Nazi Patents Cover Dye for U.S. Uniforms

By the Associated Press

A Justice Department attorney told the Senate Patents Committee yesterday that 98 percent of the dyes for American soldiers' uniforms is manufactured by a firm owned largely by Germans but now controlled by the Alien Property Custodian.

Chairman Bone (Democrat) of Washington, expressed indignation at the possibility that billions of the General Aniline & Film Corporation might be handed to the foreign stockholders at the end of the war. No final disposition of the plant's earnings has been decided upon.

"It's an outrage," Bone said. "In short, it stinks."

Turning to Charles D. Pack, special antitrust attorney who delivered the testimony, Bone said, "I wish every young man about to enter the service could know the "ghastly picture" of the possibility of future German production of the dyeing of American uniforms—uniforms that soon may be dyed with American blood."

Indictment Is Cited

Pack introduced in evidence the indictment returned by a Federal grand jury at Trenton, N. J., Thursday, charging E. I. duPont de Nemours & Co., General Aniline & Film Corp. and six other firms with conspiring to monopolize the manufacture and sale of dyes.

He also submitted an extract from the du Pont company's "semi-annual report of foreign relations department" of February 9, 1940. That report indicated that friendly commercial relations existed in South America between du Pont, Imperial Chemical Industries, Ltd. (a British concern) and the German dye trade, I. G. Farben-Industrie. Both du Pont and Imperial Chemical Industries established during the 1930's jointly owned companies in Brazil and Argentina, called the DuPeral Companies.

"Arrangements have been made," the semi-annual report stated, for the repayment to the German companies advanced to DuPeral for the purchase of shares in the American company, if the American company is impractical for I. C. I. to be in partnership with a German company.

Americans on Board

"The DuPont Co. informed I. C. I. that they intended to use their good offices after the war to have the I. C. I. participation restored."

Pack listed four Americans as having served on the board of directors of the General Aniline & Film Corporation and its predecessor companies. They were Eiesel B. Ford, now president of the Ford Motor Co.; W. C. Fagley, now chairman of the board of Standard Oil of New Jersey; C. E. Bell, chairman of the board of the National City Bank; and Paul Warburg, chairman of the First National Bank of Manhattan Co.

Pack said, however, that the Americans held only nominal amounts of stock and so far as he knew hardly participated in the management of the company.

Bone commented that looked like "window dressing."

All of the Americans had resigned by last year when the Justice Department seized the corporation. Later the properties were turned over to the Alien Property Custodian.