greatly extended since the war began because all overseas markets were cut off from German supplies.

According to the Ministry, another German-controlled concern is the Schering Corporation of Bloomfield, N. J. This corporation, it was said, supplies products once supplied by Schering, A. G., of Berlin and now manufactured in the United States. In this connection, it was declared that the Delta Pharmaceutical Company was specially organized in 1939 to handle sales of pharmaceutical supplies to South America for this group.

The Ministry declared that the Hugo Stinnes Corporation and the Transocean Coal and Transport Company were financially controlled by German nationals resident in Germany and were supplying United States coal to replace German coal formerly handled by their organizations throughout South America.

Another concern mentioned was the Pioneer Import Corporation of New York, which was characterized as a typical example of an organization designed for evasion of the blockade. This concern was said to be an importer of precious and synthetic stones from Axis and Axis-occupied territory. These stones, the Ministry said, go by parcel post and air mail to South America—most of them, presumably, by the Italian airline that runs from North Africa to Brazil. Of course, from the point of view of the blockade officials, this is a serious leak because it gives the Axis a chance to obtain all-important foreign exchange.

Another concern named was Steel

Union-Sheet Pilling, Inc., which was said formerly to have acted as sales agent for Stahlunion, export branch of Vereinigte Stahlwerke, A. G. Since the outbreak of the war, the British statement said, this concern has been buying steel from the United States steelmasters to fulfill existing and new contracts that would formerly have been supplied from Germany to Stahlunion's subsidiaries in Latin America.

Forwarding Concerns Cited

From the British point of view, another undesirable German activity in the United States is that of the forwarding concerns mainly handling food. One of these, Fortra, Inc., the British said today, was founded and is headed by a former official of the Hamburg-American and North German Lloyd shipping lines. Others named were the Mitropa Parcel Service and Express Exchange. Many similar agencies, according to the British, are doing the same sort of business, from which, officials here said, the German Government profits.

As to the United States cooperation with the British blacklist, the Ministry of Economic Warfare said the Germans were benefitting tremendously in South America by the fact that hundreds of their concerns there—blacklisted by Britain and hence cut off from any trade with the Empire—had turned quite happily to the United States trade to keep them going. Without trade with the United States, according to the British, these concerns must inevitably go out of business.

The situation in Venezuela was cited as a case in point. It was said that apart from oil, most of the export and import trade of Venezuela passed through concerns of German origin or German sympathies. In these conditions the blacklist is useless unless United States concerns want to help. In this connection it is said here that in the World War the United States blacklist and blockade regulations as far as South America was concerned were far stricter than anything the British have ever dared to impose.

The third and last way in which the United States could immediately and quickly help this strangling of Germany, which is the ultimate objective of the economic warfare, is by collaborating in the British system of ship warrants.

The British want the United States to join the system, at least as far as refueling—the technical term is "bunkerage"—is concerned. In other words, the British would like to see continental United States and United States-controlled concerns all over the world refuse to fuel any ship lacking a British permit.

Wants Separate U. S. Ministry

In addition to these ways in which the United States could help, perhaps the most important, the British believe, would be the formation in Washington of an organization similar to their own Ministry of Economic Warfare. At the moment, any cooperation in this field of warfare is hampered by the fact that the Minister of Economic Warfare has no opposite number in Washington. It is a most important field, one that extends far beyond the mere stopping and searching of ships, to a point where the Ministry of Economic Warfare wrecks Axis trade wherever it can be found. Any negotiations must be conducted either through the State Department or through innumerable other departments and it takes a long time to get decisions.

Something has already been done to remedy this situation. Noel Hall one of the founders of the Ministry here and its intelligence chief, has gone to Washington with the rank of Minister in the embassy, and a United States representative is here to establish and maintain liaison with the Ministry of Economic Warfare.

But, it is contended here, speed is as important in economic warfare as in a clash between tanks. It is hoped here that cooperation between the two countries can be extended to the economic sphere at least as quickly as it is being de-

veloped in the purely military sphere; it is hoped that the stopping of leaks in the blockade might become as much a part of the United States effort as the production of Catalinas, Hudsons, Tomahawks and Buffaloes for the Royal Air Force.

GERMAN CONTROL DENIED

General Aniline Declares That It Is Independent of I. G. Farben

A statement on behalf of the General Aniline and Film Corporation of 230 Park Avenue concerning the British Ministry of Economic Warfare's statement was issued last night by the Bureau of Industrial Service, Inc. It follows:

"Officers of General Aniline & Film Corporation, upon learning of the charges of Dr. Dalton, stated that I. G. Farbenindustrie had no direct or indirect interest in or control over the affairs of General Aniline & Film Corporation. They emphatically denied that they were acting for, or in the interest of, this [I. G. Farbenindustrie] or any other foreign corporation in respect to exports of merchandise."

Dr. Rudolf Hutz, vice president and director of the General Aniline and Film Corporation, was held during the World War at Concord, N. H., on what he described last night as "a so-called Presidential warrant—a purely formal charge of the Alien Property Custodian."

Speaking from his home at 292 Maple Street, Englewood, N. J., he said that he had been interned for six months along with many other "potentially dangerous enemies," but subsequently had been released and freed of any charges and had become a United States citizen.

In regard to the British statement that the corporation was with I. G. Farbenindustrie, Dr. Hutz said that he knew nothing about it, because he was connected "purely with the manufacturing end of the business."

Dr. Hutz was born in Germany

in 1877 and educated at the University of Munich.

The General Aniline and Film Corporation changed its name from American I. G. Chemical Corporation within the past few years. It was known by the former name when it reported net earnings of \$4,186,110 on March 31, 1938, but in a statement proposing the firm's merger with Agfa Ansco Corporation on Nov. 23, 1939, it was revealed that the name had been "recently changed."

Edmund Hugo Stinnes, eldest son of the late Hugo Stinnes, who was Germany's foremost industrialist, arrived in this country as a quota immigrant last year, saying later that he was neither a refugee nor an exile and was never persecuted in Germany. He said that he had broken away from his father's industries in 1925 and founded his own business interests. He was in England when the war began but was permitted to leave. His holdings in Germany, it was said, had not been seized at that time.

The Pioneer Import Corporation is at 157 Chambers Street. The secretary treasurer is Werner von Clemm, son of Baron and Baroness Gustav Clemm von Hohenberg of Hesse, Germany.

Mr. von Clemm, who is a United States citizen, married Miss Veronica Green, younger daughter of Harry T. S. Green of New York, in the American Cathedral in Paris in 1932. The couple live at Syosset, L. I., and last night Mrs. von Clemm answered the telephone there. She said that she could not give any positive information about her husband's business, but that her understanding was that before the war he had imported from Germany, but since the start of the war had been importing only what was permitted by the British Government under the navicert system.

Mr. von Clemm served in the German Army during the World War as an officer in a guard regiment.