

Merry-Go-Round

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Attorney General Bob Jackson didn't reveal it, but there was an exciting story behind his seizure of I. G. Farbenindustrie's \$250,000 bank account, which the giant German chemical and dye trust kept in the National City Bank in New York.

What Jackson didn't tell was how a patriotic United States business firm tipped off the Justice Department about the fund and how a fast-thinking Justice Department agent nabbed it.

The firm's co-operation with the Government was voluntary. Here is the untold background of the money seizure:

I. G. Farbenindustrie was indicted several months ago with the Aluminum Corporation of America, Dow Chemical, and others on charges of monopolizing magnesium, a product essential to airplanes. The Nazis have tons of it while, thanks to the monopoly arrangement with Germany, this country had little. But the Justice Department had been unable to serve subpoenas on I. G. Farbenindustrie, and it looked as if the Government would be balked.

One morning a tip came from this patriotic organization that it would deposit that day a \$250,000 check, for royalties due I.G.F., with the National City Bank of New York, where the German firm had an account. Jackson immediately ordered the entire account impounded.

His legal authority was the precedent established in the famous U. S. vs. Blackmer case, in the Teapot Dome scandal, when the Government was unable to subpoena Blackmer, who fled to France. His bank account was attached and the Supreme Court upheld the seizure.

Fast Action

Within a half hour after Jackson issued his order, a Justice Department agent was at the National City Bank with the necessary legal papers to claim the German account, including the \$250,000 check.

But meanwhile two things had happened. Several weeks earlier the Nazis had quietly removed all their funds from the National City, and that morning the bank had received a cable ordering the I. G. Farbenindustrie account transferred to the credit of the Reichscredit Bank. This was clearly in anticipation of the \$250,000 deposit expected to be made that day.

Had the Justice agent come either the day before or the day after, he would have found an empty till. Instead, he arrived before the \$250,000 check reached the bank. But when the check did show up, the agent reported to the Justice Department that the bank refused to accept it for deposit—on the ground that it was not certified.

As long as the check was not deposited to the I. G. F. account, the Government had no way of seizing the money. And once the Nazis knew the Government was after it, they would be on their guard. The agent had to move fast and be tough.

Serving his legal papers on bank officials, he notified them that unless they accepted the check he would immediately rush to the nearest Federal judge and cite them for contempt of court for refusing to execute the impounding order.

The bank officials capitulated, and \$250,000 flew the Nazi coop—without the aid of a Messerschmitt 110.