

# U. S. Dollars Go to Nazis For Semi-Precious Stones

Virtual Monopoly Nets  
German Concern \$100,000 a  
Month Up

By LEO J. MARGOLIN

Here is another example of how millions of American dollars help fuel the Nazi war machine.

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These dollars find their way to Germany through numerous "leaks," one of which has netted the Nazis nearly \$3,500,000 since September, 1939. This is through the sale in the U. S. A. of semi-precious stones, an item over which the Nazis have a virtual world monopoly.

Evading the British blockade, the Nazis bring thousands of these semi-precious and imitation precious stones into the U. S. A. In one month this year—January—stones originating in Naziland and worth \$273,636 went through the U. S. Customs on the West Coast.

The stones are sold by the Pioneer Import Corp., a New York corporation with offices on the 12th floor of 157 Chambers St., Manhattan. Its business runs between \$100,000 and \$200,000 each month. The stones are bought by dealers who sell to manufacturers of rings. They include amethysts, onyx, cameos, hematites and agates, all of which either originate or are designed and cut in Germany and German controlled countries.

## Undercuts U. S. Market

The Pioneer company can sell a quantity of black onyx ringstones for \$2, undercutting the American market for a similar quantity by \$6. An American firm, employing American labor—Adolf Meller Co. of Providence—charges \$9 for the same amount of onyx.

Unwittingly and indirectly, nearly half of the 1,250,000 June graduates of American high schools, colleges and professional schools give financial aid to the Nazis.

These graduates pay \$10 to \$25 for class rings in which are set colored semi-precious stones, usually amethysts, which run the British blockade in small air-mail parcel post packages.

According to the British Ministry of Economic Welfare, these packages are sent from Germany to Italy; then by Italian airline to Africa and then by Italian trans-Atlantic plane to South America. They arrive in the U. S. A. by Pan American planes or on American boats.

Another popular route is over the Russian Trans-Siberian Railroad and then by Russian or Japanese boat to our West Coast.

## Tells of Approval

When British authorities accused Pioneer of being a serious leak in the British blockade, the company said through its president, Werner von Clemm, that the British themselves had approved Pioneer's dealing in German merchandise.

Said Mr. von Clemm:

"This corporation has in the course of the last year been repeatedly in communication with the British Ministry of Economic Welfare through a well known firm of British lawyers and succeeded in securing from this Ministry one of the largest permits for the shipment of German merchandise ever issued by the British Government while engaged in warfare with Germany."

When Selwyn James of PM visited the Pioneer offices some months ago he asked Mr. von Clemm this question:

"Is it true that you are importing dia-

monds and semi-precious stones from the Reich?"

Here is Mr. von Clemm's reply:

"I deny it. It is not true. We used to import them from Germany, but not any more. We do not import anything from Germany. We only import synthetic stones and imitation gems."

## German Origin

There is no question but that the semi-precious stones peddled by Pioneer in the U. S. A. originate in Germany. Certainly, no doubt of that exists in the records of the U. S. Customs where Pioneer must declare the origin of the stones.

Mr. von Clemm may be technically correct because some of the stones sent to Pioneer are mailed from Le Sentir, Switzerland, just across the border from Germany. This device is used to avoid a "Made in Germany" stamp.

U. S. Customs agents, however, require these stones to be transferred into new packets when they arrive in the U. S. A. and these new packets are stamped with the tell-tale "Made in Germany."

For a long time Nazi merchandise destined for Pioneer came addressed to Miss Dorothy Malone, a Pioneer employe. They also came in packages addressed to Heem-

soth Kerner Corp., 8 Bridge St., Manhattan, customs brokers for Pioneer.

Mr. von Clemm has an interesting history. He is the scion of an important German family prominent as lawyers, statesmen and industrialists. The wife of Nazi Foreign Minister von Ribbentrop is his cousin. Mr. von Clemm became a U. S. citizen on Sept. 8, 1932. He held various

positions in banking and brokerage houses in N. Y. City.

Between March, 1936, and June, 1938, Mr. von Clemm was import manager for Davis & Co., Inc., whose president, William Rhodes Davis, has close alliances with the Nazis and sold them expropriated Mexican oil until the British bottled up the Mediterranean.