

# Hitler Gets Millions for War Chest Through Links With American Firms

## Purchases From Standard Oil Of New Jersey and Sterling Products Aid Nazis By Indirect Route

By LOWELL L. LEAKE

Americans have poured millions into Germany's war chest through purchases from the Standard Oil Co. of New Jersey, in which the Rockefeller family holds a large interest, and the Sterling Products Co., Inc., the largest drug and medical goods advertiser in the U. S. A.

The millions have gone to Hitler as cash payments or credits to the I. G. Farben Industries, which is the German dye trust; the General Aniline and Film Corp., in which Edsel B. Ford is a director, and the I. G. Swiss Chemie, a Swiss holding company controlled by Farben.

Government hearings, financial records and reports from credit-rating organizations reveal an amazing story of dual ownerships, interlocking directorships, stock trading, and patent and royalty payments among these major companies and their hundreds of subsidiaries.

Most of these activities are perfectly legal. However, some activities are now under grand jury investigation.

The plain fact is that Adolf Hitler has used and is using American citizens and American laws to advance the Nazi cause in this hemisphere and in the Old World. Thus is fulfilled the boast of Hitler's Propaganda Minister, Paul Joseph Goebbels, that Americans would help Hitler win the Americas.

### How It Is Done

The amazing highlights in the story of how this is done:

¶ The three great German-Swiss holding companies collected more than \$1,000,000 in dividends ALONE from the Standard Oil Co. of New Jersey in just one year, 1939. Dividends since then have been greater.

¶ These three companies were I. G. Farben, of which the Ford Motor Co. of Germany is a part; Swiss Chemie, controlled by I. G. Farben and itself once or now the holder of 388,000 shares of Standard of New Jersey stock; and General Aniline and Film, controlled by Farben and itself a holder of 203,053 shares of Standard of New Jersey stock. Standard has issued 27,000,000 shares of stock. Standard's annual sales are almost \$1,000,000,000.

¶ General Aniline, which changed its name from American I. G. just after the war started, holds 20 per cent of the stock of a Standard Oil of New Jersey subsidiary. This was the Standard I. G. Co., which within the last few months also has changed its name—to Standard Catalytic Co. The letters "I. G." have become a liability. The letters stand for *Internationale Gesellschaft*, or International Corporation.

¶ General Aniline is controlled by I. G. Farben or I. G. Swiss Chemie or by other corporations, some of them small holding companies, which in turn are controlled by I. G. Farben. Farben guarantees General Aniline bonds and interest.

¶ General Aniline owns 37,880 out of 1,700,000 shares of Sterling Products, Inc., which ranked ninth in total advertising in U. S. newspapers, magazines and radio in 1939. Sterling thus is not only one of America's most powerful advertisers, but it is tops in its own field.

### Partnership

¶ General Aniline and Sterling are 50-50 partners in two American drug companies, Winthrop and Alba. Through these, General Aniline gets not only huge dividends, amounts not publicized, but huge royalties

on such items as Bayer products sold in the Western Hemisphere. Some of these royalties run as high as 75 per cent.

¶ General Aniline owned a half interest in the American Magnesium Corp. The Mellons' Aluminum Co. of America owns the other half. This magnesium interest is involved in anti-trust law indictments returned this spring. General Aniline sold its magnesium interest just before the indictments were returned.

¶ General Aniline also owned or owns 5500 shares in Du Pont, 10,000 shares in Standard Oil of California, 22,299 shares in Mission Corp. (another oil holding company) and 5900 shares in Standard Oil of Indiana.

¶ General Aniline dividends from Sterling Products and these other miscellaneous stocks totaled more than \$215,000 in 1939 ALONE. These are in addition to dividends from the highly profitable half interests in Alba, American Magnesium and Winthrop, from whom General Aniline collected not only dividends but huge royalties.

### Drop in the Bucket

¶ The known dividend payments to the Nazi-controlled holding companies are only a drop in the bucket. Other smaller Farben-controlled or Chemie-controlled corporations in occupied lands own smaller blocks of stock in the American companies. Officials of all these Nazi-controlled corporations have individual holdings of stock which also draw dividends. And, of course, there are the royalty payments, amounts unknown but high.

¶ Among important transactions adding to the Nazi war chest are several mentioned during SEC hearings in 1938. They involved options, or sale agreements. In one, General Aniline bought 200,000 shares of Standard of New Jersey at \$23 a share under the market, a profit of \$4,500,000. In another a Nazi-controlled group got 146,000 shares at little more than one-third their market value, \$18.50 a share under the market. This was a profit of \$2,701,000.

¶ This same hearing developed the fact that Nazi-controlled investments of cash or credit in General Aniline, once known as American I. G., totaled about \$30,000,000. American investments totaled about \$30,000,000. The Nazi-controlled vote, however, was 3,400,000, against only 250,000 American votes. The capital set-up of the Nazi-American corporations thus has been manipulated in a perfectly legal manner to use American capital, under the control of Nazi votes.

¶ This financial crazy quilt has played an



Walter C. Teagle  
Photo by Harris & Ewing

ironical trick on the Rockefeller family. It has a huge stake in Standard of New Jersey, which, like Sterling Products, has developed highly profitable businesses in Latin America and Great Britain. Nazi stockholders share the profits, and Hitler can use them for direct purchase of war material, or for propaganda in North or South America. Nelson Rockefeller, son of John D., is a leader in the U. S. group successfully advancing commercial and cultural relations with Latin America. Its job is to off-set Nazi propaganda. Thus in an indirect manner some of the money earned by Rockefeller interests works against the Rockefeller family wishes.

The jigsaw financial picture of these corporations is no more amazing than stories of some persons directing the corporations. These stories of individuals highlight the record:

### WALTER C. TEAGLE

Mr. Teagle is chairman of the board, Standard Oil Co. of New Jersey, and a power in the 260 or more subsidiaries. He also is a \$1-a-year man at Washington, engaged in various defense activities, and a director of the Federal Reserve Bank.

He became a stockholder, debentureholder and director of American I. G. (now General Aniline) back in 1929 and for 10 years remained a director. He admitted in a 1938 SEC hearing that he did not know "the real owners" of the Class A and B stocks which were the voting stocks of American I. G. Asked if he tried to find out, he replied "No, sir." He added that it was a "safe assumption" to say they were controlled by "European interests."

It also was developed during the hearing that American I. G. held 9 per cent of the I. G. Chemie stock, and the I. G. Chemie held 11 per cent of American I. G. Also, I. G. Chemie bought through a third party additional stock in American I. G., sometimes above, and sometimes below the market. Mr. Teagle didn't explain that. And he did not know who controlled I. G. Chemie.

It also was developed that a Swiss corporation formed by a Swiss lawyer and his clerk and capitalized at about \$20,000 held more than a third of the voting shares of the American I. G. valued in the millions. The Swiss corporation was traced to German

interests. A few days ago, Kurt Rieth, once Nazi Minister and advance man to Australia and otherwise active in Nazi economic and propaganda agencies, was arrested here charged with falsifying passport statements, and he is now held at Ellis Island.

He had said that he was a personal friend of Mr. Teagle. Mr. Teagle told the *Herald Tribune*: "You can't make my denial of any knowledge of him or of ever having known or seen him too emphatic."

Mr. Teagle had said he had been told by the FBI weeks earlier that Rieth was using his name. What Mr. Teagle did to stop this practice was not made known. He may have acted through the Department of Justice.

At any rate, it developed that Rieth was interested in buying for about 25 cents on the dollar Standard Oil interests in a Hungarian subsidiary which the Nazis already had under control. The speculation was that this was a good-will gesture, intended to "soften up" American business men so they would feel grateful for a chance to do business with the Nazis.

It was revealed that Standard of New Jersey would not be opposed to receiving some cash for a subsidiary already lost.

Mr. Teagle's situation is that of hundreds of business men who years ago made German business alliances to make money for their stockholders. They now find those alliances working against the interests of America and Britain.

### E. I. McCLINTOCK

He is an official of Steyling Products, Inc., and an officer and director of many of its subsidiaries. Among them are the Bayer Co. and the Sterling Products Export Co.

He was an employe of the Alien Property Custodian's office during the World War. After Sterling subsidiaries obtained valuable German Bayer patents from that office, he became an officer of Sterling.

He is a director of Winthrop Drug, which is half owned by the German-controlled General Aniline and Film Corporation.

### W. E. WEISS

Aggressive small-city druggist who made good. He came from Canton, O., and got started on his way up in Wheeling, W. Va.

He is chairman of the board of Sterling Products, Inc. He is a director and officer in many of the 40 or more subsidiaries, including Winthrop and Bayer and several foreign corporations. He is a director of General Aniline and Film Corp.

### J. E. CRANE

Director of Standard I. G. and many subsidiaries of Standard Oil of New Jersey.

### W. E. CURRIE

Director of Standard I. G. and several Standard of New Jersey subsidiaries.

### E. SCHWARZ

Naturalized American, German-born, former director of I. G. Farben. Now director of General Aniline and Film.

### KARL MILDE

German-born American, long an official and employe of General Aniline and Film.

### F. A. HOWARD

A sort of liaison man between Farben and Standard of New Jersey. He is vice-president of Standard of New Jersey, president of Standard Development Co. and Standard I. G. (now Standard Catalytic). Standard Development and its subsidiaries and affiliates promote the use of Farben patents, such as those covering synthetic gas and syn-

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