

Funds to Probe Patent Links To Nazis Voted

Part 5/20/41

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After hearing charges that American business firms are aiding Germany in military and commercial conquests, the Senate yesterday voted an increase in funds for the Justice Department's antitrust division to investigate these allegations and to crack down on domestic monopolies.

By a vote of 35 to 21, the Senate restored to the antitrust division's appropriation for the next fiscal year \$750,000, deleted from the House-approved bill by the Senate Appropriations Committee. Altogether, the bill allots \$2,325,000 for the antitrust division—\$909,000 more than President Roosevelt's Budget Bureau had recommended.

In leading the fight for restoration of the \$750,000, Senator O'Mahoney, (Democrat), of Wyoming, told the Senate that American business firms linked to German interests by patent and trade agreements are supplying Hitler's forces vital military information and helping Germany run the British blockade.

Thurman Arnold, head of the antitrust division, revealed after the Senate's action that his division expects to speed investigation of restrictions on production in war industries, and the spread in prices received by the farmers and what consumers have to pay. Food, fuel and housing costs will be explored, he disclosed.

O'Mahoney's assertions in the Senate that national defense was being handicapped by trade agreements made between American and German firms years ago, moved Senator Wiley (Republican), Wisconsin, to ask whether these American firms were actually guilty of "constructive treason" in not breaking such pacts.

Allegations were made by O'Mahoney that the Schering Corporation, of Bloomfield, N. J., has an agreement with Schering, A. G., of Germany, under which the New Jersey company is manufacturing serums and shipping them to South American customers of the German firm, with labels on shipping cases identical with the German-language labels used by the German company.

"Thus, the American company is running the blockade for its parent company in Germany," O'Mahoney said. The New Jersey company's activities are now being investigated by the Department of Justice, the Senator added in arguing the need for the "war chest."

American companies for years have been linked to German business interests through patent arrangements and deals for division of world markets in aluminum, tungsten carbide, beryllium, optical glass and other vital defense materials, O'Mahoney charged.

American companies operating under German patents are also required to furnish the Germans detailed descriptions of sales made to the United States Government. These descriptions are furnished when royalties are paid, he added.