

# STOP THIS <sup>T-H 4/24/42</sup> BUSINESS BAITING

By Frank C. Waldrop

**A**N EXECUTIVE of the General Electric Company burst into tears the other day while testifying before the Bone Patent Sub-Committee of the Senate.

'We omit his name, frankly, because we're on his side, but failure to record his crying was punk reporting on the part of the press association and special correspondents who were there at the time.

We're on that businessman's side in this column, and add an unqualified, unreserved statement that we think the Bone committee is getting down on the level with the Truman committee, in diverting attention from the main issue for which it was set up.

The main issue before the Truman committee was supposed to be disclosure of frauds and malpractices in the war effort. It has run far afield from that, however, and gives all the well-known symptoms of a bad case of headline poisoning.

The Bone committee is supposed to examine the evidence necessary to draft a good patent law.

We need a good patent law. We have needed it for years. The war hasn't very much to do with the issue, really. We needed a new patent law long before Hitler ever got in power, and long before the Japanese dared smack us around at Pearl Harbor.

What feeble powers have been available to this writer, furthermore, have been toward getting that new patent law, and will continue in the same direction:

**B**UT it doesn't follow that just because we need a new patent law EVERY American businessman who has had contract relations with German industrial trusts is a Nazi.

The vice of the Bone committee's behavior is that it has not made clear the distinction between making an agreement with a Nazi industrial cartel and being a Nazi.

Undoubtedly, there are instances of real affection for the Nazis among American industrialists. There are also instances of real affection for the Communists among others we wouldn't care to mention just at this moment. Neither one makes the other right. But neither has anything to do with the patent issue.

The patent issue is a matter of law, and it is the sole fault of the Congress and the Executive that the law has not been improved.

**L**ET'S LOOK at this thing whole. After the last war, the Germans, being an inven-

tive, ingenious, industrious and aggressive people, picked up where they had left off . . . if they ever had left off . . . in the sciences. They developed some wonderful advances in chemistry, metallurgy and electronics.

American business men, reflecting the spirit of the age, went out into the world and made contracts with the Germans and anybody else who had anything for which to contract.

Incidentally . . . we wonder what the Department of Justice and the Bone Committee are doing to inquire into the horrendous cartel agreements made between American business men and the British, the Dutch, and the French. Is a cartel a cartel when made with a German and not a cartel when made with the British, Dutch or French?

Cartel, dear reader, if any, is a professors' word meaning an agreement to limit production, restrict fields of selling, and also, in all probability, to fix prices.

**A** CARTEL is a device to keep competition down and profits up. Every business man wishes he had one. Every Congressman wishes he had a cartel on votes in his district. Everybody wants a cartel in his favor and none against him. And everybody takes whatever the law allows him.

*The cartels between American and German industry were the natural products of the inventive capacities of the industries involved. That they worked somewhat to our favor nobody can deny. That they are now working against us nobody can deny, if thereby production for war is impeded.*

But please note this writer is ready and willing to testify that more than a year ago he was advised by Undersecretary of War Patterson that *patents are not a problem* in the war effort. We didn't agree. We don't agree now. We think they are a problem.

**P**ATENTS have always been a problem, and the war just happened to follow in train.

Furthermore, we think the patent law ought to be so amended that anybody can procure a patent on payment of reasonable royalty, provided he is willing to join a patent pool himself and contribute to it whatever patents he holds.

Why not get busy on passage of such a law, Congress? This business baiting is only scaring good men—as Donald Nelson has pointed out—away from their job. Their job is to win the war. Let them do it, and give up the headlines for a little while. You can live without Page One. The country can't live without business.



Frank Waldrop