

Link Tommy The Cork to Political By-Play

By THOMAS L. STOKES

Consent decrees signed recently in New York, dissolving contracts between American drug companies and German interests, have left a sour aftermath in the Anti-Trust Division of the Justice Department.

This is because of circumstances surrounding them and because of the nature of the decrees, by which a Federal court in New York ordered the breaking of the contracts. These contracts, nine in all, extended over a period of years beginning in 1920. They involved price-fixing, patent control, and exclusive marketing agreements. Among other things, they turned over the South American territory to the Germans.

Dissatisfaction prevalent among those who worked on these cases for the Anti-Trust Division is attributable to:

1. The pressure and pull exerted by Thomas G. Corcoran, one-time chief New Deal brain truster and now a lawyer-lobbyist, who represented Sterling Products Inc., which, with three subsidiaries and two officers, was cited for violation of the anti-trust laws. Two of the subsidiaries, Bayer Co. Inc. and Winthrop Chemical Co., had contracts with I. G. Farbenindustrie, the German company usually known as I. G. Farben; the other, Alba Pharmaceutical Co., with a German and Austrian company that is German-controlled by virtue of conquest.

NATURE OF ACTION

2. The nature of the Government action—the failure to take the evidence before a grand jury (for which an "information," a criminal proceeding, was substituted), and the terms of the consent decrees, which, in the opinion of some, are not as strong as they might be and may come unhinged after the war, tho on their face the decrees apparently break up all the ties, and a reorganization of the company at the top would seem to assure anti-Nazi

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TOMMY CORCORAN
Maintains a poker face

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control. Certainly this was the endeavor of the Justice Department.

3. The fact that settlement was imposed from the top by Mr. Biddle, in constant touch with Mr. Corcoran—now doing a highly profitable business as a lobbyist. Mr. Corcoran is a long-time friend of the Attorney General. He was influential in bringing Mr. Biddle into the Administration and was active on behalf of Mr. Biddle's recent promotion from Solicitor General to Attorney General. Mr. Corcoran himself is seeking the Solicitor Generalship, now vacant.

BIDDLE IN CHARGE

Investigation in the case was started during the administration of former Attorney General Robert H. Jackson, who was appointed to the Supreme Court in June. During pendency of the case, Mr. Biddle was Acting Attorney General. He was appointed Attorney General Aug. 25 and confirmed by the Senate Sept. 5, the day the decrees were approved by the court in New York.

Thurman Arnold, head of the Anti-Trust Division, is reported as not entirely satisfied with the final settlements. Hitherto he has been very firm in getting drastic terms for consent decrees in similar cases involving American contracts with German cartels, of which there have been several in the last two years.

Attorney General Biddle is reported to have threatened to hold up other Anti-Trust Division cases, waiting on his desk for the go-ahead signal, until the drug cases were settled. Mr. Corcoran was constantly demanding speed and more speed.

Jesse Jones, Secretary of Commerce and Federal Loan Administrator, also was enlisted for settlement, being called upon by Mr. Corcoran, who for several years was associated with Mr. Jones in the RFC.

'BUSYBODY' IN OFFICES

Mr. Corcoran practically camped in the office of Attorney General Biddle and was a constant busybody in the offices of lawyers working on cases. His brother, David Corcoran, is an official of Sterling International, export subsidiary of Sterling Products Inc.

Tommy, as the one-time New Deal lieutenant is known familiarly about Washington, was given access to secret information of the department concerning the case. He kept in constant touch with the drafting of the consent decrees, and contributed his



Marianne LaMotte, above, arrives in New York with alarming report of a serious shortage in Bermuda—not enough girls for soldiers, not to mention sailors, at United States defense base there.

advice to the writing of the statement for the press which was described by those who know the facts as a "whitewash" with misleading inferences and actual misstatements.

He became active in the case even

before he was retained by Sterling Products Inc.

Sterling also was represented by John T. Cahill of the firm of Wright, Gordon & Zachry, with which Franklin D. Roosevelt Jr. was associated for a time. Mr. Cahill formerly was Federal district attorney in New York, appointed by President Roosevelt. He retired from this post in February.

Investigators were still at work when the settlement was reached and the consent decrees taken into the court of Federal Judge Mendelbaum, along with the "information," for final action. They were called from their inquiry, which was turning up some evidence that does not appear in the "information" filed with the court nor in the consent decrees, and now is a closed book, guarded by the same secrecy which attaches to grand jury proceedings, unless it is called for by Congress.

The special Senate committee investigating national defense, headed by Sen. Truman (D., Mo.), has broad powers and could get access to the files thru a Senate resolution. It has sufficient authority to investigate all circumstances surrounding the case. Sen. Truman said recently he was looking into the activities of lawyer-lobbyists.