



U.S. Department of Justice

**Federal Bureau of Investigation**  
Washington, D.C. 20535

February 2, 2024

MR. JOHN R. GREENEWALD JR.  
SUITE 1203  
27305 WEST LIVE OAK ROAD  
CASTAIC, CA 91384

FOIPA Request No.: 1513821-000  
Subject: REDSTONE, SUMNER MURRAY

Dear Mr. Greenewald:

The FBI has completed its review of records subject to the Freedom of Information/Privacy Acts (FOIPA) that are responsive to your request. The enclosed documents were reviewed under the FOIPA, Title 5, United States Code, Section 552/552a. Below you will find check boxes under the appropriate statute headings which indicate the types of exemptions asserted to protect information which is exempt from disclosure. The appropriate exemptions are noted on the enclosed pages next to redacted information. In addition, a deleted page information sheet was inserted to indicate where pages were withheld entirely and identify which exemptions were applied. The checked exemption boxes used to withhold information are further explained in the enclosed Explanation of Exemptions.

**Section 552**

☐ (b)(1)

☐ (b)(2)

☒ (b)(3)

Fed. R. Crim. P. 6(e)

☐ (b)(4)

☐ (b)(5)

☒ (b)(6)

☐ (b)(7)(A)

☐ (b)(7)(B)

☒ (b)(7)(C)

☒ (b)(7)(D)

☒ (b)(7)(E)

☐ (b)(7)(F)

☐ (b)(8)

☐ (b)(9)

**Section 552a**

☐ (d)(5)

☐ (j)(2)

☐ (k)(1)

☐ (k)(2)

☐ (k)(3)

☐ (k)(4)

☐ (k)(5)

☐ (k)(6)

☐ (k)(7)

550 pages were reviewed and 524 pages are being released.

Please see the paragraphs below for relevant information specific to your request as well as the enclosed FBI FOIPA Addendum for standard responses applicable to all requests.

Based on the information you provided, we conducted a main and reference entity record search of the Central Records System (CRS) per our standard search policy. For more information about records searches and the standard search policy, see the enclosed FBI FOIPA Addendum General Information Section.

This is the final release of information responsive to your FOIPA request. This material is being provided to you at no charge.

By letter dated January 23, 2024, you were advised that records responsive to your request would be made available in the FBI's electronic FOIA Library (The Vault) on the FBI's public website, <http://vault.fbi.gov>. When these records are posted to the Vault, you can locate them by navigating to the heading "Vault Links," on the right-hand side of the home page. You can search for your subject alphabetically (click on "A-Z Index"), by category (click on "Categories"), or by entering text (click on "Search Vault"). For records responsive to this request, please enter "Sumner Redstone" as the search term. These documents represent a final release of information responsive to your FOIPA request. A courtesy copy of these records is enclosed.

Additional records potentially responsive to your subject may exist. Please inform us by emailing [foipaquestions@fbi.gov](mailto:foipaquestions@fbi.gov), faxing 540-868-4391, or standard mail if you would like the FBI to conduct a search of the indices to our Central Records System.

Duplicate copies of the same document were not processed.

Due to the age and condition of the original documents, some of the reproduced copies are extremely difficult to read. Every effort has been made to obtain the best copies possible.

Records that may have been responsive to your request were destroyed. Since this material could not be reviewed, it is not known if it was responsive to your request. Record retention and disposal is carried out under supervision of the National Archives and Records Administration (NARA), Title 44, United States Code, Section 3301 as implemented by Title 36, Code of Federal Regulations, Part 1228; Title 44, United States Code, Section 3310 as implemented by Title 36, Code of Federal Regulations, Part 1229.10.

A record that may be responsive to your Freedom of Information/Privacy Acts (FOIPA) request has been transferred to the National Archives and Records Administration (NARA). If you wish to review these records, submit a Freedom of Information Act (FOIA) request to NARA, Special Access and FOIA, 8601 Adelphi Road, Room 5500, College Park, MD 20740-6001. Please reference the file number 92-HQ-9865 and 46-WF-2715.

For your information, a search of the indices to our Central Records System reflected there were additional records potentially responsive to your Freedom of Information/Privacy Acts (FOIPA) request. We have attempted to obtain this material so it could be reviewed to determine whether it was responsive to your request. We were advised that the potentially responsive records were not in their expected location and could not be located after a reasonable search. Following a reasonable waiting period, another attempt was made to obtain this material. This search for the missing records also met with unsuccessful results.

Please refer to the enclosed FBI FOIPA Addendum for additional standard responses applicable to your request. "**Part 1**" of the Addendum includes standard responses that apply to all requests. "**Part 2**" includes additional standard responses that apply to all requests for records about yourself or any third party individuals. "**Part 3**" includes general information about FBI records that you may find useful. Also enclosed is our Explanation of Exemptions.

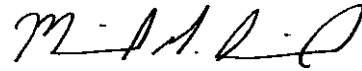
Additional information about the FOIPA can be found at [www.fbi.gov/foia](http://www.fbi.gov/foia). Should you have questions regarding your request, please feel free to contact [foipaquestions@fbi.gov](mailto:foipaquestions@fbi.gov). Please reference the FOIPA Request number listed above in all correspondence concerning your request.

If you are not satisfied with the Federal Bureau of Investigation's determination in response to this request, you may administratively appeal by writing to the Director, Office of Information Policy (OIP), United States Department of Justice, 441 G Street, NW, 6th Floor, Washington, D.C. 20530, or you may submit an appeal through OIP's FOIA STAR portal by creating an account following the instructions on OIP's website: <https://www.justice.gov/oip/submit-and-track-request-or-appeal>. Your appeal must be postmarked or electronically transmitted within ninety (90) days of the date of my response to your request. If you submit your appeal by mail, both the letter and the envelope should be clearly marked "Freedom of Information Act Appeal." Please cite the FOIPA Request Number assigned to your request so it may be easily identified.



You may seek dispute resolution services by emailing the FBI's FOIA Public Liaison at [foipaquestions@fbi.gov](mailto:foipaquestions@fbi.gov). The subject heading should clearly state "Dispute Resolution Services." Please also cite the FOIPA Request Number assigned to your request so it may be easily identified. You may also contact the Office of Government Information Services (OGIS). The contact information for OGIS is as follows: Office of Government Information Services, National Archives and Records Administration, 8601 Adelphi Road-OGIS, College Park, Maryland 20740-6001, e-mail at [ogis@nara.gov](mailto:ogis@nara.gov); telephone at 202-741-5770; toll free at 1-877-684-6448; or facsimile at 202-741-5769.

Sincerely,

A handwritten signature in black ink, appearing to read "M. G. Seidel", with a stylized flourish at the end.

Michael G. Seidel  
Section Chief  
Record/Information Dissemination Section  
Information Management Division

Enclosures

## FBI FOIPA Addendum

As referenced in our letter responding to your Freedom of Information/Privacy Acts (FOIPA) request, the FBI FOIPA Addendum provides information applicable to your request. Part 1 of the Addendum includes standard responses that apply to all requests. Part 2 includes standard responses that apply to requests for records about individuals to the extent your request seeks the listed information. Part 3 includes general information about FBI records, searches, and programs.

### Part 1: The standard responses below apply to all requests:

- (i) **5 U.S.C. § 552(c).** Congress excluded three categories of law enforcement and national security records from the requirements of the FOIPA [5 U.S.C. § 552(c)]. FBI responses are limited to those records subject to the requirements of the FOIPA. Additional information about the FBI and the FOIPA can be found on the [www.fbi.gov/foia](http://www.fbi.gov/foia) website.
- (ii) **Intelligence Records.** To the extent your request seeks records of intelligence sources, methods, or activities, the FBI can neither confirm nor deny the existence of records pursuant to FOIA exemptions (b)(1), (b)(3), and as applicable to requests for records about individuals, PA exemption (j)(2) [5 U.S.C. §§ 552/552a (b)(1), (b)(3), and (j)(2)]. The mere acknowledgment of the existence or nonexistence of such records is itself a classified fact protected by FOIA exemption (b)(1) and/or would reveal intelligence sources, methods, or activities protected by exemption (b)(3) [50 USC § 3024(i)(1)]. This is a standard response and should not be read to indicate that any such records do or do not exist.

### Part 2: The standard responses below apply to all requests for records on individuals:

- (i) **Requests for Records about any Individual—Watch Lists.** The FBI can neither confirm nor deny the existence of any individual's name on a watch list pursuant to FOIA exemption (b)(7)(E) and PA exemption (j)(2) [5 U.S.C. §§ 552/552a (b)(7)(E), (j)(2)]. This is a standard response and should not be read to indicate that watch list records do or do not exist.
- (ii) **Requests for Records about any Individual—Witness Security Program Records.** The FBI can neither confirm nor deny the existence of records which could identify any participant in the Witness Security Program pursuant to FOIA exemption (b)(3) and PA exemption (j)(2) [5 U.S.C. §§ 552/552a (b)(3), 18 U.S.C. 3521, and (j)(2)]. This is a standard response and should not be read to indicate that such records do or do not exist.
- (iii) **Requests for Confidential Informant Records.** The FBI can neither confirm nor deny the existence of confidential informant records pursuant to FOIA exemptions (b)(7)(D), (b)(7)(E), and (b)(7)(F) [5 U.S.C. §§ 552 (b)(7)(D), (b)(7)(E), and (b)(7)(F)] and Privacy Act exemption (j)(2) [5 U.S.C. § 552a (j)(2)]. The mere acknowledgment of the existence or nonexistence of such records would reveal confidential informant identities and information, expose law enforcement techniques, and endanger the life or physical safety of individuals. This is a standard response and should not be read to indicate that such records do or do not exist.

### Part 3: General Information:

- (i) **Record Searches and Standard Search Policy.** The Record/Information Dissemination Section (RIDS) searches for reasonably described records by searching systems, such as the Central Records System (CRS), or locations where responsive records would reasonably be found. The CRS is an extensive system of records consisting of applicant, investigative, intelligence, personnel, administrative, and general files compiled by the FBI per its law enforcement, intelligence, and administrative functions. The CRS spans the entire FBI organization, comprising records of FBI Headquarters, FBI Field Offices, and FBI Legal Attaché Offices (Legats) worldwide; Electronic Surveillance (ELSUR) records are included in the CRS. The standard search policy is a search for main entity records in the CRS. Unless specifically requested, a standard search does not include a search for reference entity records, administrative records of previous FOIPA requests, or civil litigation files.
  - a. *Main Entity Records* – created for individuals or non-individuals who are the subjects or the focus of an investigation
  - b. *Reference Entity Records*- created for individuals or non-individuals who are associated with a case but are not known subjects or the focus of an investigation
- (ii) **FBI Records.** Founded in 1908, the FBI carries out a dual law enforcement and national security mission. As part of this dual mission, the FBI creates and maintains records on various subjects; however, the FBI does not maintain records on every person, subject, or entity.
- (iii) **Foreseeable Harm Standard.** As amended in 2016, the Freedom of Information Act provides that a federal agency may withhold responsive records only if: (1) the agency reasonably foresees that disclosure would harm an interest protected by one of the nine exemptions that FOIA enumerates, or (2) disclosure is prohibited by law (5 United States Code, Section 552(a)(8)(A)(i)). The FBI considers this foreseeable harm standard in the processing of its requests.
- (iv) **Requests for Criminal History Records or Rap Sheets.** The Criminal Justice Information Services (CJIS) Division provides Identity History Summary Checks – often referred to as a criminal history record or rap sheet. These criminal history records are not the same as material in an investigative “FBI file.” An Identity History Summary Check is a listing of information taken from fingerprint cards and documents submitted to the FBI in connection with arrests, federal employment, naturalization, or military service. For a fee, individuals can request a copy of their Identity History Summary Check. Forms and directions can be accessed at [www.fbi.gov/about-us/cjis/identity-history-summary-checks](http://www.fbi.gov/about-us/cjis/identity-history-summary-checks). Additionally, requests can be submitted electronically at [www.edo.cjis.gov](http://www.edo.cjis.gov). For additional information, please contact CJIS directly at (304) 625-5590.

## **EXPLANATION OF EXEMPTIONS**

### **SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552**

- (b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;
- (b)(2) related solely to the internal personnel rules and practices of an agency;
- (b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;
- (b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;
- (b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;
- (b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;
- (b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information ( A ) could reasonably be expected to interfere with enforcement proceedings, ( B ) would deprive a person of a right to a fair trial or an impartial adjudication, ( C ) could reasonably be expected to constitute an unwarranted invasion of personal privacy, ( D ) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, ( E ) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or ( F ) could reasonably be expected to endanger the life or physical safety of any individual;
- (b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or
- (b)(9) geological and geophysical information and data, including maps, concerning wells.

### **SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552a**

- (d)(5) information compiled in reasonable anticipation of a civil action proceeding;
- (j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;
- (k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;
- (k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;
- (k)(4) required by statute to be maintained and used solely as statistical records;
- (k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process;
- (k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

This document is made available through the declassification efforts  
and research of John Greenewald, Jr., creator of:

# The Black Vault

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The Black Vault is the largest online Freedom of Information Act (FOIA)  
document clearinghouse in the world. The research efforts here are  
responsible for the declassification of hundreds of thousands of pages  
released by the U.S. Government & Military.

**Discover the Truth** at: **<http://www.theblackvault.com>**

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Total Deleted Page(s) = 23

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Page 16 ~ Duplicate;  
Page 33 ~ Duplicate;  
Page 41 ~ Duplicate;  
Page 42 ~ Duplicate;  
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Page 50 ~ Duplicate;  
Page 58 ~ Duplicate;  
Page 66 ~ Duplicate;  
Page 71 ~ Duplicate;  
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# FEDERAL BUREAU OF INVESTIGATION

Form No. 1  
THIS CASE ORIGINATED AT WASHINGTON FIELD

REPORT MADE AT <b>PORTLAND</b>	DATE WHEN MADE <b>8/19/52</b>	PERIOD FOR WHICH MADE <b>8/18/52</b>	REPORT MADE BY <b>ELVIN L. BARTON</b>
TITLE <b>PEYTON FORD; HERBERT AUGUSTUS BERGSON; HERBERT BORKLAND: ALBERT F. ADAMS; SUMNER MURRAY REDSTONE</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERNMENT; MISCONDUCT IN OFFICE</b>

SYNOPSIS OF FACTS:

ATTENTION: ASSISTANT DIRECTOR A. ROSEN

CONFIDENTIAL

LEONARD A. NIKOLORIC, attorney, Portland, Oregon, formerly associated law firm of ARNOLD, FORTAS & PORTER, Washington, D.C., advises that he talked only with ROGER WOLLENBERG of the Anti-Trust Division, U. S. Department of Justice, in connection with the KIEFER-STEWART case. He is not aware that any members of his law firm discussed this case with other members of Department but believes he would have known had they done so. He states that it is his understanding that the Department refused to intervene in the KIEFER-STEWART case, which they are always reluctant to do in such civil cases. NIKOLORIC states that he considers all Departmental officials with whom he has dealt in all matters to be entirely honest and above reproach.

- RUC -

EXPEDITE PROCESSING

DETAILS:

AT PORTLAND, OREGON

LEONARD A. NIKOLORIC, Attorney at Law, State of Oregon, Room 610 Equitable Building, is associated in the practice of law in the

APPROVED AND FORWARDED: <i>James B. Foster</i> SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
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City of Portland with C. GIRARD DAVIDSON, attorney, who was former Assistant Secretary of the Interior. Mr. NIKOLORIC was interviewed by the writer and SA HAROLD E. WONNELL. He advises that he was associated with the law firm of ARNOLD, FORTAS & PORTER, Washington, D.C., from late 1946 until early 1951 and is still connected with them as an associate on some legal matters. Mr. NIKOLORIC said that he has never been employed by the United States Government and has never had any official connection with the United States Department of Justice. He states that he has only a vague recollection of the pertinent matters concerning the KIEFER-STEWART case but does recall that he prepared the brief on this case, which was subsequently argued before the Supreme Court of the United States by PAUL PORTER of their law firm after the Supreme Court had granted them a writ of certiorari. He stated that prior to the granting of this writ, he had discussed this case with ROGER WOLLENBERG, attorney in the Antitrust Division of the U. S. Department of Justice, in an attempt to get the Department of Justice to intervene in the case. He states that ROGER WOLLENBERG has been a personal friend of his for some years standing and he recalls that when he discussed this matter with him, WOLLENBERG said that he did not believe that the Department should intervene in the KIEFER-STEWART case and that he, WOLLENBERG, would so recommend. Mr. NIKOLORIC advised that he was not surprised at the stand taken by the Department inasmuch as he was quite aware that the Department has always been reluctant to intervene in such civil cases.

Mr. NIKOLORIC stated that in discussing this with THURMAN ARNOLD and PAUL PORTER of his law firm, he recalls that they told him that they thought that he was wasting his time trying to get the Department to intervene, but that he did so anyway. He stated that his discussion with ROGER WOLLENBERG on this matter of intervention was, in his opinion, definitely prior to the time before HERBERT A. BERGSON would have ever heard of the case from the Department's standpoint. Mr. NIKOLORIC further stated that he argued that the Department should intervene inasmuch as a novel point of law was involved in the antitrust category wherein the SEAGRAM and CALVERT distilleries had discriminated against his client, KIEFER-STEWART. He said the distilleries attempted to have distributors such as KIEFER-STEWART maintain retail prices at or near the old OPA liquor prices, resulting in KIEFER-STEWART being unable to handle their products with any profit. Upon



KIEFER-STEWART's refusal to abide by these lower prices, the distilleries refused to sell to them, resulting in a large loss. He said the question involved was whether or not a conspiracy to keep prices down was a violation of antitrust laws, as previous contentions had always been that the conspiracy involved was an attempt to raise prices in a discriminatory fashion.

Mr. NIKOLORIC said that the Supreme Court of the United States will grant a writ of certiorari in only a limited number of cases. He vaguely recalls that the Department did come into the case after the writ of certiorari was granted, filing a brief amicus curiae.

Mr. NIKOLORIC said that it is possible that HERBERT A. BERGSON would have had some slight knowledge of this case, but he is not aware of it. He said that normally BERGSON would have had practically nothing to do with the case as the Department would have been represented in the Supreme Court by the Office of PHILIP PERLMAN, Solicitor General of the United States. He does not recall that the Department even argued this matter before the Supreme Court, but if they did, it would have been limited only to that point involving the criminal provisions of the antitrust laws.

Mr. NIKOLORIC stated that it was his opinion that HERBERT A. BERGSON is entirely honest and above reproach, which comment he also extends to PEYTON FORD and HERBERT BORKLAND. He stated that he is not well acquainted with PEYTON FORD or HERBERT BORKLAND and would not call himself a close friend of Mr. BERGSON. He stated that in his contacts with the Department he has never found anyone in the Department who was not strictly ethical in his dealings with him. He stated he is not acquainted with ALBERT F. ADAMS or SUMNER MURRAY REDSTONE. He stated that he had heard it rumored that Mr. BERGSON in some fashion represented some liquor interests after leaving the Department, but he is not acquainted with the details in this matter.

Mr. NIKOLORIC stated that he did recall that Mr. BERGSON was reported to have represented in some manner the ALCOA interests after leaving the Department and he was of the opinion that this was not strictly ethical inasmuch as the Department had had considerable dealings in the antitrust field with the ALCOA interests during BERGSON's tenure of office with the Department. He stated further that it was his

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opinion that some officials in the Department of Justice were at times stupid in their operations but he believes that they have, to his knowledge, always been strictly honest.

Mr. NIKOLORIC advised that he is not aware that any member of his law firm, including THURMAN ARNOLD or PAUL PORTER, had any contacts with Departmental officials concerning the KIEFER-STEWART case. He said that he does not believe that they did have any such contacts, as he felt that he would have known it inasmuch as he was discussing this case with them and was quite intimate with all the details of the KIEFER-STEWART case, which he prepared almost entirely by himself.

- RUC -

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ADMINISTRATIVE PAGE

At the conclusion of the interview with Mr. LEONARD A. NIKOLORIC, Attorney at Law, Portland, Oregon, he stated that he planned to direct a letter to THURMAN ARNOLD of the law firm of ARNOLD, FORTAS & PORTER, Washington, D.C., outlining his interview with Special Agents of this Bureau. He stated further that he will assist this Bureau in any way possible and would cooperate in the future should information possibly in his possession be necessary to further clarify any of these matters.

REFERENCE: Report of SA THOMAS J. JENKINS, Washington, D.C.,  
dated August 16, 1952.

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

WASHINGTON FIELD

REPORT MADE AT <b>CLEVELAND</b>	DATE WHEN MADE <b>8/8/52</b>	PERIOD FOR WHICH MADE <b>8/7,8/52</b>	REPORT MADE BY <b>EDWARD G. KUMEROV ETW</b>
TITLE <b>HERBERT BERGSON, PEYTON FORD, HERBERT BORKLAND, ALFRED F. ADAMS</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERNMENT; MISCONDUCT IN OFFICE</b>

**SYNOPSIS OF FACTS:**

Files of Cleveland Antitrust Office disclosed conferences with BERGSON and BORKLAND on 11/6/51 and 12/27/51. Files also disclosed BERGSON and BORKLAND conferred with M. A. HOLLABAUGH in June and July, 1952. Original file received in Cleveland in May, 1951, and returned to Washington 5/9/52. R. B. HUMMEL advised he first learned of investigation in May, 1951; had met BERGSON two or three times and he knew BORKLAND in Washington. Does not know FORD. First meeting with BERGSON and BORKLAND in connection with B. F. Goodrich investigation on 11/6/51. Both conducted themselves as attorneys pleading for client. Copies of correspondence forwarded to Bureau.

- RUC -

**Details:**

**AT CLEVELAND, OHIO**

ROBERT B. HUMMEL, Chief Great Lakes Division, Antitrust Division was contacted on August 7, 1952.

APPROVED AND FORWARDED: <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT		<b>62-97558-165</b> <b>20 AUG 11 1952</b> <i>14</i>	<b>RECORDED-86</b> <b>INDEXED-86</b> <b>EX-25</b>
5 - Bureau (62-97558) (AMSD) (Encls) 3 - Washington Field (46-2715) (AMSD) 2 - Cleveland (46-1023)		<i>Winter</i> <i>[Signature]</i>	

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He advised he was first notified of the B. F. ~~Goodrich~~ Foreign Agreement Investigation on May 10, 1951 at which time he received a file from Washington concerning foreign agreements for the manufacture of Polyvinyl Chloride, B. F. ~~Goodrich~~ Chemical Company.

As he recalled, the file consisted of a report from the State Department, an analysis of the British and Japanese agreement with B. F. Goodrich concerning "Geon" and instructions to contact B. F. Goodrich regarding licensing consumers of Polyvinyl Chloride. He said the original file was returned to the Department on May 9, 1952.

A review of the files available disclosed correspondence between HAROLD S. MEYER, Patent Counsel and R. G. JETER, General Counsel for B. F. Goodrich, and inter-office correspondence with MARCUS A. HOLLABAUGH, Chief, Special Litigation Section, Department of Justice.

By inter-office memo dated November 7, 1951, for attention of HOLLABAUGH, HUMMEL advised that he and G. L. DERR of his office were visited by H. A. BERGSON and H. A. BORKLAND, who informed they represented B. F. Goodrich.

BERGSON requested an opportunity to "clean house" in a fashion ~~satisfactory to the Department.~~ HUMMEL was non-committal and inquired whether BERGSON's arrangement contemplated that the Department would be given free access to the files, including Domestic as well as those relating to Foreign agreements. In his memo, HUMMEL commented that he and DERR viewed the proposal with mixed feelings. They considered the possibility of mootness being successfully argued should suit be filed while Goodrich was in the process of revising its arrangements, or after such revision had been completed. They considered the advisability of giving the industry a "breathing spell" within which to bring its arrangements into line. However, he commented that it also provided a handy vehicle for stalling, and would put the Division in the position of approving the arrangements made. The proposal, however, might lead to a complete file investigation and would serve as a means of investigating the entire rubber industry.

HUMMEL advised that prior to this meeting he had met BERGSON only two or three times, although he knew BORKLAND quite well. He said

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BERGSON did most of the talking during the conference, but did not indicate he desired any favors due to his former position as Assistant Attorney General. According to HUMMEL, both BERGSON and BORKLAND conducted themselves as any attorney would who was representing a client.

BERGSON and BORKLAND contacted the Cleveland Antitrust Office again on December 27, 1951, and met with DERR and JOHN J. ANDERSON. At that time BERGSON furnished them with certain agreements and royalties paid B. F. Goodrich.

By inter-office memo dated May 9, 1952, HUMMEL advised HOLLABAUGH he was sending the file in this matter to Washington. He stated he was willing to investigate further, but due to other pending cases, believed it could best be handled in Washington.

A telephone call, reduced to a memo disclosed HOLLABAUGH telephonically advised DERR that he was meeting with BERGSON and BORKLAND on the morning of June 3, 1952 to discuss future courses of action.

Interoffice memo dated June 11, 1952, from T. M. KERR related to a conference held at Washington on June 3, 1952, attended by BERGSON and BORKLAND and by Department Attorneys EPHRAIM JACOBS, HOLLABAUGH and KERR. B. F. Goodrich desired an opportunity to establish a good faith intention. Mr. JACOBS said the Antitrust Division could not reach a satisfactory opinion unless it was given access to the files of the company.

An interoffice memo dated July 7, 1952, from HOLLABAUGH related to a meeting attended by Assistant Attorney General CLAPP, JACOBS, HOLLABAUGH, and BERGSON and BORKLAND, in which BERGSON proposed the suit be dropped providing Goodrich reformed its contracts. This Department advised it could not accept his conditions.

A copy of a letter addressed to NEWELL A. CLAPP from BERGSON dated July 18, 1952, enclosed copies of the following documents:

1. Application for Validation concerning Technological Assistance with Japanese Geon Company, dated October 9, 1950.
2. Validation dated January 9, 1951 by Supreme Commander for Allied Powers.

3. Validation dated January 9, 1951, by ~~the~~ Foreign Investment Commission of Japan.
4. Report dated February 14, 1951, given to the Foreign Investment Commission of Japan.

Other records available at Cleveland consist of a file of agreements furnished by B. F. Goodrich; a survey of the plastic industry prepared by AUTE L. CARR, and a report of the Commissioner, Combines Investigation Act, Department of Justice, Ottawa, Canada, dated May 21, 1952 relating to Rubber Products.

It should be noted that BERGSON and BORKLAND resigned from the Department of Justice in September and November, 1950 respectively. According to HUMMEL, his first knowledge of the B. F. Goodrich Foreign Agreement Investigation was in May, 1951, and he met BERGSON and BORKLAND in connection with this case in November, 1951.

HUMMEL also pointed out that the original investigation was concerned only with foreign agreements with respect to Polyvinyl Chloride (Geon), however, his office had extended the investigation to include foreign agreements concerning the rubber industry.

He said no other contacts were had with BERGSON and BORKLAND, except for telephone conversations arranging the conferences on November 6, 1951 and December 27, 1951.

HUMMEL advised he had never met PEYTON FORD,

GEORGE L. DERR, former Chief of the Great Lakes Antitrust Office, who is in ill health and is vacationing until August 22, prepared studies and analyses of B. F. Goodrich licenses and agreements which were submitted to the Department.

JOHN R. ANDERSON attended the conference with BERGSON and BORKLAND in the absence of Mr. HUMMEL on December 27, 1951.

Photostatic copies of all correspondence relating to BERGSON and BORKLAND were obtained and consist of the following data:

1. To MARCUS A. HOLLABAUGH from ROBERT B. HUMMEL dated May 15, 1951; Re: Polyvinyl Chloride, B. F. Goodrich Chemical Company, advising the file would be studied.



2. To MARCUS A. HOLLABAUGH from ROBERT B. HUMMEL, dated November 7, 1951 referred to conference with Messrs. BERGSON and BORKLAND on November 6, 1951
3. To HUMMEL from HOLLABAUGH dated November 26, 1951 advised that BORKLAND and BERGSON would like to discuss the case.
4. To files from JOHN R. ANDERSON, dated December 28, 1951, referred to conference held with BERGSON and BORKLAND at Cleveland, on December 27, 1951, in which information regarding Royalties paid to Goodrich was obtained and additional licenses were furnished.
5. To files from JOHN R. ANDERSON dated December 28, 1951; regarding telephone conversation between GEORGE DERR and HOLLABAUGH. HOLLABAUGH was willing to hold conference.
6. To files from GEORGE L. DERR, dated January 5, 1952, regarding "Shop Right" licenses.
7. To DERR from BERGSON dated January 11, 1952 furnished additional information requested at conference on December 27, 1951.
8. To HUMMEL from HOLLABUAGH, dated June 6, 1952, regarding conference held in Washington on June 3, 1952.
9. To files from T. M. KERR, dated June 11, 1952, regarding conference held in Washington on June 3, 1952 with BERGSON and BORKLAND.
10. To HUMMEL from HOLLABAUGH, dated June 17, 1952; regarding Japanese and British Geon Companies.
11. To files from HOLLABAUGH dated June 30, 1952 regarding conference on June 18, 1952 for purpose of demonstrating a "good faith" effort by Goodrich.
12. To files from HOLLABAUGH, dated July 7, 1952 regarding meeting held July 7, 1952 attended by BERGSON, BORKLAND, NOWALL A. CLAPP, EPHRAIM JACOBS and HOLLABAUGH.
13. To HUMMEL from EPHRAIM JACOBS, dated July 22, 1952, enclosing a copy of BERGSON's letter and enclosures.

CV FO  
46-1023

Enclosures to Bureau: Thirteen pieces of correspondence.

- RUC -

CV FO  
46-1023

REFERENCE: Washington Field letter to Director, dated 8/6/52.

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

AUG 22 1952

TELETYPE

WASH AND WASH FLD FROM NEW YORK 36 22 4-45 PM

DIRECTOR AND SAC URGENT

Mr. Tolson\_\_\_\_\_  
Mr. Ladd\_\_\_\_\_  
Mr. Nichols\_\_\_\_\_  
Mr. Belmont\_\_\_\_\_  
Mr. Clegg\_\_\_\_\_  
Mr. Glavin\_\_\_\_\_  
Mr. Harbo\_\_\_\_\_  
Mr. Rosen\_\_\_\_\_  
Mr. Tracy\_\_\_\_\_  
Mr. Laughlin\_\_\_\_\_  
Mr. Mohr\_\_\_\_\_  
Mr. Winterrowd\_\_\_\_\_  
Tele. Room\_\_\_\_\_  
Mr. Holloman\_\_\_\_\_  
Miss Gandy\_\_\_\_\_

PEYTON FORD, ET AL, FAG. MISCONDUCT IN OFFICE. REBUTEL AUG.  
TWENTYONE LAST. JOHN S. SWARTZ, ANTITRUST DIVISION, NY ON ANNUAL  
LEAVE UNTIL SEPTEMBER TWO NEXT. HIS ASSISTANT PAUL D. SAPIENZA,  
NY ANTITRUST OFFICE, <sup>ADVISES</sup> ~~CASE~~ CASE REFERRED TO IN SWARTZ- MEMO JULY  
THREE LAST BEARS ANTITRUST NUMBER SIXTY DASH TWO ZERO ONE DASH SEVENTEEN  
AND IS ENTITLED PERFUME DASH TOILET GOODS INDUSTRY, SOME OF THE  
DEFENDANTS OF WHICH ARE CHANEL, INC., HOUBIGANT, INC., LUCIEN LE  
LONG., LENTHERIC, INC., PRINCE MATCHABELLI, INC. ETC. <sup>62-97558-166</sup>

EX-115

AUG 27 1952

65 SEP 3 1952

CORR L 4 WD 4 "ADVISES

HOLD PLS

THQ COPIES WFO

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (62-97558)

FROM : SAC, WFO (46-2715)

SUBJECT: PEYTON FORD;  
HERBERT AUGUSTUS BERGSON;  
HERBERT BORKLAND;  
ALBERT F. ADAMS;  
SUMNER MURRAY REDSTONE  
FRAUD AGAINST THE GOVERNMENT;  
MISCONDUCT IN OFFICE

DATE: August 25, 1952

There is being enclosed herewith to the New Haven Office one copy of the report of Special Agent THOMAS J. JENKINS dated August 16, 1952, and one copy of the report of Special Agent THOMAS J. JENKINS dated August 23, 1952.

The attention of the New Haven Office is directed to pages 173 and 174 of the report dated August 16, 1952, giving a background in the instant case and which outlines specific Bureau instructions in the handling of this investigation. All leads in this investigation must be conducted immediately and a report immediately submitted to the Bureau Air Mail Special Delivery.

In the report of Agent JENKINS dated August 16, 1952, there is set forth an interview with T. LAMAR CAUDLE, former Assistant Attorney General. In the report of Agent JENKINS dated August 23, 1952, there is set forth the results of interviews with various individuals presently in the Department and former departmental employees referred to in CAUDLE's statement. One of the individuals mentioned in CAUDLE's statement as having discussed the subjects with him, particularly PEYTON FORD, is SALVATOR ANDRETTA, Administrative Assistant to the Attorney General. It will be noted in CAUDLE's statement that he has allegedly to have informed CAUDLE that PEYTON FORD was usurping the powers of the Attorney General, undermining former Attorney General J. HOWARD McGRATH, and lowering the morale generally in the Justice Department. At the present time ANDRETTA is on leave and is not expected to return to work until after Labor Day and can be contacted at Lovely Street, Unionville, Connecticut, telephone, Farmington 7-0063.

PROCESSING

It is requested that the New Haven Office immediately obtain from SALVATOR ANDRETTA information regarding FORD's usurping of the powers of the Attorney General and whether he has any knowledge of any cases that were purposely mishandled by FORD, BERGSON, or BORKLAND so that this firm could receive business from the defending companies at a later date. Will also obtain from ANDRETTA detailed background information regarding his association with the subjects and whether he has any knowledge of their operations and clients in their present law business.

TJJ:GJM

2 - New Haven (AMSD) (ENCLS) 2-115

65 SEP 3 1952

RECORDED - 53

12 AUG 27 1952

## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

FROM : A. ROSEN *AR*

SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

DATE: August 14, 1952

Tolson ☒

Ladd ☒

Nichols ☒

Belmont ☒

Clegg ☒

Glavin ☒

Harbo ☒

Rosen ☒

Tracy ☒

Mohr ☒

Tele. Rm. ☒

Nease ☒

Gandy ☒

Former SA Collier, now Chief Counsel of the Chelf Committee, advised Winterrowd that Peyton Ford and Herbert Bergson had personally visited him on August 13, 1952, and were very disturbed about the fact that the Committee had issued a subpoena for their bank account. Collier said they had quite a conversation and the net result of the conference is that Ford and Bergson have agreed to give to the Committee a list of all of their clients, the amount of money paid by all the clients, and the nature of the work done for the clients. Collier will make this information available to the Bureau. He stated that he had already informed AAG Murray concerning this.

Collier further advised that he told Ford and Bergson that they must give all of their accounts, identify them without exception, and that it would be necessary, possibly, to check the firm's bank accounts against the fees listed by the law firm for the Committee. Collier said they agreed that if it were necessary they would permit an examination of their bank accounts but were most disturbed over the fact that a subpoena was outstanding against the bank account.

Collier expects this information on Friday, August 15, 1952, and has advised that he will make it available either on that date or on Saturday, August 16th. When this list is made available, we will, of course, have to check the Department's files to determine if there were pending cases against the clients and make appropriate reviews. We will, of course, have to also check with the clients in question to determine just how they came about selecting the law firm to handle their business.

ACTION

None at this time. The foregoing is submitted for informative purposes.

62-97558

EHW/rh

RECORDED - 56

162-97558-168

EX-115

23 AUG 27 1952

68 SEP 4 1952

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (62-97558)

DATE: August 25, 1952

FROM : SAC, WFO (46-2715)

SUBJECT: PEYTON FORD, et al  
FRAUD AGAINST THE GOVERNMENT;  
MISCONDUCT IN OFFICE

There is enclosed herewith to the Oklahoma City Office one copy of the report of SA THOMAS J. JENKINS dated 8-23-52 at Washington, D. C. Your attention is also directed to the report of SA JENKINS dated 8-16-52 at Washington, D. C., in connection with the interview with T. LAMAR CAUDLE in which allegations were made by CAUDLE that HOLMES BALDRIDGE, Assistant Attorney General in Charge of the Claims Division of the Department, had been appointed to the position by PEYTON FORD when he was Deputy Attorney General and that BALDRIDGE was definitely a FORD man.

In the enclosed report your attention is directed to the interview with CURTIS SHEARS on page 102 which alleges that HOLMES BALDRIDGE had conferences with HERBERT BERGSON relative to the settlement of the Flat Glass Case. The review of the Flat Glass Case appears in the report of Agent JENKINS dated August 16, 1952, and investigation concerning the Flat Glass Case is reflected in the enclosed report.

It has been determined that BALDRIDGE is now residing for about 2 or 3 weeks at 2604 NW 13th Street, Oklahoma City, Oklahoma, telephone number 5-46783.

It is requested that the Oklahoma City Office interview BALDRIDGE to determine the reason why CURTIS SHEARS was taken off the Flat Glass Case after the Government had concluded their part in the case and will determine from BALDRIDGE what conferences took place between HERBERT BERGSON and officials of the Flat Glass industry relative to the settling of the case. Will also determine from him what part PEYTON FORD played in the settlement of this case obtaining detailed information relative to any intervention in the case by FORD. Will determine also from BALDRIDGE whether he knows of any members of the Flat Glass industry who are now represented by the subject's firm.

EXPEDITE PROCESSING

This investigation should be conducted as soon as possible and a report submitted AMSD.

TJJ:OK

2 - Oklahoma City (AMSD) (Encl. 1)

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*Handwritten:* 62-97558-  
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6-20-5



## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd *pl*  
 FROM : Mr. Rosen *pm*  
 SUBJECT: PEYTON FORD, ET AL  
 FRAUD AGAINST THE GOVERNMENT  
 MISCONDUCT IN OFFICE

DATE: August 21, 1952

Tolson \_\_\_\_\_  
 Ladd \_\_\_\_\_  
 Nichols \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Clegg \_\_\_\_\_  
 Glavin \_\_\_\_\_  
 Harbo \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Tracy \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Tele. Rm. \_\_\_\_\_  
 Nease \_\_\_\_\_  
 Gandy \_\_\_\_\_

It is to be recalled that former Special Agent Robert Collier, Chief Counsel of the Chelf Committee, supplied the identities of clients listed by Ford and Bergson. In addition to those which Collier had listed for the Bureau, he telephonically supplied on August 20, 1952, an additional client in the form of the following:

Collier stated that listed among the clients was the law firm of ~~Clark, Coon, Holt and Fisher~~ of Dallas, Texas, which firm had paid a \$500 fee in March, 1951, to the Ford, Bergson, et al law firm for an undisclosed purpose. He stated that the law firm in Dallas, Texas, includes the brother of former Attorney General Tom C. Clark, Bob ~~Clark~~.

The question as to what, if any, investigation relative to this particular item is desired is being submitted in a memorandum to the Attorney General with copies to Assistant Attorney General Murray under date of August 21, 1952.

EHW:jh  
 62-97558

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 INDEXED - 56

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62-97558-170  
 AUG 27 1952

SEP 4 1952

## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

DATE: August 18, 1952

FROM : A. ROSEN *DR*SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

Tolson	_____
Ladd	_____
Nichols	_____
Belmont	_____
Clegg	_____
Glavin	_____
Harbo	_____
Rosen	_____
Tracy	_____
Mohr	_____
Tele. Rm.	_____
Nease	_____
Gandy	_____

PURPOSE

To summarize separately the information in the sworn signed statement of T. Lamar Caudle.

DETAILS

On August 12, 1952, at Wadesboro, North Carolina, T. Lamar Caudle, former head of the Tax Division of the Department of Justice, signed a sworn statement. That statement is summarized below under appropriate captions.

Knowledge of the Department and Subjects

Caudle was head of the Tax Division from 1947 to November, 1951, and previously spent two years in the Criminal Division of the Department. Generally, most of his knowledge concerned the Tax Division and the Small Business Section of the Antitrust Division. Caudle made speeches throughout the country under the auspices of the Democratic Party concerning small business.

Caudle was intimately acquainted with Herbert Bergson and Peyton Ford. He met Herbert Borkland on a number of occasions but had little or no working contact with him. Caudle stated that Bergson and Ford were good friends of Bob Clark, brother of Tom Clark, and through this connection were close to Tom Clark when he was Attorney General.

Caudle stated it was rumored that prior to Bergson's resignation that Bergson and Ford intended to set up a law office. It was also rumored that J. Howard McGrath, then Attorney General, and President Truman were tired of Peyton Ford as Deputy Attorney General and this attitude was hinted to Ford; however, Ford misconstrued attempts of the administration to get rid of him and because he thought they wanted him to stay he remained with the Department after Bergson's resignation. The White House finally gave instructions to McGrath to tell Ford that he had to leave as A. Devitt Vanech was to be appointed Deputy Attorney General. Caudle stated that Ford resigned in August and Vanech was appointed in September 1951. He further stated that he learned of Ford's resignation from Salvatore Andretta of the Department.

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AUG 27 1952

Memorandum for Mr. Ladd

Caudle had a definite feeling, and believed others in the Department shared the feeling, that Ford was sending clients to Bergson. Caudle stated he was unable to identify any such instances or any such clients. He stated he knew of no attorney or employee of the Department who mishandled a case purposely to get the business of the defendants after leaving the Department.

#### Knowledge of the Law Firm

Caudle stated he did not know whether Ford directed clients to the firm of Bergson, et al, while Ford was in the Department. As noted above, Caudle stated he had a feeling, and this feeling was shared with others, that such action was being taken by Ford; however, he was unable to amplify this belief.

Caudle stated he does not believe that Sumner Redstone was placed in the Department by Ford. Prior to Redstone's resignation from the Department, Governor Ely of Massachusetts had mentioned to Caudle he had an opening in his law firm and was interested in contacting a young energetic attorney. Caudle suggested this to Redstone who said he would contact Governor Ely. Later, Ford called Caudle and he said he had Redstone in his own firm and had broken up Caudle's plan to place Redstone in Governor Ely's office. (Ford was still in the Department).

Caudle does not know whether members of subject law firm ever contacted Sumner Redstone or Virginia Adams, wife of Albert Adams, while these two were employed in the Tax Division of the Department.

Caudle heard from Grace Stewart, then Administrative Assistant to the Attorney General, that a friend of hers had seen the law firm's books and that the income was large and to a great extent was from clients obtained while Ford and Bergson worked in the Department. (Grace Stewart has been interviewed and furnished no information of substance in this connection).

#### Knowledge of Clients of the Law Firm

Caudle stated he had no direct knowledge of the identity of clients of the subject law firm. In one instance, Ford called him two or three times about a case that Bergson was handling several months after Bergson left the Department. Caudle does not recall the name of the case but suggested that Departmental Attorney John Lockley might be able to identify this case. Caudle continued that Ford did not encourage or discuss any particular course of action. It was Caudle's belief that Lockley felt this

Memorandum for Mr. Ladd

case should not be prosecuted and Caudle believes the case was not prosecuted; however, he heard but does not know if Bergson received a \$25,000 fee.

Caudle was advised by Congressman Frank W. Boykin (D-Alabama) that the Aluminum Company of America was a client of subjects' law firm and that the firm was hired through Alcoa's public relations man or lobbyist in Washington, D. C. Caudle has no knowledge of any contacts the subjects might have had with representatives of Alcoa.

Caudle has no knowledge of any contacts by Bergson, Ford, or Borkland with anyone in the Department after they left the Department and has no knowledge of contacts Bergson might have had with Ford while Ford was still in the Department. Caudle suggested that Departmental Attorney Curtis Shears of the Antitrust Division might have information along these lines inasmuch as Shears was disliked by Ford and Bergson and for a period of time had no work assigned to him.

Caudle has no specific knowledge with respect to the other seven matters mentioned in the Attorney General's letter of July 30, 1952. Caudle furnished general information which may be pertinent to these matters. He recalled that Graham Morison once mentioned an "athletic case" and claimed he had an excellent case but someone above him had stopped it. Caudle stated this might have referred to the International Boxing Club matter which is one of the eight matters under instant consideration.

Caudle stated that Gordon Grant in the Small Business Section of the Antitrust Division, had claimed he had been stymied while handling a case regarding the Sylvania Company. This may pertain to the Small Business complaint against Sylvania Electric Products, Inc., wherein investigation in instant matter has developed no information of substance. Caudle also recalled that Curtis Shears mentioned the B. F. Goodrich Foreign Agreements case but was unable to enlarge on this case.

General Allegations re Peyton Ford's  
Handling of Department

Salvatore Andretta told Caudle that Ford was undermining then Attorney General McGrath and wrecking morale of the Department of Justice. It was understood that Ford was kept on after Tom Clark went to the Supreme Court because of his connections with Clark. Soon after he was made Deputy Attorney General, Ford began usurping powers of the Attorney General.. Ford instructed certain

Memorandum for Mr. Ladd

heads that he was going to take over some of their duties. Ford remarked that because McGrath was out of town so much he had to run the Department. Caudle discussed with Andretta and Boris Kostelanetz, Departmental Attorney, how Ford was undermining McGrath and the fact that the morale of the Department was so low.

GRACE STEWART: According to Caudle, Ford took practically all of the duties and work away from Grace Stewart when she was Administrative Assistant to the Attorney General.

TAX CASES: Ford instructed Caudle that all tax compromise cases were to be sent to Ford for examination. Caudle previously had sent compromise cases to Grace Stewart with his recommendations except cases where the amount was under \$10,000. According to Caudle this procedure slowed up the handling of tax cases and there seemed to be a bottle neck in Ford's office. This hampered the Tax Division. Caudle does not know if Ford intentionally held up tax cases and does not know of any mishandling; however, Caudle heard that Ford personally advised attorneys for the defendants when a compromise offer was accepted. Caudle believed this was a practice by Ford to build himself up. Caudle suggested that "Manny" Sellers, Chief of the Compromise Section of the Tax Division, is a good source for further information about Ford's handling of the tax cases. He added that Ford had tried to get Sellers fired.

PERSONNEL PLACED IN DEPARTMENT BY FORD: According to Caudle, Ford continually tried to place his own people in vacancies. Ford placed Virginia Adams, wife of Albert Adams, in the Tax Division and in another instance Ford did not approve of two appointments made by Caudle, claiming that he, Ford, had two men he wanted to place in the Tax Division and also claiming that then Attorney General McGrath was upset over the appointments made by Caudle. He was unable to identify the two men Ford wanted to place in the Department except that one had a name sounding like "Frazier."

Caudle believes that Ford is responsible for the promotion of Holmes Baldridge to Assistant Attorney General in charge of the Claims Division. Ford also bragged that he was responsible for getting Bergson his job as Counsel, Office of Defense Mobilization, where Bergson could continue his practice and would be able to get future clients.

Caudle attributed the appointment of Graham Morison to Ford and stated that Morison was a good friend of both Ford and Bergson. Morison once asked Caudle how he was getting along with Ford. At the same time Morison said that someone, believed to be A. Devitt Vanech, was slamming Ford on "Capitol Hill."

Memorandum for Mr. Ladd

Morison on another occasion mentioned an argument he had with Ford and Caudle assumed this was about a pending case in the Department. Morison also told Caudle that he was held up from trying certain cases by someone in the Department but did not name the individual. Caudle does not believe Morison mentioned Ford or Bergson in this connection. Caudle further does not remember the names of the cases involved.

Caudle stated he knew that Ford recommended Newbold Morris to McGrath to clean up corruption in the Government. Caudle does not believe Morris or any of Morris' organizations were clients of Ford's law firm. He has no knowledge that Ford or Bergson were involved in any way with the "Tanker case." (North American Shipping and Trading Company, Inc., etal, Fraud Against the Government).

Caudle pointed out that there were several attorneys who sat around the Department with nothing to do because Ford and Bergson did not like them and no work was assigned to them. One of these attorneys was Curtis Shears who has previously been mentioned.

DEAN SCHEDLER AS PIPE-LINE TO FORD:

Caudle stated that Peyton Ford was responsible for the appointment of Dean Schedler as Director of Public Information for the Department. Schedler was a good friend of Ford's and was appointed over Leo Cadison of the Department whom other Department officials wanted in that position. Ford and Schedler were in daily contact with each other while Ford was in the Department.

After Ford left the Department it was rumored by various persons in the Department that Schedler was feeding Ford information and could be classed as a "pipe-line" to Ford.

A. Devitt Vanech told Caudle that Schedler was a pipe-line to Ford. According to Caudle there was considerable friction between Ford and Vanech in the Department.

CONGRESSMAN FRANK W. BOYKIN:

Caudle claimed that Congressman Boykin was a close personal friend of his. Boykin on a number of occasions asked Caudle if he could do something for two individuals who were friends of Boykin. This request pertained to the Ripps-Mitchell tax case, which case was rather aggravated, and Caudle so informed Boykin. Caudle continued that this case did go to trial and both men received prison sentences.

Memorandum for Mr. Ladd

Boykin also on one occasion suggested to Caudle that he should leave the Department and suggested that the Aluminum Company of America wanted legal counsel and would pay \$25,000 yearly as a retainer fee. Caudle states that he did not consider this because of his loyalty to then Attorney General McGrath and the Administration. Boykin subsequently told Caudle in 1951 that Alcoa had retained Ford's law firm.

REPRESENTATIVE CECIL KING, ET AL:

Included in the statement of Caudle were comments concerning Caudle's appearance before the King Committee and allegations by Caudle that Representative Cecil King, (D-California) had received large sums of money from a wine industry in California and that King had offered Congressman Mendel Rivers, (D-South Carolina) \$25,000 to go along with King on wine legislation. These allegations are the subject of a separate memorandum.

ACTION

A number of the above persons mentioned by Caudle have been interviewed and those other persons who should be interviewed will be contacted. A summary of the entire investigation to date is also being prepared. Copies of reports received at the Bureau are being immediately furnished to Assistant Attorney General Charles B. Murray.

The handling of tax cases by Peyton Ford is being investigated. The allegations concerning Dean Schedler being a pipe-line to Ford are being investigated. Congressman Boykin will be interviewed concerning the retainer fee of \$25,000 reported to be offered by Alcoa. The other persons mentioned by Caudle as alternate sources concerning various phases in this investigation are being interviewed.



## FEDERAL BUREAU OF INVESTIGATION

FORM NO. 1  
THIS CASE ORIGINATED AT

Washington Field

FILE NO.

REPORT MADE AT Kansas City	DATE WHEN MADE 8-12-52	PERIOD FOR WHICH MADE 8-11-52	REPORT MADE BY JAMES E. HATHAWAY (A) j1
TITLE PEYTON FORD, et al,			CHARACTER OF CASE FRAUD AGAINST THE GOVERNMENT MISCONDUCT IN OFFICE

*1 cc for AG  
retd to file  
at 9-3-52*

*1cc AS  
BET  
8-28-52  
ecw*

*1cc Charles  
Murray  
AAJ  
By Murray 8/1/52  
ecw*

*1cc ret. by Walker  
12-4-52 fm*

SYNOPSIS OF FACTS: THOMAS M. KERR, JR., Attorney, Anti Trust Division, interviewed at KCMO. KERR'S knowledge of anti trust cases involving clients of subjects is limited to B. F. Goodrich Foreign Agreements investigation. KERR first had knowledge of Goodrich case in early June, 1952 when his superior MARKUS A. HOLLABAUGH asked him to sit in during a conference which was attended by BERGSON and BORKLAND. During this conference BERGSON requested that Justice Department agree not to prosecute Goodrich in event a file search developed no conspiracy to divide world markets even though there might be contracts in restraint of trade. He promised that his client would modify any such contracts to conform to the law. KERR believes this request by BERGSON was no more than any other attorney with good knowledge of anti trust procedure might ask. According to KERR, no commitments of any kind were given BERGSON by anti trust representatives at that time and at HOLLABAUGH'S request he, KERR, a few days later, examined copies of several Goodrich foreign trade contracts and recommended the Japanese Geon Co. contract and the British Geon, Ltd. contract for further investigation. This was extent of KERR'S connection with case. KERR claims no knowledge of any other clients of subjects or of any contacts by subjects with other members of Justice Department. KERR has been in Anti Trust Division since 1947 and knows of no favors done by subjects while subjects employed in Anti Trust Division for companies which they now represent. KERR only slightly acquainted with BERGSON and BORKLAND and believes them very capable attorneys and does not question integrity. He did not know other subjects.

APPROVED AND FORWARDED: *L. V. Boardman* RUC

IN CHARGE

DO NOT WRITE IN THESE SPACES

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162-27558-172  
AUG 28 1952  
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65 AUG 22 1952

KC 46-794

DETAILS: AT KANSAS CITY, MISSOURI

On August 11, 1952 at 1:45 p.m., Reporting Agent, accompanied by SA JACK R. SWAN, (A) interviewed THOMAS M. KERR, JR., Attorney, Anti Trust Division, who presently is assigned to a temporary office at Room 531, U. S. Court House. KERR advised at once that he had already heard that an investigation of certain former officials of the department was in progress and said he wished to help in any way possible.

KERR said he has been an attorney in the Anti Trust Division of the Justice Department since 1947 but has always served in a minor capacity. He is not acquainted with any of the subjects except HERBERT A. BERGSON, who was his superior in the Anti Trust Division, and HERBERT BORKLAND, who was assistant to BERGSON. He knew these men only slightly but stated he had high regard for their legal ability and knowledge of anti trust law and their personal integrity.

He said he had no direct knowledge of any anti trust cases wherein the companies involved are represented by the subjects except for the B. F. Goodrich Foreign Agreements investigation.

He recalled that early in June, 1952, probably on June 3, 1952, he was in the Anti Trust Office in Washington working on another assignment when MARKUS A. HOLLABAUGH, Head of the Cartel or Special Litigation Section, requested him to sit in on a conference to begin about fifteen minutes thereafter. KERR did so and advised that the conference was in HOLLABAUGH'S office and was attended by HERBERT A. BERGSON and HERBERT BORKLAND representing Goodrich and by HOLLABAUGH and EPHRAIM JACOBS and himself for the Anti Trust Division. Before the conference, HOLLABAUGH told KERR that BERGSON had some sort of request to make and that they would listen to it but since BERGSON was a former Assistant Attorney General he, HOLLABAUGH, did not intend to agree to anything or grant any request. He pointed out to KERR that they must be particularly careful to make no concessions whatever in order to avoid any possible criticism for having given BERGSON preferential treatment because of this former position in the Department.

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KERR recalled that at the conference BERGSON requested that the Department agree not to prosecute Goodrich in the event a file search failed to develop conspiracy to divide world markets even though there might be contracts in restraint of trade. BERGSON pointed out that Goodrich was making an honest effort to modify their existing foreign contracts to conform to the Supreme Court decision in the Timken Case and would promise to conform in the future.

KERR said such a request was possibly of a type which would not ordinarily be made by the average attorney; however KERR said he believed this request was no more than might be made by any attorney with good knowledge of anti trust procedure and believed that he himself might have made a similar request had he been representing the Goodrich Company. He said he did not believe this was an unusual request at all in view of the intimate knowledge of the workings of the Anti Trust Division obviously in the possession of both BERGSON and BORKLAND. He said that the theory involved was not new and that many Congressmen, including one referred to as "Congressman ROONEY" had recommended in the past that such a policy be followed by the Department as a matter of course in anti trust cases where the violators were willing to correct the illegal conditions with the idea in mind of saving the Government the expense of prosecution.

At any rate, KERR related that this procedure was not agreed to by the Government representatives at this conference and no concessions of any kind were granted. KERR recalled that when the conference was over, HOLLABAUGH remarked to him privately that BERGSON and BORKLAND had been very convincing and if they had not been former Justice Department officials, he might have been inclined to go along with them.

A few days later at HOLLABAUGH'S request, KERR reviewed photostatic copies of numerous foreign trade contracts of the B. F. Goodrich Company, which copies had been secured by the Cleveland Office of the Anti Trust Division. He said HOLLABAUGH had asked him to pick out the ones offering the best possibility for successful prosecution, since they were limited on time and money which could be spent on any particular case. Accordingly KERR selected the Japanese Geon Company contract dated January 23, 1951 and the British Geon, Ltd. contract dated March 19, 1946 as the ones containing the most clear-cut violations, and so advised HOLLABAUGH. A day or so later, about June, 15, 1952, KERR came to

KC 46-794

Kansas City on another investigation, has been here since, and stated he is not familiar with later developments in the Goodrich case.

KERR said he personally know of no clients of the subjects other than the B. F. Goodrich Company but stated that he had been told by GEORGE W. WISE, another attorney in the Anti Trust Division, that the case involving the proposed merger of the Minneapolis Mining and Manufacturing Company and the Carborundu Company was being handled by subjects.

KERR knew of no other contacts by subjects with official of the Department. He said he has no knowledge whatever of any favors done by subjects, while employed by the Anti Trust Division, for companies they later represented. He knew of nothing which would indicate that BERGSON or BORKLAND or anyone else had, while they were still in the Department, arranged to represent any of the clients they later obtained. He said he would have to add, in all fairness, that if there had been such activities, he would not have been in a position to know about them, since his job did not bring him into close contact with the higher officials of the Department and he had very few personal contacts with BERGSON and BORKLAND and none whatever with any of the other subjects.

He pointed out that BERGSON is still using his influence as a former Anti Trust Division official to accomplish a great deal for the country in the Anti Trust field. For example he said BERGSON, since leaving the Department had been instrumental in establishing an Anti Trust Section in the American Bar Association and had helped in many cases to educate the Bar in Anti Trust matters. KERR offered the opinion that this sort of thing will eventually result in fewer violations of the anti trust laws.

KERR said there is no question in his mind that many big companies possibly retain former government officials to represent them in suits with the government for the reason that they expect some influence to be used; however he knew of no specific instances of this and said he did not believe BERGSON or BORKLAND would attempt to use pressure of any kind or to rely on their former positions in the Department to accomplish anything for their clients. He believed that the service of either of these men would, as a matter of course, be sought out by anti trust defendants solely on the basis of their outstanding ability and specialized knowledge of anti trust laws and procedure.

REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN

KC 46-794

ADMINISTRATIVE

KERR was advised at the outset of this interview that this investigation was being conducted at the specific request of the Attorney General. He was not requested to furnish a signed statement inasmuch as none of the information furnished appeared to be of value as evidence.

REFERENCE: Report of SA THOMAS J. JENKINS dated 8-8-52 at Washington Field;  
Washington Field letter to Director dated 8-9-52...

## FEDERAL BUREAU OF INVESTIGATION

**Form No. 1**

THIS CASE ORIGINATED AT WASHINGTON FIELD

**FILE NO.**

REPORT MADE AT <b>BALTIMORE</b>	DATE WHEN MADE 8/14/52	PERIOD FOR WHICH MADE 8/13/52	REPORT MADE BY (A) LINDIAN J. SWAIM	mt
TITLE <b>PEYTON FORD, ETAL</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERNMENT; MISCONDUCT IN OFFICE</b>	
<p>SYNOPSIS OF FACTS:</p> <p>GEORGE L. DERR, Attorney, Antitrust-Division, interviewed at Ocean City, Md. under oath. Stated about 11-6-51, BERGSON and BORKLAND contacted him and ROBERT B. HUMMELL in Cleveland as representatives of B. F. Goodrich Co. in connection with investigation of foreign agreements made by Goodrich. At this meeting DERR requested that Goodrich make available additional records, all of which were later made available. Both BERGSON and BORKLAND at that time admitted ignorance of the facts of the case, indicating to DERR that neither had familiarized himself with the investigation during the period in which they served as Dept. officials. About 12-12-51, DERR met R. G. JETER, General Counsel for Goodrich, at dinner of Cleveland Patent Bar Association, at which time JETER stated he had known BERGSON a long time. He also commented that he had been impressed with manner in which BERGSON had handled the "Battery Case" while he was in charge of the Antitrust Division. JETER mentioned that once he had briefly discussed the Battery Case with BERGSON when he met him in a hall of the Justice Bldg., D. C., and that he was greatly impressed by BERGSON's grasp of the situation. JETER emphasized that it was the impression of BERGSON's ability which influenced B. F. Goodrich Co. to retain him on</p>				
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U. S. GOVERNMENT PRINTING OFFICE 16-59255-1

169 DEC 2 1964

the foreign agreements investigation. DERR explained that the "Battery Case" was an antitrust case in which Goodrich was a minor defendant. It was successfully prosecuted in that it was settled either by plea of nolo contendere or consent decree during period BERGSON was in charge of Antitrust Division. About 12-27-51 BERGSON and BORKLAND again contacted DERR and JOHN J. ANDERSON, another attorney in Cleveland Regional Antitrust Division. At this meeting both BERGSON and BORKLAND said that rubber foreign agreements, in their opinion, were illegal. They stated they would like the Dept. to conduct its desired investigation and if it reflected no violations over and above what was agreed to in the foreign agreements, that Goodrich be given an opportunity to modify its agreements before any suit was instituted by the Dept. During the two months following above contact, DERR received one phone call from BERGSON and one from BORKLAND asking if he had sent to Dept. his analysis of the Goodrich foreign agreements. VICTOR KRAMER, attorney in Litigation Section, Justice Dept., told DERR that BERGSON was representing Minnesota Mining and Mfg. Co. and the Carborundum Co. and had made contacts with Dept. officials. DERR does not know identities of such officials. BERGSON in one of above contacts with DERR stated he was representing the Aluminum Corp. of America but did not indicate any Dept. contacts. Other than above, DERR knows of no other companies represented by subjects or contacts made during or subsequent to time they were connected with Dept. DERR states he has no reason to believe any of subjects involved in any irregularities. DERR states that Goodrich foreign agreement investigation was outgrowth of confidential report submitted by State Dept. to Justice Dept. This report, which he believes was submitted in 1951, forwarded a copy of an agreement between B. F. Goodrich and the Japanese Geon Co. as a matter of possible interest to Justice Dept. About this same time, Dept. came into possession of copy of similar agreement between Goodrich and British Geon Co., Ltd., the source of which DERR could not furnish.

BA 46-714

DETAILS: AT OCEAN CITY, MARYLAND

Mr. GEORGE LEWIS DERR, attorney in the Regional Office of the Antitrust Division, Cleveland, Ohio, was interviewed by SA (A) E. LAWRENCE HYLAND and the writer at 201 Caroline Street, Ocean City, Maryland on August 13, 1952, at which time he was vacationing there.

In the interview, which was conducted under oath, DERR advised that the B. F. Goodrich Company foreign agreements investigation was an outgrowth of a report submitted by the U. S. State Department, under a classification of "Confidential", to the U. S. Department of Justice. This report, which he believes was submitted some time in 1951, forwarded to the Justice Department a copy of an agreement between the B. F. Goodrich Company and the Japanese Geon Company, which had to do with the manufacture of polyvinyl chloride. DERR recalls from reading the report that this copy of the agreement was transmitted by the State Department to the Justice Department as a matter of possible interest to the Justice Department without any attempt on the part of the State Department to make an interpretation of any of the provisions reflected in the agreement. About this same time the Justice Department also came into possession of a copy of an agreement between the B. F. Goodrich Company and the British Geon Company, Ltd. This agreement, DERR pointed out, was similar to the one entered into with the Japanese Geon Company.

About August 1, 1951, the Regional Office of the Antitrust Division, Cleveland, Ohio, received a request from the Department to contact the B. F. Goodrich Company regarding its foreign agreements made in connection with polyvinyl chloride, which Mr. DERR described as a synthetic plastic. In the Departmental communication to the Cleveland Regional Office the agreement between the Goodrich Company and the Japanese Geon Company was specifically pointed out as an item to be scrutinized. However, the general tenor of the Departmental request was that the contact with the B. F. Goodrich Company be an exploratory one and that the entire field of its foreign agreements be generally reviewed.

DERR advised that the request to contact the B. F. Goodrich Company closely followed the Supreme Court decision in the Timken Roller Bearing Company case and that at the time the Department was attempting to find new fields of application of this decision.



Shortly after August 1, 1951, DERR made an initial contact with Mr. HAROLD S. MEYER, Patent Counsel, for the Goodrich Company, and at that time the B. F. Goodrich foreign agreements were generally discussed. Also, at that time Mr. MEYER furnished DERR with copies of agreements between the Goodrich Company and the Japanese Geon Company and the British Geon Company, Ltd., in which companies the Goodrich Company owned approximately 40% of the outstanding stock, according to DERR.

Subsequently DERR made an analysis of the two above plastic agreements, as a result of which he concluded that some of the provisions of these agreements conflicted with the Timken Supreme Court decision. This analysis was made a matter of record in a memo which DERR submitted to ROBERT B. HUMMELL, Chief of the Regional Office of the Antitrust Division, Cleveland, Ohio. The information in this memo was later transmitted to the Department.

About November 6, 1951, HERBERT A. BERGSON telephoned DERR from Akron, Ohio and advised that he and HERBERT BORKLAND desired to talk to DERR and HUMMELL regarding the Goodrich foreign agreements, explaining that he was completely ignorant of the facts of the case and merely wanted to "touch base" with DERR. Later on the same day BERGSON and BORKLAND came to Cleveland and at that time DERR requested that the Goodrich Company make available to the Department additional plastic and rubber foreign agreements entered into by the Goodrich Company. All of these desired agreements were made available to Mr. DERR and Mr. HUMMELL shortly thereafter. At this conference held about November 6, 1951, both BERGSON and BORKLAND indicated that they were completely ignorant of the facts involved in the foreign agreements investigation and DERR expressed the opinion that this indicated to him that neither had familiarized himself with the Goodrich foreign agreements investigation during the period in which they served as officials of the Department of Justice. During this meeting both BERGSON and BORKLAND indicated that they desired to correct any illegal provisions in the foreign agreements if such provisions existed; however, there was no attempt made to go into any detail.

About December 12, 1951, DERR met Mr. R. G. JETER, General Counsel for the B. F. Goodrich Company, at a dinner held by the Cleveland Patent Bar Association in Cleveland, Ohio. At that time JETER stated to DERR that he had known

BERGSON a long time and also commented, during the course of a casual conversation, that he had been impressed with the manner in which BERGSON had handled the "Battery Case" while BERGSON was in charge of the Antitrust Division. JETER also mentioned at the time that once he had briefly discussed the Battery Case with BERGSON when by chance he met him in a hall of the Justice Building in Washington, D.C. and that during this brief conversation he was tremendously impressed by BERGSON's grasp of the foreign agreements situation. DERR stated that he desired to point out that during this conversation JETER emphasized that it was the impression of BERGSON's outstanding ability which influenced the B. F. Goodrich Company to retain him on the foreign agreements investigation. DERR explained that the "Battery Case" was an antitrust case in which the Goodrich Company was a minor defendant. It was successfully prosecuted, he stated, in that it was settled either by a plea of *nolo contendere* or by a consent decree during the period in which BERGSON was in charge of the Antitrust Division.

About December 27, 1951, JOHN J. ANDERSON, attorney in the Cleveland Regional Office, and Mr. DERR met with BERGSON and BORKLAND. This second conference which DERR held with BERGSON and BORKLAND dealt only with rubber foreign agreements entered into by the B. F. Goodrich Company. This discussion involved about 25 different agreements with approximately ten foreign concerns. During this meeting there was no discussion regarding plastic agreements entered into by the Goodrich Company. At the December 27, 1951 conference, both BERGSON and BORKLAND stated that in their opinion the foreign rubber agreements entered into by the Goodrich Company were illegal, in that they did not agree with the Supreme Court decision in the Timken case. Both advised that they desired that the Justice Department conduct whatever investigation it wanted and if such investigation reflected no violations over and above what was agreed to in the Goodrich foreign agreements, that the Goodrich Company would be given an opportunity to change and modify such agreements before any suit was instituted by the Justice Department. DERR stated that BERGSON and BORKLAND did not ask him to make any such commitment, merely indicating that they desired to get such a commitment from the Department.

BA 46-714

DERR stated that he prepared an analysis of both the plastic and rubber foreign agreements made by the Goodrich Company and that about a month after the December 27, 1951, conference with BERGSON and BORKLAND, BERGSON telephoned him and asked him if he had sent the analysis to the Department. About a month after this, BORKLAND telephoned DERR and asked the same thing. DERR stated that he advised both that he had not transmitted the report to the Department and that he did not send in the report until about March 1, 1952.

Since the above phone call DERR has had no contact with BERGSON or BORKLAND.

Regarding other companies represented by the subjects, DERR stated that Mr. VICTOR KRAMER, attorney in the Litigation Section, U. S. Justice Department, Washington, D. C., at one time advised him that BERGSON was representing the Minnesota Mining and Manufacturing Company and the Carborundum Company and had been making contacts with the Department regarding matters then pending in connection with these companies. DERR did not furnish the identities of the Departmental officials whom BERGSON contacted.

In one of the meetings which DERR had with BERGSON, as described above, BERGSON advised DERR that he was representing the Aluminum Corporation of America but did not indicate that he had had any contact with the Department in connection with such representations.

Other than as stated above DERR advised that he has no knowledge of any other companies represented by any of the subjects or contacts made during or subsequent to the time the subjects were affiliated with the Department of Justice.

DERR advised that he has no reason to believe that any of the subjects in this case have ever been involved in any irregularity during the period in which they served as officials of the Justice Department;

- R U C -

ADMINISTRATIVE PAGE

One copy of this report is being sent to the Cleveland Office for information purposes in view of the possibility that additional contacts with Mr. GEORGE LEWIS DERR might be necessary, it being noted that he is employed as an attorney with the Regional Office of the Antitrust Division in Cleveland Ohio.

A teletype summary of the investigation reflected in this report was transmitted by the Baltimore Office to the Bureau and the Washington Field Office on August 14, 1952.

Reference

Cleveland teletype to Bureau, Washington Field and Baltimore dated 8-12-52.

Report of SA EDWARD C. KUMEROV, dated 8-8-52 at Cleveland.

Report of SA THOMAS J. JENKINS, dated 8-8-52 at Washington, D.C.

Baltimore teletype to Bureau and Washington Field dated 8-14-52.

SAC, Baltimore (46-714)

August 26, 1952

Director, FBI (62-97558)

PEYTON FORD, et al  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

Rerep SA Lindian J. Swaim dated 8-14-52 at Baltimore.  
Rerep was classified "Security Information-Confidential" by  
your office and should not have been so classified as the  
information set forth therein is not security information.

Bureau copies of rerep have been corrected to  
delete this classification and the copies in your office should  
be similarly corrected.

ECW:dw

Copy of report furnished AAG Murray corrected.

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Laughlin \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

COMM - FBI  
AUG 26 1952  
MAILED 30

RECORDED  
62-97558-174  
SEP 8 1952  
RW

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: August 16, 1952

FROM : SAC, Cleveland (46-1023)

ATTENTION: Mr. A. ROSEN  
Assistant DirectorSUBJECT: PEYTON FORD, ET AL  
FAG - Misconduct in OfficeAIR MAIL --- SPECIAL DELIVERY

Attached is the report of SA KENNETH C. HOWE, in this matter covering interview with GEORGE T. KILMON, Assistant Secretary and General Counsel, and C. R. COUTS, Attorney, Legal Division, both B. F. Goodrich Company, Akron, Ohio.

RAY G. JETER, Secretary and General counsel of the B. F. Goodrich Company, who also has knowledge of this matter and whose interview has been specifically requested, will not be available for interview because of absence from the city until August 20, 1952. He will be interviewed at that time and supplemental report submitted.

Enc. 5

KCH:epv

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62-97558-175  
EXPEDITE PROCESSING  
6-8-52

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# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

WASHINGTON FIELD

REPORT MADE AT <b>CLEVELAND</b>	DATE WHEN MADE <b>8-16-52</b>	PERIOD FOR WHICH MADE <b>8/13,14,15/52</b>	REPORT MADE BY <b>KENNETH G. HOWE</b> <span style="float: right;"><b>EPV</b></span>
TITLE <b>PEYTON FORD, Et Al</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERNMENT Misconduct in Office</b>

**SYNOPSIS OF FACTS:**

GEORGE T. KILMON, Assistant Secretary and General Counsel, and C. R. COUTS, Attorney, Legal Department, B. F. Goodrich Company, Akron, Ohio, state the company's first inkling of possible contemplated action against them by the government in connection with their foreign contract was on 7-30-51, and that law firm of subjects' was first contacted by them on 9-24-51. B.F. Goodrich took initiative in retention of subject's services. Informants state no contact with law firm or any of its members on any matter prior to 9-24-51 except conference between KILMON and BERGSON as departmental attorney in anti-trust division during latter part of January or early February, 1950, in connection with case "US versus Association of American Battery Manufacturers, Et Al". KILMON states BERGSON did B.F. Goodrich no favors in connection with this latter, or any other matter, and that no member of subjects' law firm has ever represented B. F. Goodrich in the battery case.

*1cc A.S.  
8-28-52  
2cc W  
1cc chas. Murray  
60, 11/18/52  
8cc W  
1cc for A.G.  
11/18/52*

*1cc W. Turner  
5706  
1cc Wallems 4718  
1cc not to file by  
Williams  
12-4-52*

- P -

*1cc not by Wintermud  
11/14/53*

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CV. F. O.  
46-1023

DETAILS: GEORGE T. KILMON, Assistant Secretary and General Counsel, B. F. Goodrich Company, Akron, Ohio, produced his company's file on the case involving its foreign contracts, and by reference to it advised that his and/or his company's first contact with subjects' law firm in this matter was on September 24, 1951. He stated the first inkling his company or himself had that the government possibly contemplated action against B. F. Goodrich in connection with its foreign contracts, apparently as a result of the Supreme Court decision in the Timken matter, was a call from the regional office of the Anti-Trust Division of the Department in Cleveland to the Cleveland Offices of B. F. Goodrich, the file reflecting this was received on July 30, 1951.

KILMON said it was not until after July 30, 1951 that he and the Secretary and General Counsel of Goodrich, RAY G. JETER considered the necessity for legal representation in the matter. He said they talked over various possibilities and finally on September 24, 1951 HERBERT BERGSON was contacted and the services of him and his firm engaged. KILMON said there was no third party involved as a go-between, between the law firm and Goodrich and although he has no specific recollection how he and JETER knew BERGSON was in private practice, he is definite in stating they were not solicited by the law firm and that initiative in the matter was entirely on the side of Goodrich.

KILMON asserted that the only member of subjects' law firm he knew, or had ever met, prior to September, 1951 was BERGSON, and that he had met him on only one occasion. He said this was in the latter part of January or early part of February, 1950, when he went to the Department of Justice in Washington to consult on the part of Goodrich in the case of "United States versus Association of American Battery Manufacturers, ET AL". On this occasion he talked to BERGSON, who apparently was in authority in the case, and although KILMON pled to have Goodrich spared an indictment in the matter since they were relative new-comers in the affair, the firm nonetheless was subsequently indicted. He advised BERGSON did Goodrich no favors in that or any other case, or had any consideration been shown them



CV. F. O.

46-1023

by any of the other firm members when they were with the Department. He also said he was impressed with BERGSON, however, as a result of the above, and thus when he came into consideration in connection with the contracts matters, KILMON was in favor of obtaining him. Neither BERGSON nor any other member of subjects' law firm, are representing or have they ever represented or been consulted in connection with the litigation on the battery case except as outlined above.

KILMON said he never had met or known of BORKLAND prior to retention of BERGSON and his law firm in September, 1951. Subsequent thereto he had had conferences and considerable contact with BORKLAND on the contract matter. PEYTON FORD, KILMON has met casually once in Washington, this being also after retention of the firm. ADAMS and REDSTONE are unknown to KILMON and the company has had no contact with them.

Subjects' law firm is not on specific or stipulated retainer arrangement with Goodrich, and is being treated, KILMON said as is their policy with all such firms who represent the company on individual matters; i.e., they make a charge when the case is closed and an agreement is reached as to a payment on this basis. No payments of any kind have as yet been made to subjects' firm by Goodrich, although KILMON said it is possible a payment "on account" may be made by Goodrich prior to completion of the case if the firm requests it. Mr. KILMON said Goodrich has no regular legal representation in Washington, and retains counsel on matters there only as the need for it arises.

C. R. COUTS, Attorney, Legal Division, B. F. Goodrich Company, Akron, Ohio, was present during the interview with Mr. KILMON and said he could add nothing to the data afforded by him. He said he had no contact with or knowledge of any member of subjects' law firm prior to their retention by Goodrich in September, 1951 and had no part in the latter negotiations.

COUTS and KILMON both stated they knew of no other companies being represented by subjects' law firm in matters concerning the government and similarly know of no contact between any member of subjects' law firm and individuals in the Department of Justice except as legitimately incidental to the contracts matter which they have handled for Goodrich since September, 1951.

CV. F. OL  
46-1023

ADMINISTRATIVE

RAY G. JETER, Secretary and General Counsel, B. F. Goodrich Company was originally due to return to Akron from an out of town trip on Monday, August 18, 1952 but word had been received that he will not return until Wednesday, August 20, 1952, and he will be interviewed at that time and results reported.

UNDEVELOPED LEADS

CLEVELAND, AT AKRON, OHIO

Will interview RAY G. JETER, Secretary and General Counsel, B. F. Goodrich Company, upon his return to town.

REFERENCES:

Report of SA THOMAS J. JENKINS  
Washington, D. C., dated 8-8-52.  
Washington Field letter to Director  
8-6-52.  
Washington Field letter to Director,  
8-9-52.  
Washington teletype dated 8-10-52.  
Butels 8-11- and 8-12-52.

## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

FROM : A. ROSEN *AR*

SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

DATE: August 18, 1952

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

On Saturday afternoon, August 16, 1952, Winterrowd happened to meet Assistant Attorney General Charles B. Murray in the hall, and during the course of the conversation Murray stated that he had learned from Collier of the Chelf Committee that Peyton Ford and Herbert Bergson had asked for an extension of time in which to submit their list of clients to the Chelf Committee. This, according to Murray, is to be done sometime today, Monday, August 18th.

It is to be recalled that Collier said that this information would be furnished to the Bureau on Saturday, August 16, 1952. Collier did not call on this date.

In addition, Murray commented that he felt that the request of the Committee to have as much information as possible by August 18, 1952, was not nearly as urgent at the present time. He did not indicate the basis for his belief in this matter; however, it is to be noted that the Washington City News Service for this morning, August 18th, states that the Committee is trying to find out if a formal code of ethics is needed to prevent former Government officials from capitalizing improperly on their Government service after they obtain private employment. The Committee said the present laws governing the conflict of interest of Government employees are very weak and inadequate. This news item further stated that Peyton Ford and Herbert Bergson have been billed as future star witnesses in this phase of the Subcommittee's investigation.

ACTION

None. The foregoing is submitted for informative purposes. *BW*

*EHW/rh*  
EHW/rh

RECORDED - 50  
EX - 80

162-97558-176  
AUG 27 1952

65 AUG 29 1952

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

WASHINGTON FIELD

<b>REPORT MADE AT</b> ALBANY, N. Y.	<b>DATE WHEN MADE</b> 8/18/52	<b>PERIOD FOR WHICH MADE</b> 8/16/52	<b>REPORT MADE BY</b> JOSEPH A. MC GRAW
<b>TITLE</b> PEYTON FORD, HERBERT AUGUSTUS BERGSON, HERBERT BORKLAND, ALBERT F. ADAMS, SUMNER MURRAY REDSTONE			<b>CHARACTER OF CASE</b> FRAUD AGAINST THE GOVERNMENT; MISCONDUCT IN OFFICE

**SYNOPSIS OF FACTS:**

LEON HICKMAN, General Counsel for ALCOA, interviewed August 16, 1952, and signed sworn statement obtained. HICKMAN denies ever having had any business with BORKLAND, ADAMS or REDSTONE when they represented a Government agency, or prior to July 1, 1951, when HICKMAN retained subject law firm as Washington Representatives of ALCOA. HICKMAN acquainted with both FORD and BERGSON when both with Department and dealt with them in re Alcoa Anti-Trust case. HICKMAN met with former AG TOM CLARK about a dozen times during years 1945-1949 and PEYTON FORD generally present at these meetings. Issue at these meetings was proposed dissolution of Alcoa and FORD was in complete disagreement with HICKMAN. No favors ever extended to him by FORD, states HICKMAN. HICKMAN and K. C. ROYALL met with subject BERGSON in September, 1950 at time when ROYALL was retained by Alcoa. HICKMAN states no favor or influence extended by BERGSON to him or Alcoa at any time. HICKMAN advises decision to retain subject law firm as Washington representatives of Alcoa was his personal decision based on his own belief that Bergson was ablest man for the job. No solicitation of Alcoa employment by Bergson or any member of firm. Retainer of \$25,000. per annum being paid subject law firm by HICKMAN in his capacity as Alcoa General Counsel. HICKMAN advises he has had no contact whatsoever with Justice Department

APPROVED AND FORWARDED:

*E. J. Powers*  
 SPECIAL AGENT IN CHARGE

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- 3 - WFO (46-2715 -Enc.)
- 2 - Albany (46-414)

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65 AUG 23 1952

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AUG 25 1952

officials during Government aluminum expansion program which commenced in Fall of 1950. HICKMAN does not know identity of any other clients represented by subject law firm.

-RUC-

Details: AT STOWE, VERMONT:

Mr. LEON HICKMAN, General Counsel for the Aluminum Company of America, was interviewed on August 16, 1952, at the Lodge, Smuggler's Notch, where he is presently vacationing. The following signed sworn statement was voluntarily given by Mr. HICKMAN:

"The Lodge,  
Smuggler's Notch, Vt.  
August 16, 1952

"I, LEON HICKMAN, General Counsel for the Aluminum Company of America, hereby make the following statement, under oath to Joseph A. McGraw, who has identified himself to me as a Special Agent of the Federal Bureau of Investigation, U. S. Department of Justice.

"I have been General Counsel for Alcoa since April 19, 1951. Prior to that date I was engaged in the practice of law in Pittsburgh, Pa. with the firm of Smith, Buchanan and Ingersoll, which firm handled much of the legal business of Alcoa. During the past fifteen years I have had various business dealings with officers of the Department of Justice in connection with the Alcoa anti-trust suit which has been pending during the period referred to. However at no time have I ever had any business with Herbert Borkland, Albert F. Adams or Sumner M. Redstone when they represented a Government agency. In fact, at no time had I ever heard of any of these three individuals, last above named, until July 1, 1951, the date on which I retained the law firm in Washington, D. C. of which they are members.

"I have met both PEYTON FORD and HERBERT A. BERGSON when these two men were officers of the Department of Justice, on occasions when I was in Washington in connection with the Alcoa anti-trust case.

"I met with FORD on numerous occasions during the years 1945-1949 at which time FORD was the Assistant under the then Attorney-General Tom Clark. My meetings on these occasions were with Attorney-General Clark and as a general rule PEYTON FORD would be present at said meetings. As I recall I saw TOM CLARK about a dozen times during these years, when I was arguing against the proposal of the Justice Department relative to the dissolution of Alcoa. At no time did Peyton Ford ever extend any favors toward me or Alcoa and as a matter of fact we were in complete disagreement on the point at issue relative to dissolution. This disagreement never was ended and Alcoa finally had to go to Court for six months in 1949 to prevent its dissolution. I was always the sole legal representative for Alcoa at these meetings with Tom Clark and Peyton Ford.

"I have met with Herbert A. Bergson on a very limited number of occasions, perhaps two or three times during the period of his employ by the Department of Justice. I first saw Bergson in September, 1950 in Washington. With me at the time was Kenneth C. Royall who was at that time Washington legal representative for Alcoa. The subject matter of discussion at that time was the action to be taken by Alcoa as a result of the judgment entered by Judge Knox of the Federal District Court, Southern District of New York in July 1950. Royall and I started out to see on what points we could agree with the Department, and urged the position that if the stockholders who were required to sell their stock in Aluminum Limited were enjoined from voting their stock pending sale, there would be no need for the Court to appoint trustees to vote the stock for the stockholders. Bergson turned our proposition down cold. When final negotiations were eventually had on the point of this Court order, Bergson had by that time left the Department and our business was transacted with Department officials Underhill and Emmerglick.

"At no time was there any intimation of favor or influence being extended to me or to Alcoa by Bergson. Any other meeting I may have had with Bergson beyond the one above described was entirely without significance, and I cannot recall any details relative to such other meetings, if indeed they occurred.

"The decision to retain the law firm of Ford, Bergson et al as the Washington representatives of Alcoa was my own personal decision. There was never any solicitation of such representation by Bergson or

AL 46-414

any other member of the firm. There was never any intimation of such solicitation. When I became General Counsel for Alcoa on April 19, 1951, Alcoa then had no representative in Washington. I concluded that Bergson was the most able man in Washington to fill this post and therefore decided to hire him and his firm. It was a complete surprise to Bergson. I told Bergson that his employment as Alcoa's Washington representative would have nothing to do with the anti-trust case against Alcoa if same should be activated again during the next 5 year period and Bergson said that this was a necessary condition from his point of view. Ford was not with Bergson's law firm at the time the firm was retained by me.

"I pay this firm an annual retainer of \$25,000. The retainer was made strictly on a merit basis. There has been no major business handled by the Bergson firm since first retained by Alcoa although there has been a running fire of small items including contracts, priority clearances and the like.

"During the Government aluminum expansion program which commenced in the Fall of 1950 and is still going on, I have had no contact whatsoever with any Justice Department officials. The issue of allocation of new units relative to aluminum production has been strictly intra-governmental in nature. Any dealings that Alcoa might have in this connection would have been with the General Services Administration and not with Justice. My knowledge concerning this issue of allocations is based strictly on what I have read in the newspapers and hearsay sources. As I understand, the needs of the Department of Defense prevailed in having these allocations go to existing aluminum producers including Alcoa.

"I have read this statement which is the truth and have initialled corrections made.

LEON E. ~~X~~HICKMAN

Subscribed and sworn to  
before me this 16th day  
of August, 1952  
JOSEPH A. McGRAW"

The original signed statement set out above is being maintained in the 1-A section of the Albany file.

AL 46-414

As is set out above in the signed statement by Mr. HICKMAN, he stated it was his decision alone to hire BERGSON and his associates as Washington legal representatives for Alcoa. There was no third party intervention in this hiring. HICKMAN stated, however, that on the date that he actually hired BERGSON and his firm, JOE HUGHES, who is General Counsel for the T. Mellon interests in Pittsburgh, happened to be along with him. HICKMAN also pointed out that since he hired subject law firm, their services have been at the disposal of the Alcoa District Sales Manager in Washington, D. C. who is ROBERT A. LEARNARD. HICKMAN stated that as a general rule when he, HICKMAN, meets with BERGSON or his associates in the firm concerning Alcoa matters, LEARNARD is usually in attendance at these meetings. Mr. HICKMAN made it clear that Bergson is "his man" in subject law firm and that it was only because of Bergson that the firm was originally retained by him on July 1, 1951.

Mr. HICKMAN was questioned concerning his knowledge of other clients of the law firm of FORD, BERGSON, et al. He stated that he did not know the identity of any other clients of this firm. He did add, however, that he understood that the firm was doing "pretty well." He has never talked with any member of the law firm concerning their clientele generally.

With respect to the aluminum expansion program as is pointed out in the above quoted signed statement, Mr. HICKMAN said he has had no contact whatsoever with any Justice Department official and that his knowledge as Counsel for Alcoa concerning allocation of new units to his company, has been based strictly upon what he has read in the newspapers and garnered from hearsay sources. Mr. HICKMAN stated that he had understood in this connection that EMMERGLICK of the Justice Department had wanted to utilize new producers, but that the Defense Department had wanted metal right away and so allocations had to go to existing producers including Alcoa. Mr. HICKMAN stated with respect to these allocations that it had been strictly an intra-governmental fight in his opinion, and that none of the men in industry had had anything to do with it.

ENCLOSURE TO WFO: 1 cc Report of SA THOMAS J. JENKINS, 8/8/52, at Washington, D. C.

REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN



ADMINISTRATIVE DETAILS

At the conclusion of the interview described in instant report, Mr. HICKMAN asked if the writer had any knowledge of the activities of the CHELF Committee. When advised that the reporting agent had no knowledge concerning this Committee, Mr. HICKMAN stated that he would like to relate his thoughts concerning the current investigation of Bergson and his associates in the subject law firm.

HICKMAN stated that several months ago, the CHELF Committee was investigating the results of an inquiry into the liquor industry that had been made in Washington in 1948. In that year, the questions involved in the controversy concerning liquor, had been resolved in favor of the liquor industry. During a CHELF Committee Hearing which occurred several months ago, one of HERBERT BERGSON's former subordinates when summoned to appear before the Committee, had testified apparently in open hearing to the fact that the 1948 liquor investigation had been killed when the liquor industry made a substantial contribution to the Democratic Party. At this point, HERBERT BERGSON who was in attendance at this meeting, purely as a spectator, stood up and stated that it was he, BERGSON, who was being discussed by the subordinate then testifying and that the testimony given was false. BERGSON allegedly submitted an affidavit to the Committee to this effect.

In this affidavit, according to HICKMAN, BERGSON stated that the same rumor concerning the substantial contribution made by the liquor industry in 1948 had arisen in 1948; that that rumor had been investigated by the ablest men in the Department at that time, and that it had been determined that the rumor was entirely without foundation.

HICKMAN stated that by his action several months ago as described above, BERGSON had in effect, stolen the headlines from the CHELF Committee by his dramatic statement giving the lie to his former Justice Department subordinate who was testifying before the Committee. It is the conclusion of Mr. HICKMAN, therefore, that the CHELF Committee is now attempting to even the score with BERGSON by seeing to it that his firm is investigated.

REFERENCE: WFO letters to Bureau dated 8/9 and 8/12/52.  
Report of SA THOMAS J. JENKINS, WFO, 8/8/52.

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

0-9a

To: COMMUNICATIONS SECTION.

AUGUST 22, 1952

Transmit the following message to:

SAC, PHILADELPHIA  
SAC, WASHINGTON FIELD

URGENT

PEYTON FORD, ET AL, FAG, MIO. REREP WALTER V. MC LAUGHLIN, AUGUST THIRTEEN, PHILADELPHIA. INFORMATION RECEIVED BILL WILLIAMS, ONE SEVEN TWO NINE WALNUT STREET, PHILADELPHIA, PAID SUBJECT LAW FIRM TEN THOUSAND DOLLAR FEE JUNE FIFTYONE IN CRIMINAL TAX CASE AND WAS CLIENT OF BERGSON. PHILADELPHIA WILL INTERVIEW BILL WILLIAMS FOR ALL DETAILS OF SUBJECT FIRM'S REPRESENTATION. SUTEL AND SUREP. WFO REFER YOUR LETTER AUGUST TWENTY AND MAKE APPROPRIATE FILE REVIEW THIS MATTER AT DEPARTMENT.

HOOVER

CC: 2 - Washington Field (By Special Messenger)

ECW:JMT  
62-97558-178

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Belmont \_\_\_\_\_  
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Per

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (62-97558)

DATE: August 20, 1952

FROM : SAC, WFO (46-2715)

SUBJECT: PEXTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT;  
MISCONDUCT IN OFFICE

Reference is made to the report of Special Agent JOHN M. DUNAY, JR.  
(A) dated August 13, 1952, at New York.

On page 48 it reflects that BERGSON had apparently been interested in the United States vs. Great Western Distributors, Incorporated, et al, in that he made a telephone call to EDGAR A. BUTTLE of the New York Antitrust Division on April 15, 1952, and that during the fall of 1951 Attorney JOHN S. SCHWARTZ of the same office was questioned by BERGSON during a cocktail party at the Waldorf Astoria Hotel relative to the perfume investigation. 1951

In conducting interviews with departmental attorneys in connection with another matter, the Williams Case of Philadelphia and the Gorman Case of Georgia were mentioned as tax cases which SUMNER REDSTONE had contacted the Department on.

According to your instruction, therefore, appropriate review will be made of the above-mentioned files to determine any irregularities in these files on the part of the subjects and appropriate investigation conducted thereafter.

TJJ:PCN

RECORDED - 50

EX - 80  
INDEXED - 50

AUG 26 1952

162-97558-178

By  
Del - WFO + PHU -  
8-22-52  
ELW

6-2075

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (62-97558)  
 ATTN: Assistant Director A. ROSEN  
 FROM : SAC, INDIANAPOLIS (46-635)

DATE: August 21, 1952

URGENT

SUBJECT: PEYTON FORD;  
 HERBERT AUGUSTUS BERGSON;  
 HERBERT BORKLAND;  
 ALBERT F. ADAMS;  
 SUMNER MURRAY REDSTONE  
 FRAUD AGAINST THE GOVERNMENT;  
 MISCONDUCT IN OFFICE

AIR MAIL - SPECIAL DELIVERY

Attached hereto are five copies of the report of  
 Special Agent FRANK H. DONNELLY dated August 21, 1952,  
 at Indianapolis, Indiana.

5 ENCL.  
 45

EXPEDITE PROBLEM

FHD:mlh  
 Enclosures (5)

RECORDED - 45  
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152-47558-179  
 13 AUG 25 1952  
 26

Wanted for  
 6:30 PM

13 AUG 29 1952

# FEDERAL BUREAU OF INVESTIGATION

PERSONAL AND CONFIDENTIAL

Form No. 1

THIS CASE ORIGINATED AT **WASHINGTON FIELD**

FILE NO.

REPORT MADE AT <b>INDIANAPOLIS</b>	DATE WHEN MADE <b>8-21-52</b>	PERIOD FOR WHICH MADE <b>8-19, 20-52</b>	REPORT MADE BY <b>FRANK H. DONNELLY FHD:mlh</b>
TITLE <b>PEYTON FORD; HERBERT AUGUSTUS BERGSON; HERBERT BORKLAND; ALBERT F. ADAMS; SUMNER MURRAY REDSTONE</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERN- MENT; MISCONDUCT IN OFFICE</b>

**SYNOPSIS OF FACTS:**

*1 cc for A. J. [unclear] returned 8-29-52*  
*1 cc A. J. [unclear] 8-19-52*  
*1 cc Chas Murray H.A. [unclear] 8-21-52*  
*1 cc Winters 1708*  
*1 cc Williams 4718*  
*1 cc det to file by Williams 12-4-52*

**WILLIAM G. DAVIS, Indianapolis, Indiana, advised he contacted CHARLES H. WESTON, Anti-Trust Division, Department of Justice, by telephone in about 7-50 in an attempt to obtain departmental support for a petition for writ of certiorari in the KIEFER-STEWART matter, at which time WESTON requested copies of the petition and advised that the Department would take no action in the matter at that time. DAVIS advised no further contact with any departmental officials in this matter. JOSHUA J. DANIELS, Indianapolis, Indiana, stated on 11-24-50 he received a telephone call from PAUL PORTER, his co-counsel in Washington, D.C., advising him that BERGSON had requested additional time for the preparation of briefs in behalf of respondent SEAGRAM, which request DANIELS denied. DANIELS advised BERGSON's name did not appear on the briefs submitted by SEAGRAM before the Supreme Court and further stated he had no contact with any departmental officials in the matter.**

- HUC -

EXPEDITE PROC

**DETAILS:**

**AT INDIANAPOLIS, INDIANA**

The following investigation was conducted jointly by Special Agent MICHAEL J. CONNOLLY and the writer.

APPROVED AND FORWARDED: <i>G. D. Kingers</i>  COPIES OF THIS REPORT ⑤ Bureau (62-97558) (AMSD) 3 Washington Field (46-2715) (AMSD) 2 Indianapolis (46-635)	DO NOT WRITE IN THESE SPACES <div style="text-align: center; font-size: 1.5em;">62-97558-179</div> <div style="text-align: center;">13 AUG 25 1952</div> <div style="text-align: right;">RECORDED - 45 INDEXED - 45 EX-104</div>
COPIES DESTROYED <b>169 DEC 2 1964</b>	

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**PERSONAL AND CONFIDENTIAL**

IP 46-635

WILLIAM J. DAVIS, Baker and Daniels, 810 Fletcher Trust Building, advised that he was formerly employed by the Anti-Trust Division of the Department of Justice in Washington, D.C., from 1933 to 1937. Mr. DAVIS stated that the firm of Baker and Daniels represented KIEFER-STEWART in the case of ~~KIEFER-STEWART~~ versus JOSEPH E. SEAGRAM & SON, INC., ET AL, before the State Court of Indiana, the Seventh Circuit Court, Chicago, Illinois, and, finally, before the United States Supreme Court, Washington, D.C. He stated that this litigation concerned the refusal of Seagram and Calvert Distillery to sell KIEFER-STEWART when KIEFER-STEWART had indicated that they would not only mark up their prices to take care of the increase in the tax but would also mark up on the margin of profit.

Mr. DAVIS stated that prior to the submission of a petition for writ of certiorari to the United States Supreme Court, which petition was granted on October 23, 1950, he contacted CHARLES H. WESTON of the Anti-Trust Division of the Department of Justice by telephone in about July, 1950, in an attempt to obtain departmental support for the petition for writ of certiorari. At that time DAVIS stated WESTON requested copies of the petition and told him that the Department would take no action in the matter at that time inasmuch as it was a private suit.

Mr. DAVIS stated that he had no further contact with any departmental officials in the KIEFER-STEWART matter.

JOSHUA J. DANIELS, Baker and Daniels, 810 Fletcher Trust Building, advised that when it was decided by his firm to take the KIEFER-STEWART matter to the United States Supreme Court, he engaged as co-counsel the firm of Arnold, Fortas and Porter in Washington, D.C. Mr. DANIELS stated that on November 24, 1950, he received a telephone call from PAUL PORTER of the above firm, who advised him that Mr. BERGSON has requested additional time in the preparation of briefs for the respondents, which request DANIELS stated he denied, and further advised that he received no formal request for a delay. Mr. DANIELS stated that he did not see BERGSON's name on the respondents' briefs filed with the United States Supreme Court.

IP 46-635

Mr. DANIELS stated that he had no contact with any employees of the Anti-Trust Division of the Department of Justice in the KIEFER-STEWART matter.

It is noted that Baker and Daniels maintain no actual file in this matter, and the above information was furnished by Mr. DAVIS and Mr. DANIELS from memory and from their personal diaries.

At the conclusion of the above interviews, Mr. DANIELS and Mr. DAVIS were questioned and they advised that they did not know the identities of any clients subjects represented or may be representing at the present time.

- RUC -

IP 45-635

ADMINISTRATIVE PAGE

REFERENCE

Report of Special Agent THOMAS J. JENKINS, August 16, 1952,  
Washington Field Office.



## FEDERAL BUREAU OF INVESTIGATION

PERSONAL &amp; CONFIDENTIAL

FORM NO. 1

THIS CASE ORIGINATED AT

WASHINGTON FIELD

FILE NO.

REPORT MADE AT <b>Mobile</b>	DATE WHEN MADE <b>8/22/52</b>	PERIOD FOR WHICH MADE <b>8/21/52</b>	REPORT MADE BY <b>JOEL D. COLGLAZIER :mem</b>
TITLE <b>PEYTON FORD, ETAL</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERNMENT; MISCONDUCT IN OFFICE</b>
SYNOPSIS OF FACTS: <i>1cc for A returned to file AA 9-13-52</i>			
<u>MISCELLANEOUS INVESTIGATION</u>			
<p><i>100 AL 8-28-52 EPCW</i></p> <p>Congressman FRANK BOYKIN, Mobile, Alabama, states he contacted THERON LAMAR CAUDLE in connection with RIPPS-MITCHELL Tax Evasion Case as RIPPS and MITCHELL were constituents of his; but that CAUDLE stated it was an aggravated case and declined to see RIPPS and MITCHELL'S representatives. BOYKIN states he was very friendly with CAUDLE and did mention to him something about employment with ALCOA, however he does not recall mentioning amount of money in connection with such employment. States has never discussed this with ALCOA but intended to if CAUDLE interested in employment with ALCOA. He stated he has no information whatsoever re PEYTON FORD's law firm being legal counsel for ALCOA.</p> <p><i>100 Chas B Murrey AAS By memo 8-21-52 EPCW</i></p> <p><i>100 Williams 4718</i></p> <p><b>DETAILS: <u>MISCELLANEOUS INVESTIGATION</u></b> <i>1cc ret. to file by Williams, 12-4-52 fmv.</i></p> <p><b><u>AT MOBILE, ALABAMA.</u></b></p>			
APPROVED AND FORWARDED: <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES DESTROYED <b>169 DEC 2 1964</b>		<b>62-197558-1/820</b> <b>RECORDED - 45</b> <b>INDEXED - 45</b> <b>EX - 80</b> <b>62</b>	
<b>(5) - Bureau (62-97558) (AMSD)</b> <b>3 - Washington Field (46-2715)</b> <b>2 - Mobile (46-173)</b>		<b>AUG 25 1952</b> <b>29</b>	

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65 AUG 29 1952

MO 46-173

This is a joint investigation of SA JOSEPH T. BOSTON and the writer.

Congressman FRANK BOYKIN was interviewed at the Admiral Semmes Hotel, Mobile, and he stated that he and THERON LAMAR CAUDLE had been quite friendly for a number of years, and that he was very much impressed with the abilities of CAUDLE. He stated that he was socially friendly with CAUDLE and his wife. He advised that in about 1950 the MITCHELL-RIPPS Tax Evasion Case was being considered for prosecution and that representatives of SAM RIPPS and JOE MITCHELL were in Washington trying to straighten out this matter. He stated that they called on him many times and that MITCHELL's wife remained there about six months in connection with the matter. Congressman BOYKIN stated that he had been well acquainted with SAM RIPPS for a number of years, but was not as well acquainted with the JOE MITCHELL family.

BOYKIN stated that in connection with the contacts that the MITCHELL-RIPPS representatives had with him, he contacted THERON LAMAR CAUDLE and told him that the wife of MITCHELL and other representatives were trying to get in to intercede in their behalf. He stated that CAUDLE told him at that time that this was an aggravated tax evasion case and it would be necessary to handle same in court. BOYKIN stated that he then requested CAUDLE to meet with the MITCHELL-RIPPS representatives, which he declined to do. He stated that his interest in this matter was that RIPPS and MITCHELL were acquaintances of his and constituents of his congressional district, and he felt obligated to put them in touch with those people who were handling this tax evasion case.

Congressman BOYKIN stated that he recalls during a conversation with CAUDLE mentioning something to him about employment with the Aluminum Company of America as probably legal counsel. He stated, however, that he does not recall discussing any amount that would be paid, but it is quite possible that he did. Congressman BOYKIN stated that this was strictly conversation on his part as he had not mentioned anything to ALCOA relative to their employment of CAUDLE, and that this has still never been mentioned to ALCOA by him. He stated that he has no connection with ALCOA other than he feels responsible to a large extent in bringing ALCOA to Mobile, Alabama. He stated that he was aware of a dislike between CAUDLE and PEYTON FORD,

MO 46-173

or at least was of the opinion that they were unfriendly toward each other. He stated he has never had a discussion with PEYTON FORD as far as he can recall and that any business he had to take up with the Department of Justice was done through CAUDLE. He stated that he has no information whatsoever indicating that PEYTON FORD's law firm is legal counsel for ALCOA, and certainly if this situation exists, he had no part in connection with same. He stated he has no recollection of having made this remark to CAUDLE, but if he did, it was not made in a serious vein, and was made simply because he knew CAUDLE and PEYTON FORD were not particularly friendly.

The records of the Clerk, U. S. District Court, Mobile, Alabama, reflect that on September 25, 1950, JOSEPH MITCHELL was sentenced to three years to begin on October 6, 1950 in a tax evasion case. The sentence also carried a \$5,000.00 fine and one-half the cost of prosecution. SAMUEL RIPPS was sentenced to two and a half years, service to begin October 6, 1950. A \$5,000.00 fine and one-half the cost of prosecution was also imposed. This sentence was also passed September 25, 1950 in U. S. District Court, Mobile, on a tax evasion case.

- R U C -

MO 46-173

ADMINISTRATIVE PAGE

REFERENCE: Report of SA THOMAS J. JENKINS dated  
8/16/52 at Washington, D. C.  
Washington Field teletype to Mobile  
dated 8/19/52.

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **WASHINGTON FIELD**

REPORT MADE AT <b>CHICAGO, ILLINOIS</b>	DATE WHEN MADE <b>8/22/52</b>	PERIOD FOR WHICH MADE <b>8/19, 21/52</b>	REPORT MADE BY <b>NJC:OH NORMAN J. CHRISTIANSEN</b>
TITLE <b>HERBERT A. BERGSON; PEYTON FORD; HERBERT BORKLAND; ALBERT F. ADAMS; SUMNER MURRAY REDSTONE</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERNMENT; MISCONDUCT IN OFFICE</b>

**ATTENTION: ASSISTANT DIRECTOR A. ROSEN**

**SYNOPSIS OF FACTS:**

HAMMOND E. CHAFFETZ, Counsel for Standard Oil Company (Indiana), advised that firm had employed BERGSON and BORKLAND to prepare an opinion relating to antitrust problems for guidance of various attorneys representing ownership of Atlas Supply Company which had proceedings pending before the Federal Trade Commission. BERGSON not employed in connection with any other matter. CHAFFETZ admires and respects BERGSON personally and has high regard for his professional conduct.

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**DETAILS: AT CHICAGO, ILLINOIS**

The following investigation was conducted by SA (A) HOWARD A. CARLSON and the writer:

On August 19, 1952, Mr. HAMMOND E. CHAFFETZ, member of the law firm of Kirkland, Fleming, Green, Martin, and Ellis, 33 North LaSalle Street, Chicago, Illinois, was interviewed at the offices of Standard Oil Company (Indiana), 910 South Michigan Avenue, Chicago, Illinois. Mr. CHAFFETZ advised that he serves as counsel for the Standard Oil Company (Indiana) and pursuant to his request, Mr. A. L. GREEN, Associate

APPROVED AND FORWARDED: *John D. Malone* SPECIAL AGENT IN CHARGE

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- 3 - Washington Field (46-2715)
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26 AUG 25 1952

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General Counsel for Standard Oil Company (Indiana) who is not associated with the law firm with which CHAFFETZ is affiliated, was also present at this interview.

Mr. CHAFFETZ advised that the Standard Oil Company (Indiana) had employed HERBERT BERGSON and HERBERT BORKLAND on just one occasion. This matter involved the Atlas Supply Company and its proceedings before the Federal Trade Commission.

CHAFFETZ stated that in the spring or summer of 1951, the Standard Oil Company (Indiana) was involved in proceedings before the Federal Trade Commission with regard to the Atlas Supply Company. The latter firm is owned by five companies of Standard Oil including Standard Oil (Indiana). CHAFFETZ stated that lawyers representing each of the firms of ownership of the Atlas Supply Company had been unable to reach a mutual decision regarding their handling of proceedings pending before the Federal Trade Commission.

CHAFFETZ stated that generally the problems involved in connection with the Atlas Supply Company related to anti-trust matters and trademark matters. CHAFFETZ stated that the Standard Oil Company (Indiana) had certain definite opinions as to how proceedings should be handled in connection with the antitrust problems involved and it was Standard Oil Company's (Indiana) desire to influence the other attorneys to adopt the views held by the Standard Oil Company (Indiana).

CHAFFETZ stated that counsel for the Standard Oil Company (Indiana), including Mr. GREEN and others, realized it would be necessary for Standard Oil to secure the assistance of an attorney outside that firm to prepare an opinion which could be presented as a neutral view to attorneys representing the five firms. CHAFFETZ stated that it was the desire of Standard Oil Company (Indiana) to secure an attorney of prestige and ability in the field of antitrust matters and that BERGSON was selected, partly perhaps by reason of CHAFFETZ's recommendation. CHAFFETZ stated that he telephonically contacted BERGSON at the latter's offices at Washington, D.C. BERGSON agreed to prepare an opinion for use by the Standard Oil Company (Indiana) and he indicated it was his wish that BORKLAND participate in this respect.

CHAFFETZ stated that after BERGSON and BORKLAND had prepared a rough draft of their opinion, they presented it to the Standard Oil Company (Indiana) and it was noted that the opinion conformed largely with the views held by Standard Oil Company (Indiana). CHAFFETZ stated that theretofore BERGSON and BORKLAND had not been told of the conclusions of the Standard Oil Company (Indiana) in connection with the problems reviewed by BERGSON. However CHAFFETZ advised that when it was noted the opinion presented by BERGSON and BORKLAND did fall in line with the views held by the Standard Oil Company (Indiana), then contact was made with the other attorneys of the Atlas Supply Company ownership who agreed to consider the recommendations of an outside neutral attorney.

CHAFFETZ stated that the opinion prepared by BERGSON and BORKLAND had involved a long and difficult job. CHAFFETZ stated in connection with the matter BORKLAND had come to Chicago on two occasions and BERGSON probably visited the Standard Oil Company (Indiana) offices at least once. The opinion which was submitted by BERGSON and BORKLAND was used by the Standard Oil Company (Indiana) and by the other firms representative of Atlas Supply Company ownership merely for purposes of guidance and information. CHAFFETZ stated it had no use in connection with presentation to government agencies and was not shown to parties other than the respondent firms' attorneys.

CHAFFETZ stated that he noted BERGSON and BORKLAND had submitted a bill for their services and that payment had been made on a basis of time put in by them on this matter.

CHAFFETZ advised that the matter involving the Federal Trade Commission and the Atlas Supply Company was the only instance known to him in which BERGSON or the firm he represented had been employed by the Standard Oil Company (Indiana). He stated that BERGSON had not been hired as counsel by the Standard Oil Company (Indiana) in connection with the case involving that firm and the Federal Trade Commission with regard to price discrimination in violation of the Robinson-Patman Act.

Mr. A. L. GREEN advised that in connection with the employment of BERGSON and BORKLAND, he recalled the circumstances were exactly as outlined by Mr. CHAFFETZ. Mr. GREEN stated that in connection with the proceedings involving the Atlas Supply Company and the Federal Trade Commission, the

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respondent firms representing the ownership of the Atlas Supply Company had faced two problems involving antitrust and trademark matters. He stated that the services of BERGSON were obtained to handle the antitrust phases and the services of the firm of Nims and Verdi, New York City, were retained in connection with the trademark problems.

GREEN stated that the purpose of BERGSON's report had been for the use of the Standard Oil Company (Indiana) to persuade the companies involved that the route suggested by the Standard Oil Company (Indiana) was the one all firms should agree to take in connection with the Atlas Supply Company - Federal Trade Commission proceedings.

CHAFFETZ advised that he had known BERGSON since the latter's early years in the Department of Justice. CHAFFETZ stated that he had left his employment with the Department of Justice in 1938. CHAFFETZ advised that he has great respect and admiration for BERGSON both personally and professionally. He stated that he has offices in care of the firm of Kirkland, Fleming, Green, Martin, and Ellis at 800 World Center Building, Washington, D.C. He stated that BERGSON and his associates also have offices in this building.

CHAFFETZ stated that he recalled at one time he had been told by BERGSON that he, BERGSON, had refused a client because the client had matters pending before the Department of Justice and that BERGSON had recommended the client retain CHAFFETZ. CHAFFETZ stated that perhaps BERGSON had done this because it was subsequent to his being retained by the Standard Oil Company (Indiana) and he had felt that CHAFFETZ might have been instrumental in this regard.

CHAFFETZ stated that he was of the opinion that BERGSON had turned down a large number of clients because BERGSON was most circumspect in his business dealings and would not take on a matter which had been pending in the Department while he was there.

On August 21, 1952, Mr. A. L. GREEN, Associate General Counsel of the Standard Oil Company (Indiana), advised that as a result of a search of records, he had found data concerning payment for services of BERGSON and BORKLAND. GREEN stated that a bill dated February 1, 1952 had been received



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from the firm of Ford, Bergson, Adams, and Borkland in the amount of \$7,788.76 which was for legal services re Atlas Supply Company opinion. This bill indicated disbursements of \$288.76 and fee for legal services of \$7,500.00 making up the total amount.

GREEN stated that in a letter which was directed to BERGSON a check in the amount of \$7,788.76 was sent to the firm of Ford, Bergson, Adams, and Borkland.

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- 5 -

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ADMINISTRATIVE PAGE

REFERENCE

Report of SA THOMAS J. JENKINS dated August 16, 1952 at Washington, D.C.

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

AUG 22 1952

TELETYPE

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Belmont	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Harbo	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Laughlin	_____
Mr. Mohr	_____
Mr. Winterrowd	_____
Tele. Room	_____
Mr. Holloman	_____
Miss Gandy	_____

*E. J. Connelley*

FBI INDIANAPOLIS

8-22-52

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DIRECTOR, FBI

URGENT

RE PEYTON FORD, ET AL, FAG, MISCONDUCT IN OFFICE. RE BUTEL INSTANT DATE.  
RUC REPORT OF SA FRANK H. DONNELLY SUBMITTED UNDER DATE OF AUGUST  
TWENTY-ONE LAST.

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CC: Mr. Winterrowd

65 AUG 29 1952

6-26

# FEDERAL BUREAU OF INVESTIGATION

FORM No. 1  
THIS CASE ORIGINATED AT

WASHINGTON FIELD

FILE NO.

REPORT MADE AT <b>OKLAHOMA CITY</b>	DATE WHEN MADE <b>8-22-52</b>	PERIOD FOR WHICH MADE <b>8-20, 21-52</b>	REPORT MADE BY <b>BYRON E. McFALL HM</b>
TITLE <b>PEYTON FORD; HERBERT AUGUSTUS BERGSON; HERBERT BORKLAND; ALBERT F. ADAMS; SUMNER MURRAY REDSTONE</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERNMENT MISCONDUCT IN OFFICE</b>

## SYNOPSIS OF FACTS:

*100 AS 8/28/52*  
*200*

*100 Chas Murray 8-26-52*  
*8-26-52*  
*100 ref to file by Williams 12-4-52*

*100 sent by Winterrowd 4/14/53*

MR. W. J. HOLLOWAY, former Governor of Oklahoma and Special Attorney for SERVICE PIPELINE COMPANY; MR. CECIL HUNT, General Counsel of such company, and MR. JOHN L. SHOEMAKER, Vice President of such company, furnished information concerning negotiations and conferences held with MR. HERBERT A. BERGSON and members of his staff in support of an Application filed by the company with the Department seeking an interpretation of the phrase "final valuation" used in a Consent Decree in U. S. vs Atlantic Refining Company dated December 23, 1941, and other matters of interest to the company. They related that a favorable ruling was made by the Department acting through MR. BERGSON in connection with the use of the valuation of December 31, 1947, in lieu of the valuation of 1934, but in other respects the opinion of the Department was not favorable to the company. MR. HOLLOWAY stated Staff members not in complete agreement but MR. HUNT and MR. SHOEMAKER noted no obvious disagreement of Staff members during conferences. All stated the Staff members gave no positive individual opinions or interpretations during the conferences and that nothing was official until receipt of the Departmental letter signed by MR. BERGSON. All stated they noted no irregularities in the conferences, and stated neither they nor the company rendered any favors to Government attorneys.

*100 Williams 4/18* RUC

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APPROVED AND FORWARDED: <i>D. G. Brown</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
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OC 46-539

DETAILS: At Oklahoma City, Oklahoma

Mr. WILLIAM J. HOLLOWAY, former Governor of Oklahoma, Attorney, 2213 First National Building, Oklahoma City, advised Special Agent. J. CALVIN RICE and Reporting Agent on August 20, 1952, that he has been Special Attorney for the SERVICE PIPELINE COMPANY since December, 1934, and that this company was called the Stanolind Pipeline Company prior to 1950. He stated the SERVICE PIPELINE COMPANY is a subsidiary of the Standard Oil Company of Indiana. He stated that at the time of the consent decree in the case of U. S. vs Atlantic Refining Company Et Al in 1941 the latest valuation of the various carriers in that case as determined by the I.C.C. was a valuation made as of 1934. He stated that beginning in about 1947 the I.C.C. started making a new valuation of the various pipeline companies and it was understood (source not now recalled) that the results of the new valuation would be released in the Spring of 1950.

MR. HOLLOWAY stated that the officials of the SERVICE PIPELINE COMPANY were interested in determining the Department's interpretation of "final valuation" of the I.C.C. in view of the new valuation in 1947 and several weeks prior to filing an application for a Departmental interpretation he contacted MR. PEYTON FORD in Washington, D. C., and requested information as to the procedure to follow. He stated he does not recall whether MR. J. L. BURKE, President of the SERVICE PIPELINE COMPANY was present at the time of this contact. He stated MR. FORD advised him to contact MR. HERBERT A. BERGSON, who was then head of the Antitrust Division of the Department, since he was in charge of such matters. He stated he and the officials of the SERVICE PIPELINE COMPANY drew up the application and about thirty days prior to the receipt of the decision of the Department sent to the SERVICE PIPELINE COMPANY by MR. BERGSON (September 14, 1950) he as well as MR. BURKE contacted MR. BERGSON and presented the application for a Departmental interpretation.

MR. HOLLOWAY stated there appeared to be two courses of action to follow: i.e., obtaining a Departmental interpretation or taking the matter before the District Court which had handled the Atlantic Refining Company case in 1941. MR. HOLLOWAY stated it was his opinion that the application should be made for a Departmental interpretation before instituting court action.

He stated that upon contacting MR. BERGSON concerning this matter, BERGSON called in several of his assistants including MR. SNYDER, who was apparently in charge under MR. BERGSON, and other staff members, names not now recalled. He stated that several conferences were held with the staff members by him and MR. BURKE and others connected with the SERVICE PIPELINE COMPANY and another conference was also held with MR. BERGSON. He stated none of the Departmental assistants gave a positive interpretation but he is of the opinion that they were not in complete agreement during these conferences.

He stated he does not recall the specific dates of the various conferences had with the Department attorneys, but does recall that about two or three weeks after the last conference a letter was received from the Department signed by MR. BERGSON indicating that the valuation of the I.C.C. of 1947 would be used in lieu of the 1934 valuation.

MR. HOLLOWAY stated he saw MR. FORD in the first instance in connection with this matter because he knew MR. FORD and knew FORD could tell him the proper person to see and the procedure to follow. He stated, as far as he knows, the application by the SERVICE PIPELINE COMPANY for a Departmental interpretation is the first such application made. He stated he has no knowledge of any similar applications made by other pipeline companies but is of the opinion that the Departmental interpretation in connection with the SERVICE PIPELINE COMPANY would automatically apply to all pipeline companies. He stated he likewise has no knowledge of any other Departmental interpretations of the term "final valuation."

MR. HOLLOWAY stated in connection with his contact with MR. FORD and contacts with MR. BERGSON and his assistants he saw no irregularities and suspected none. He stated there were no favors done for any member of the Department by the SERVICE PIPELINE COMPANY or by him.

At Tulsa, Oklahoma

MR. CECIL HUNT, General Counsel, SERVICE PIPELINE COMPANY, 116 East 6th Street, Tulsa, advised Special Agent JESSE L. ORR and the Reporting Agent on August 21, 1952, as follows:

He stated that he did not go to the Department of Justice when ex-Governor HOLLOWAY originally contacted PEYTON FORD concerning the fact that SERVICE PIPELINE COMPANY planned to file an application with the Department, but believes MR. J. L. ~~BURKE~~, President of the Company, accompanied MR. HOLLOWAY. He advised that thereafter a Statement or Application was prepared in collaboration with MR. HOLLOWAY, together with amended Returns prepared by accountants of SERVICE PIPELINE COMPANY, and then were submitted to the Department by cover letter dated August 21, 1950. MR. HUNT referred to his file to obtain this date and pointed out that the Application, Returns, and cover letter were presented in person to MR. BERGSON of the Antitrust Division by Messrs. BURKE, HOLLOWAY, HUNT, and J. L. SHOEMAKER, Vice President, SERVICE PIPELINE COMPANY, hereinafter referred to as the Company. A few days later, probably about August 25, 1950, the four named representatives of the Company held a conference with a MR. SNYDER of the Antitrust Division and some of his assistants, including a MR. SILVERMAN and a MR. PEWETT. MR. HUNT pointed out that MR. BERGSON had furnished the Company's Application and related papers to MR. SNYDER for study and that the last mentioned conference was called after MR. SNYDER had made a preliminary study of such documents.

MR. HUNT stated that so far as he can remember there seemed to be no open disagreement between members of the Departmental staff but that the conferences, of which there were several, resulted in pro and con discussions of the position taken by the Company with respect to being allowed to use the December 31, 1947, valuation of the I.C.C. as a basis for measuring the investment and arriving at the seven per cent of such investment which the pipeline could pay to the shipper-owner, under the consent decree of December 23, 1941. Also, there was considerable discussion concerning the manner in which the company had arrived at certain of its figures in preparing the Amended Returns. MR. HUNT stated that, both in conferences with staff members and in conferences attended by MR. BERGSON, the Department attorneys concentrated on showing fallacies in the arguments of the Company representatives and none of them took a positive stand concerning the 1934 and 1947 valuations. MR. HUNT stated that he and Messrs. BURKE, HOLLOWAY and SHOEMAKER were given no encouragement during such conferences and it was not until receipt of MR. BERGSON's letter setting out the opinion of the Department that they found their arguments had been somewhat acceptable to the Department, especially concerning the use of the later valuation of 1947. He pointed out, however, that MR. BERGSON's letter in answer to the Company's second question indicated the Department's answer was in the negative; that inasmuch as, the second sentence of Paragraph III (a) of the Decree prescribes a specific procedure for bringing a "latest final valuation" down to date the use of "period prices" could not be used to revalue the properties each year. MR. HUNT stated in this connection that since the date of the Consent Decree the company has been endeavoring to bring about changes in the Government procedure so that I.C.C. would render a valuation of the properties on an annual basis but that such attempts had been unsuccessful thus far because the I.C.C. claimed it would be an insurmountable task in view of the tremendous work already being handled by that agency.

MR. HUNT continued by saying that the opinion of the Department as set out by MR. BERGSON proved of some advantage to the Company, but because of the Department's negative stand on question number 2 and its somewhat evasive stand on the third question, the resultant decision could hardly be construed as a complete victory for the Company. He stated the opinion, at best, would only be persuasive on the Court, but that it serves the purpose of probably protecting the Company from a suit for treble damages under the Elkins Act so long as the opinion remains in full force and effect. He has no information that other companies have filed applications for similar relief but assumes the opinion of the Department would apply to other companies also.

MR. HUNT stated that during the several conferences with staff members and the conferences in which MR. BERGSON participated he noted no irregularities. He further stated neither he nor the SERVICE PIPELINE COMPANY rendered any favors to Departmental attorneys and considered throughout the deliberations that the matter was being handled by the Department in a purely official manner.

MR. HUNT advised that he met MR. BERGSON, MR. SNYDER and other staff members for the first time during the conferences and that he did not meet MR. FORD until the conferences were concluded. He stated he has never seen any of them socially before or since the conferences hereinabove mentioned.

MR. HUNT recalled that during the first conference MR. BERGSON referred the Company's application to MR. SNYDER, stating the Company was entitled to an answer as soon as possible. BERGSON then told the Company's representatives that he had not been associated with the case as long as MR. SNYDER and desired that conferences be held with staff members first, after which he, as head of the Antitrust Division, would hear the matter and furnish the decision of the Department.

MR. HUNT suggested, also, that MR. SNYDER had not been as contentious with reference to the question of the use of the 1947 valuation as he had been with reference to the second question proposed by the Company, and pointed out that with regard to the second question MR. BERGSON's decision followed the stand taken by SNYDER, which was adverse to the position taken by the Company.

MR. HUNT volunteered information that he had read an announcement in one of the legal periodicals that MR. FORD and MR. BERGSON are now members of a private law firm but stated that the firm of which they are now members has not represented the SERVICE PIPELINE COMPANY in any cases. He further stated he has no close connection with the STANDARD OIL COMPANY OF INDIANA but knows of no cases in which that company has been represented by the firm of which FORD and BERGSON are members.

MR. JOHN L. SHOEMAKER, Vice President, SERVICE PIPELINE COMPANY, Tulsa, advised Special Agent JESSE L. ORR and the Reporting Agent on August 21, 1952, as follows:

He stated he was not present with MR. HOLLOWAY when MR. FORD was first approached concerning the proper procedure for filing the contemplated application but attended most of the conferences thereafter inasmuch as he supervised the preparation of the Amended Returns to be filed with the Department on behalf of the Company and was responsible for the accounting features which were used in support of the Company's theories and contentions. He recalled that the names of the staff members who participated in most of the conferences were MR. SNYDER and MR. SILVERMAN; that a MR. PREWITT or some such name participated in some of the conferences and that MR. BERGSON, head of the Antitrust Division was in attendance at the first conference when he referred the matter to SNYDER for study; and at the concluding conference when he acted in the capacity of Chairman but gave no indication concerning the position the Department might take with respect to the Company's application.



OC 46-539

He, like MR. HUNT, stated that the Company was not wholly successful in the negotiations, as the Company considered the feature of having annual valuations to be one of the most important features contended for by the Company. However, he stated that the decision allowing use of the December 31, 1947, valuation in lieu of the 1934 valuation was beneficial to the company in arriving at the payments to be made to the shipper-owner.

MR. SHOEMAKER advised that he was associated with Stanolind Pipeline Company, predecessor to the SERVICE PIPELINE COMPANY at the time of the Consent Decree; that he recalls MR. SNYDER as having been active in the case of U. S. vs ATLANTIC REFINING COMPANY from the beginning and noted that MR. SNYDER took the lead in the negotiations and conferences in 1950. He stated he recalled MR. SNYDER but met MAURICE SILVERMAN and other staff members for the first time during instant conferences. He stated he has never had any social connections with any of the staff members at any time; has rendered no favors to any of them; knows of no favors rendered to them by SERVICE PIPELINE COMPANY and knows of no connection between SERVICE PIPELINE COMPANY and any former Departmental Attorneys who may now have entered private practice. He further stated he had noted no irregularities during the conferences and no obvious disagreement between the various members of the staff of the Antitrust Division. He explained that procedure is now being set up so that values based on "period prices" may be available on an annual basis for the years subsequent to 1947.

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ADMINISTRATIVE PAGE

On August 21, 1952, MR. CECIL HUNT, General Counsel, SERVICE PIPELINE COMPANY, advised that MR. J. L. BURKE, President of such company, was on vacation until September 15, 1952. He advised MR. BURKE can be contacted in care of his father-in-law, MR. W. H. RELYEA, Badger Hotel Apartments, Merrill, Wisconsin. This information was communicated to the Bureau and Washington Field Office by teletype dated August 21, 1952, with the suggestion that an appropriate lead be set forth for the Milwaukee office and appropriate serials furnished. It is noted that referenced teletype inadvertently set out MR. BURKE'S initials as "A. L." instead of "J. L." BURKE.

An informational copy of instant report is being furnished to Milwaukee.

REFERENCE: Report of SA THOMAS J. JENKINS dated August 16, 1952, at Washington, D. C.

Teletypes to Bureau and Washington Field Office from Oklahoma City dated August 21 and August 22, 1952.

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FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

AUG 22 1952

TELETYPE

Mr. Tolson \_\_\_\_\_  
Mr. Ladd \_\_\_\_\_  
Mr. Nichols \_\_\_\_\_  
Mr. Belmont \_\_\_\_\_  
Mr. Clegg \_\_\_\_\_  
Mr. Glavin \_\_\_\_\_  
Mr. Harbo \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Tracy \_\_\_\_\_  
Mr. Laughlin \_\_\_\_\_  
Mr. Mohr \_\_\_\_\_  
Mr. Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Mr. Holloman \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

FBI, OKLAHOMA CITY 8-22-52 8-24 AM CST DC

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PRIORITY AND PERSONAL SUPERVISION OF SAC. SUTEL SUMMARY  
RESULTS INTERVIEW WITH BARLOW AND SUREP EARLIEST DATE.

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5 AUG 29 1952

San Francisco Bureau Radio 8-22-52 12:41 P. Per SK

Tolson  
Ladd  
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Belmont  
Clegg  
Glavin  
Harbo  
Rosen  
Tracy  
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Holloman

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NEW YORK  
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PEYTON FORD, ET AL, FAG, MISCONDUCT IN OFFICE. SUTEL TODAY  
STATUS OF INVESTIGATION AND WHEN REP WILL BE SUBMITTED.

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HOOVER.

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

Tolson \_\_\_\_\_  
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COMMUNICATIONS SECTION

AUG 21 1952

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Mr. Tolson	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Belmont	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Harbo	_____
Mr. Rosen	✓
Mr. Tracy	_____
Mr. Laughlin	_____
Mr. Mohr	_____
Mr. Winterrowd	✓
Tele. Room	_____
Mr. Holloman	_____
Mr. Gandy	_____

FBI, OKLAHOMA CITY 8-21-52 3-53 PM CST

DC

DIRECTOR, FBI AND SAC WASHINGTON FIELD

URGENT

PEYTON FORD, ETAL, FAG, MISCONDUCT IN OFFICE. REREP SA THOMAS J. JENKINS, DATED AUG SIXTEEN LAST AT WFO. A. L. BURKE, PRESIDENT, SERVICE PIPE LINE CO., TULSA, OKLAHOMA, IS VACATIONING UNTIL SEPT FIFTEEN CARE OF FATHER-IN-LAW, W. H. RELYEA, BADGER HOTEL APTS, MERRILL, WISCONSIN. MILWAUKEE APPARENTLY HAS NO COPY REFERENCED REPORT. WFO SET APPROPRIATE LEAD. REPORT FOLLOWS CONCERNING OTHERS INTERVIEWED AT OKLAHOMA CITY AND TULSA.

RECORDED 113

BRYCE

162-97558-188  
AUG 27 1952

END

ACK PLS

5-55 PM OK FBI WA MLM

V  
65 AUG 29 1952

TWO COPIES WFO

6-ELW

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

AUG 22 1952

TELETYPE

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Belmont	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Harbo	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Laughlin	_____
Mr. Mohr	_____
Tele. Room	_____
Mr. Holloman	_____
Miss Gandy	_____

FBI CLEVELAND

8-22-52 6-15 PM EDST

DIRECTOR FBI

URGENT

PEYTON FORD, ET AL, FAG, MISCONDUCT IN OFFICE. REURTEL AUG. TWENTY, LAST. ALL INVEST TO BE CONDUCTED THIS FIELD DIVISION HAS BEEN DONE AND REPORTED IN REP OF SA KENNETH C. HOWE, DATED AUG. SIXTEEN, LAST AND SA EDWARD C. KUMEROW, DATED AUG. FIFTEEN, LAST, WITH THE EXCEPTION OF INTERVIEW OF RAY G, JETER, SEC. AND GEN. COUNSEL, B, F. GOODRICH CO. AS INDICATED MY TEL AUG. TWENTY, LAST, JETER PRESENTLY INVOLVED IN LABOR NEGOTIATIONS AT CINCINNATI, O., FULL TIME AND B. F. GOODRICH CO PRESENTLY ON STRIKE. GOODRICH OFFICIALS, AKRON, O., RECOMMEND AGAINST ANY ATTEMPT TO INTERVIEW JETER IN CI. IN VIEW PRESSURE OF LABOR NEGOTIATIONS AND FURTHER STATE HE WILL UNQUESTIONABLY NEED MEMORANDA AND OTHER PAPERS WHICH WILL BE AVAILABLE ONLY IN HIS OFFICE IN ORDER TO GIVE SPECIFIC INFO NEEDED. GOODRICH OFFICIALS UNABLE TO GIVE ESTIMATE AS TO WHEN STRIKE WILL BE SETTLED BUT ATTENTION WILL BE GIVEN THIS MATTER CONTINUOUSLY AND JETER INTERVIEWED AND REPORT SUBMITTED AT EARLIEST POSSIBLE DATE.

END

ACK6-18 PM OK FBI WA MT

M

SHINE

RECORDED - 119

EX-25

AUG 27 1952

65 AUG 22 1952



*Am*

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

AUG 22 1952

TELETYPE

Mr. Tolson	
Mr. Ladd	
Mr. Nichols	
Mr. Belmont	
Mr. Clegg	
Mr. Glavin	
Mr. Harbo	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Hendon	
Mr. Pennington	
Mr. Quinn	
Mr. Nease	
Miss Gandy	

*Am*  
*John*  
*718*

*213*  
WASH FROM PORTLAND VIA SAN FRAN S39

8-22-52

4-49 PM

DIRECTOR

U R G E N T

PEYTON FORD, ET AL , FAG, MISCONDUCT IN OFFICE. REURTEL TODAY.

LEONARD A. NIKOLORIC, ATTORNEY PD ORE, FORMERLY ASSOCIATED WITH LAW FIRM OF ARNOLD, FORTAS AND ~~PORTER~~ PORTER, WASH DC, UPON INTERVIEW ADVISED HE TALKED ONLY WITH ROGER WOLLENBERG, ANTITRUST DIV, US DEPT OF JUSTICE IN CONNECTION WITH KIEFER-STEWART CASE. HE IS NOT AWARE THAT ANY MEMBERS OF HIS FIRM DISCUSSED THIS CASE WITH OTHER MEMBERS OF THE DEPT BUT BELIEVES HE ~~WOULD~~ WOULD HAVE KNOWN HAD THEY DONE SO. FURTHER ADVISED IT WAS HIS UNDERSTANDING THAT THE DEPTP REFUSED TO INTERVENE IN KIEFER-STEWART CASE WHICH THEY ARE ALWAYS RELUCTANT TO DO IN SUCH CIVIL CASES. NIKOLORIC FURTHER STATED HE

CONSIDERS ALL DEPARTMENTAL OFFICIALS WITH WHOM HE HAS DEALT IN ALL MATTER TO BE ENTIRELY HONEST AND ABOVE REPROACH. RUC REPORT SUBMITTED BY SA ELVIN L. BARTON, PD IN THIS ~~MATTER~~ MATTER DATED AUG NINETEEN LAST AND FORWARDED AMSD THAT DATE.

EX-25  
STER

62-97558-190  
AUG 27 1952

CORR LAST WORD TENTH LINE SHD READ "HE"

HOLD PLS

65 AUG 29 1952

CONF WASH AND WASH FLD FROM NEW YORK

86

22

9-53 PM

DIRECTOR AND SAC

URGENT

PEYTON FORD, ET AL, FRAUD AGAINST GOVERNMENT, MISCONDUCT IN OFFICE. REBUFILE SIX TWO DASH NINE SEVEN FIVE FIVE EIGHT, BUTEL AUGUST TWENTYTWO INSTANT AND WFO TEL AUGUST NINETEEN LAST. BORIS KOSTEL-ANETZ COULD SUPPLY NO INFO AS TO ANY IRREGULAR ACTIVITIES OF SUBJECTS IN THIS CASE. SWORN SIGNED STATEMENT RECEIVED FROM WALTER GROSS OF UNITED PARAMOUNT THEATRES, INC. CONTAINING INFO SET OUT IN NY REPORT AUGUST THIRTEEN LAST. SETTING OUT THAT FOR THE PERIOD FEBRUARY ONE NINETEEN FIFTY ONE TO JULY ONE LAST THEY PAID SUBJECTS LAW FIRM SIXTY FIVE THOUSAND DOLLARS, LEGAL FEES. REPORT ON ABOVE WILL BE SUBMITTED AUGUST TWENTY FIVE NEXT. REMAINING NY LEADS ARE SET OUT IN NY REPORT AUGUST FIFTEEN LAST.

SCHEIDT

HOLD

444

TWO COPIES WFO

RECORDED - 55  
EX. - 80

AUG 20 1952

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

AUG 23 1952

TELETYPE

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Nichols	_____
Mr. Belmont	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Harbo	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Egan	_____
Mr. Gurnea	_____
Mr. Hendon	_____
Mr. Pennington	_____
Mr. Quinn	_____
Mr. Nease	_____
Miss Gandy	_____

*Don* ✓  
*E. J. [unclear]*

WASH 2 FROM CHICAGO

22-23-

11-31 PM

LCR

DIRECTOR

URGENT

PEYTON FORD, ETAL, FAG, MISCONDUCT IN OFFICE, HAMMOND E.  
CHAFFETZ AND A. L. GREEN COUNSELS FOR STANDARD OIL CO.

PAREN INDIANA PAREN INTERVIEWED AND RUC REPORT BEING SUBMITTED TODAY.

MALONE

MALONE

HOLD PLS

XXXXXXXXXX

RECORDED - 56  
EX. - 80

62-97558-192  
AUG 27 1952

65 AUG 29 1952

The Attorney General

August 25, 1952

Director, FBI

PERSONAL AND CONFIDENTIAL

PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

RECORDED - 56

62-97558-193

This memorandum will serve to confirm the fact that on August 25, 1952, there was furnished to Mr. Charles B. Murray's Office a copy of the investigative report of Special Agent Thomas J. Jenkins, relative to the captioned matter, dated August 23, 1952, together with the exhibits referred to in this report.

This investigation is continuing on an expeditious basis and you will be supplied with all pertinent results concerning it.

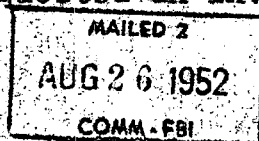
Reference is made to my memorandum of August 22, 1952, in which it was pointed out that information had been developed to the effect that Mr. A. William Barlow, United States Attorney at Honolulu had reportedly remarked there was a particular case in Honolulu which reflected some irregularity on the part of the subjects while employed in the Department of Justice. As was stated in my memorandum of reference, the identity of the case was not known nor was it known which of the subjects was involved.

I wanted to inform you that Mr. Barlow has been interviewed in Honolulu and he has advised that he knew of no case in Honolulu or in any other place which reflected irregularities on the part of the subjects. He informed that he had conversed with numerous officials and employees of the Department of Justice in Washington, D. C., when he made a certain visit to the District of Columbia. He stated he could not recall mentioning any case in Honolulu involving the subjects.

Mr. Barlow stated that while in Washington he did bring up the matter that Peyton Ford had, in the past, attempted to cause trouble for him, Barlow, and that Ford had in approximately January of 1951 sent a letter to the administrative head of the Civil Aeronautics Authority in Washington, Barlow's former employer. According to Mr. Barlow, this letter set forth irregularities on the part of Barlow and requested an investigation by the Civil Aeronautics

Tolson  
Ladd  
Nichols  
Belmont  
Clegg  
Glavin  
Harbo  
Rosen  
Tracy  
Laughlin  
Mohr  
Tele. Rm.  
Holloman  
Gandy

EHW/rh  
62-97558



55 AUG 29 1952

*[Handwritten signatures and initials]*

## The Attorney General

Authority in these particular matters which Barlow did not specify. He did state, however, that nothing resulted from the letter.

Mr. Barlow further stated that Peyton Ford and Howard Heddick, former acting Assistant U. S. Attorney at Honolulu and presently Special Assistant to the Attorney General, are good friends and allegedly they attempted to keep him from getting the appointment of United States Attorney at Honolulu.

Mr. Barlow further advised that he had heard rumors while in Washington concerning Peyton Ford securing clients for his law firm and that these clients are presently or were formerly defendants in cases in which the Federal Government was interested. Mr. Barlow said he could give no specific information on this nor could he suggest anyone who could furnish specific information.

In view of the foregoing, it is not contemplated that further investigation will be conducted in this particular matter unless specifically requested by you. The results of the interviews in this particular phase will be incorporated in investigative reports and submitted to Assistant Attorney General Murray.

cc 2 - Assistant Attorney General  
Charles B. Murray

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Laughlin \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

# F.B.I. RADIOGRAM

4-42a

DECODED COPY

FROM HONOLULU

8-23-52

NR 230300

7:04 AM

DIRECTOR AND SAC WASHINGTON FIELD

URGENT

PEYTON FORD, HERBERT AUGUSTUS BERGSON, HERBERT BORKLAND, ALBERT F. ADAMS, SUMNER MURRAY REDSTONE, FAG, MISCONDUCT IN OFFICE. REURRAD DATED AUGUST 22 INSTANT AND WFO RAD DATED AUGUST 21 LAST. A. WILLIAM BARLOW, USA, HONOLULU, ON INTERVIEW TODAY, ADVISED HE KNEW OF NO CASE IN HONOLULU OR ANY OTHER PLACE WHICH REFLECTED IRREGULARITIES ON PART OF SUBJECTS. BARLOW STATED HE CONVERSED WITH NUMEROUS OFFICIALS AND EMPLOYEES OF JUSTICE DEPARTMENT IN WASHINGTON, D. C. ON RECENT VISIT, BUT HE CAN'T RECALL MENTIONING ANY CASE IN HONOLULU INVOLVING SUBJECTS. BARLOW STATED THAT WHILE IN WASHINGTON, HE DID BRING UP THE MATTER THAT PEYTON FORD HAD IN THE PAST ATTEMPTED TO CAUSE TROUBLE FOR HIM AND FORD HAD IN APPROXIMATELY JANUARY 1951 SENT A LETTER TO ADMINISTRATIVE HEAD, CAA, WASHINGTON, D. C., BARLOW-S FORMER EMPLOYER, AND SET FORTH IRREGULARITIES ON THE PART OF BARLOW AND REQUESTED AN INVESTIGATION BY CAA IN THESE MATTERS. BARLOW ADVISED NOTHING CAME OF THIS. BARLOW STATED FORD AND HOWARD HODDICK, FORMER ACTING USA, HONOLULU, AND PRESENTLY SPECIAL ASSISTANT TO AG, ARE GOOD FRIENDS AND ATTEMPTED TO KEEP HIM FROM GETTING APPOINTMENT OF USA, HONOLULU. BARLOW ADVISED HE HEARD REMARKS WHILE IN WASHINGTON D. C. CONCERNING PEYTON FORD-S SECURING CLIENTS FOR HIS LAW FIRM AND THESE CLIENTS ARE PRESENT OR WERE FORMER DEFENDANTS IN U. S. GOVERNMENT CASES. BARLOW ADVISED HE COULD GIVE NO SPECIFIC INFORMATION ON THIS NOR SUGGEST ANYONE WHO COULD FURNISH SPECIFIC INFORMATION. REPORT WILL BE SUBMITTED BY AUGUST 26.

RECEIVED:

8-23-52

7:18 AM

AUG 23 1952

EX - 80

CC: WASHINGTON FIELD

Mr. Tolson ✓  
Mr. Ladd ✓  
Mr. Nichols ✓  
Mr. Belmont ✓  
Mr. Clegg ✓  
Mr. Glavin ✓  
Mr. Harbo ✓  
Mr. Rosen ✓  
Mr. Tracy ✓  
Mr. Laughlin ✓  
Mr. Mohr ✓  
Mr. Winterrowd ✓  
Tele. Room ✓  
Mr. Holloman ✓  
Miss Gandy ✓

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

7A 5 PM  
8-23-52  
dye

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

AUG 23 1952  
TELETYPE

Mr. Tolson	
Mr. Ladd	✓
Mr. Nichols	
Mr. Belmont	
Mr. Clegg	
Mr. Glavin	
Mr. Harbo	
Mr. Rosen	✓
Mr. Tracy	
Mr. Laughlin	
Mr. Mohr	
Mr. Winterrowd	
Tele. Room	
Mr. Holloman	
Miss Gandy	

WASH 7 FROM PHILA 8-23-52 1216 PM  
DIRECTOR URGENT

PEYTON FORD, ET AL, FAG, MISCONDUCT IN OFFICE. REURTEL AUGUST TWENTY-SECOND. BILL WILLIAMS INTERVIEWED. ADVISES INSTANT FIRM WAS RETAINED BY HIS ATTORNEY, SAMUEL A. BLANK, TO REPRESENT WILLIAMS- INTEREST IN WASHINGTON DURING TAX CASE. ADMITS HE FELT TEN THOUSAND DOLLAR FEE WAS HIGH BUT UNDERSTOOD FROM HIS ATTORNEY THAT FEE WAS CUSTOMARY FOR FIRM WITH INSTANT ONE-S REPUTATION. ALL ARRANGEMENTS HANDLED BY WILLIAMS- ATTORNEYS AND WILLIAMS HAD NO KNOWLEDGE THAT SUBJECTS WERE CONNECTED AT ANY TIME IWTH UNITED STATES GOVERNMENT. REPORT BEING FORWARDED TODAY.

CORR PLS LINE 8 WORD 6 SHD READ "WITH"

END ANC' ACK

PH R 7 WA MLM

TU DISC

65 AUG 29 1952

CORNELIUS  
RECORDED - 55  
EX - 80

62-97558-194  
AUG 29 1952  
cc: Mr. Rosen  
Mr. Glavin  
6-287

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **WASHINGTON FIELD**

REPORT MADE AT <b>PHILADELPHIA</b>	DATE WHEN MADE <b>8/23/52</b>	PERIOD FOR WHICH MADE <b>8/22/52</b>	REPORT MADE BY <b>WALTER V. MC LAUGHLIN (SJH)</b>
TITLE <b>PEYTON FORD, ET AL</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERNMENT; MISCONDUCT IN OFFICE</b>

**SYNOPSIS OF FACTS:**

*1cc AG 8/28/52 ECW*  
*1cc for AG returned to file 9/25/52*  
*1cc Ches Murray memo - 8.26.52 ECW*  
*1cc Williams 12-14-52 for*

BILL WILLIAMS advises instant firm was retained by his attorney, SAMUEL A. BLANK, to assist in representing WILLIAMS at Washington in connection with income tax violations. All arrangements with PEYTON FORD's law firm handled by WILLIAMS' attorneys, LEON MELTZER and BLANK. WILLIAMS admits he felt \$10,000 fee was high but was assured by his attorneys that it was a customary fee for a firm of this one's reputation. WILLIAMS insists that he had no knowledge of any of the subjects being connected with the United States Government at any time, until he overheard PEYTON FORD's name mentioned in a radio broadcast as having been a former member of the Department of Justice.

- RUC -

**DETAILS:**

At Philadelphia, Pa.

BILL WILLIAMS, age 49, true name VASILIOS VASILIADES, residence 44 Marlborough Road, Upper Darby, Pa., telephone number Flanders 2-2528, is the owner of a chain of restaurants known as the Williams Restaurants, which are located at 5221 Frankford Avenue; 326 North Broad Street; and 6940 Market Street.

WILLIAMS was interviewed at his restaurant on Frankford Avenue regarding the circumstances through which the law firm of PEYTON FORD,

APPROVED AND FORWARDED <i>A. Cornelius</i>	SPECIAL AGENT IN CHARGE <i>[Signature]</i>	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT 5 - Bureau (62-97558) (Spec. Delivery) 2 - Washington Field 2 - Philadelphia (62-3049)  COPIES DESTROYED <b>169 DEC 2 1964</b>		<b>162-97558</b> <b>AUG 25 1952</b> <i>29</i>	<b>RECORDED - 56</b>  <b>INDEXED - 56</b>  <b>EX - 80</b>
		<i>6-80</i>	

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**165 AUG 29 1952**



ET AL, had represented him at Washington, D.C., in connection with an income tax case and had received a fee of \$10,000 on or about June 1951. WILLIAMS stated, "I was involved in several income tax cases brought against me by the United States Government wherein claims were made totaling almost a half million dollars. I had as my attorney a man whom I consider not only my attorney but a close personal friend, SAMUEL A. BLANK. In discussing my difficulties with Mr. BLANK, he suggested that attorney THOMAS D. McBRIDE handle the criminal procedure in the tax case and that LEON MELTZER handle the civil procedure. In my conferences with BLANK, he suggested that we get a Washington firm to represent my interests in that city inasmuch as these tax cases would extend for a long period of time. I knew no law firm in Washington, and therefore suggested that BLANK make the arrangements. He told me that he had engaged the firm of PEYTON FORD, ET AL. BLANK suggested that I go to Washington with him and meet with these attorneys, but I told him I didn't see any use of my going and that he was my lawyer and could handle all the details, and besides it would only put me to the trouble of leaving my business for a day. I never met PEYTON FORD and I cannot recall meeting any of the other members of the firm with the exception of a fellow named REDSTONE, who came to Philadelphia with another fellow, and together with MELTZER and BLANK we went down to the Federal Building and had a conference on the tax case with the United States Attorney GERRY GLEESON.

Samuel Murray

"At no time was I ever approached by any member of the firm and I had no idea that any of them were connected at any time with the United States Government until one day I inadvertently heard PEYTON FORD's name mentioned on the radio, as having been or was, a former member of the Department of Justice. In my various conferences with my attorneys McBRIDE, MELTZER, and BLANK, there was never any indication that I would secure any breaks or considerations through the fact that PEYTON FORD's firm, was or had been, connected with the Government."

WILLIAMS was questioned concerning the \$10,000 fee which had been paid from the address 1729 Walnut Street, Philadelphia, Pa., which is the address of the law firm of McBRIDE, MELTZER, and BLANK. WILLIAMS stated, "I thought that the \$10,000 fee was pretty high and I spoke to SAMUEL BLANK about it, but he assured me that it was a customary fee for the type of work PEYTON FORD's law firm would do and for a firm that was as high-class and high calibered as that one. Whatever BLANK said was good enough for me. When I walk into his office I consider it my home and I am guided by whatever he tells me."

- R U C -

PH 62-3049

ADMINISTRATIVE PAGE

REFERENCE: Report of SA WALTER V. McLAUGHLIN at Philadelphia, dated 8/13/52.  
Teletype from Bureau, dated 8/22/52.

8-25-52

WASHINGTON AND NEW YORK FROM WASH FIELD 25

DIRECTOR AND SAC

URGENT

6:30 P.M.

PEYTON FORD, ETAL, FAG; MISCONDUCT IN OFFICE. INFORMATION HAS BEEN RECEIVED FROM THE CHELF COMMITTEE THAT U. S. DISTRICT COURT JUDGE J. CULLEN GANEY AND FEDERAL JUDGE WILLIAM H. KIRKPATRICK OF PHILADELPHIA CAME TO WASHINGTON AND CONFERRED WITH ASSISTANT ATTORNEY GENERAL MC INERNEY

b3

MC INERNEY

AT THE PRESENT TIME IS ON LEAVE AND CAN BE REACHED AT MOUNT MARION, NY. IT IS REQUESTED THAT YOU INTERVIEW MC INERNEY FOR ALL DETAILS CONCERNING HIS CONFERENCES WITH THE TWO PHILADELPHIA JUDGES AND ANY SUBSEQUENT TELEPHONE CONVERSATIONS

TJJ:OK  
46-2715

RECORDED - 58  
EX. - 80

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PAGE TWO

HE HAD WITH THESE TWO JUDGES CONCERNING THE TAX GRAND JURY INVESTIGATION IN PHILADELPHIA. YOUR ATTENTION IS DIRECTED TO NY FILE FOUR SIX DASH TWO SIX ONE FIVE WHICH REFLECTS AN INTERVIEW CONDUCTED WITH MC INERNEY BY NY AGENTS ON AUGUST TWENTYTWO LAST.

HOOD



8-25-52

25 7 P.M.

WASHINGTON AND NEW YORK FROM WASH FIELD

DIRECTOR AND SAC URGENT

PEYTON FORD, ET AL, FAG, MISCONDUCT IN OFFICE. BUFILE SIXTYTWO DASH NINE SEVEN FIVE FIVE EIGHT. REFERENCE IS MADE TO NY TEL TO BUREAU AND WFO CONCERNING PERFUME DASH TOILET GOODS INDUSTRY DATED AUGUST TWENTYTWO, FIFTYTWO, AND REPORT OF JOHN M. DUNAY, JR., DATED NY, AUGUST THIRTEEN, FIFTYTWO. PAGE FOUR EIGHT THEREOF REFERS TO MEMO OF JOHN D. SWARTZ DATED JULY THREE, NINETEEN FIFTYTWO. SWARTZ MEMORANDUM PERTAINS TO PERFUME DASH TOILET GOODS INDUSTRY AND MENTIONS COCKTAIL PARTY AT WHICH BERGSON HAD MADE INQUIRY OF SWARTZ RE PERFUME INVESTIGATION. DEPARTMENT OF JUSTICE FILE, WASH., RE INSTANT CASE CONTAINS NO INFORMATION PERTINENT INSTANT INVESTIGATION. REQUEST NY REVIEW ANTITRUST FILES OF PERFUME INVESTIGATION IN NY ANTITRUST DIVISION AND CONDUCT APPROPRIATE INVESTIGATION.

RECORDED-86

HOOD

ELC:fah  
46-2715

EX-25

*car*

*RW*

*Edw*

8-25-52

FBI WASH FIELD

25

6:45 PM

DIRECTOR AND SAC MOBILE

DEFERRED

PEYTON FORD, ET AL, FAG. REREP THOMAS J. JENKINS DATED AUGUST SIXTEEN  
LAST. SUTEL BY AUGUST TWENTYSIX, RESULT, INTERVIEW ~~2~~ CONGRESSMAN  
FRANK BOYKIN GIVING NAME OF ALCOA PUBLISITY MAN AND ANY PERTINENT INFO  
RE THIS MATTER.

HOOD

EJA:dp

46-2715

RECORDED-86

EX-25

198  
AUG 29 1952

*Robt*

*6-10-52*

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

WASHINGTON FIELD

FILE NO.

JVL

REPORT MADE AT <b>NEW YORK</b>	DATE WHEN MADE <b>8/25/52</b>	PERIOD FOR WHICH MADE <b>8/20, 21/52</b>	REPORT MADE BY <b>JOHN M. DUNAY, JR. (A)</b>
TITLE <b>PEYTON FORD; HERBERT AUGUSTUS BERGSON; HERBERT BORKLAND; ALBERT F. ADAMS; SUMNER MURRAY REDSTONE</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERNMENT; MISCONDUCT IN OFFICE</b>

**SYNOPSIS OF FACTS:**

*100 NA - 8/28/52  
EON*

*100 Chas Murray  
8-26-52  
EON*

BORIS KOSTELANETZ could supply no information as to any irregular activities of subjects in this case. Sworn signed statement received from WALTER GROSS, Vice-President and General Counsel of United Paramount Theatres, Inc. setting out that for period 2/1/51 to 7/1/52 they paid subjects' law firm \$65,000.00 legal fees.

- P -

**DETAILS:**

At New York, New York

The following investigation was conducted by SA ANTHONY M. O'DONNELL and the writer:

**EXPEDITE** *100 NA - 8/28/52*

BORIS KOSTELANETZ, 52 Wall Street, was interviewed by SA ANTHONY M. O'DONNELL and the writer and advised that he had been an Assistant United States Attorney in the Southern District of New York from 1937 to 1945 and Chief of the War Frauds Section of the Justice Department at Washington, D.C. from August 1945 to July 1946. During the years 1943 to 1946 he also served as Special Assistant to the Attorney General handling various prosecutions throughout the country.

KOSTELANETZ stated he knew PEYTON FORD in 1946 only as an Attorney in the Department of Justice and at that time he was not very well acquainted with FORD. KOSTELANETZ stated

APPROVED AND FORWARDED <i>S. V. Boardman</i>	SPECIAL AGENT IN CHARGE <i>7216</i>	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT 5 - Bureau (62-97558) 2 - Washington Field (46-2715) 2 - New York (46-2603)		<b>RECORDED-86</b>  <b>INDEXED-86</b>	<b>162-197,458-199</b>  <b>28 AUG 26 1952</b>
		<i>Winters</i>	

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DEC 2 1964

U.S. GOVERNMENT PRINTING OFFICE 16-59255-1

NY 46-2603

he never had much contact with FORD while in the Department, never exactly knew what type of work FORD was handling and never had any opportunity to observe how FORD handled his cases. KOSTELANETZ stated FORD did not become Assistant Attorney General until after he (KOSTELANETZ) had left the Department.

KOSTELANETZ further stated that at no time had he heard or observed anything which indicated that FORD was usurping the powers of the Attorney General or of FORD'S placing his personal friends in high positions in the Tax Division.

KOSTELANETZ claims he does not know anyone named SUMNER REDSTONE and never met this individual while employed by the Department of Justice. Further, KOSTELANETZ advised that he never had any information relative to fees received by subjects or their law firm; he does not know who any of the subjects' clients are; and does not know whether any of their clients had been involved in cases previously pending in the Department. He further stated he has no information relative to the obtaining of clients by subjects while they were with the Department of Justice and does not know that PEYTON FORD was being forced out of the Department.

KOSTELANETZ stated he had no information on the above points because he resigned way back in July 1946 and also because his duties as Special Assistant to the Attorney General required that he be away from Washington, D.C. a good deal of the time.

United Paramount Theatres Inc. - American  
Broadcasting Company Merger

WALTER GROSS, Vice-President and General Counsel, United Paramount Theatres, Inc., who was previously interviewed, telephonically advised that after he and his associates had considered the information previously requested, they had decided to include this data in the form of sworn statement. This statement, dated August 21, 1952, prepared and signed by WALTER W. GROSS, reads as follows:

"I, WALTER W. GROSS, submit this statement voluntarily under oath to John M. Dunay, Jr. who has identified himself as a special agent of the Federal Bureau of Investigation.



NY 46-2603

"No promises of reward or threats of any kind have been made to induce me to submit this statement and I know it may be used against me or others in a court of law.

"I am Vice President and general counsel of United Paramount Theatres, Inc., and I have held such positions since such corporation commenced business on Dec. 31, 1949.

"For many years prior to 1949 I was an attorney employed by Paramount Pictures Inc., my work being mainly concerned with theatres and being subject to the supervision of its general counsel (AUSTIN C. KEOUGH). Paramount Pictures Inc. produced and distributed motion pictures, and also owned varying interests in subsidiary corporations which operated theatres, both in the United States and elsewhere, and which exhibited motion pictures in such theatres.

"Paramount Pictures, Inc. was one of the defendants in an anti-trust suit brought by the Government. Divorcement of production and distribution from exhibition was the announced primary objective of the suit, from the standpoint of the Government. This case was tried by a three judge court in 1945 and 1946, and was decided by such court in 1946. The three judge court found certain violations of the Sherman Act by the defendants but rejected divorcement. Both the Government and the various defendants appealed to the United States Supreme Court. In May of 1948 the Supreme Court handed down its decision. The Supreme Court affirmed certain findings of the three judge court that the defendants had violated the Sherman Act. The Supreme Court remanded the case to the three judge court to decide whether exhibition should be divorced from production or distribution, and what divestiture of theatres should be required of the various defendants.

"In the late Summer of 1948 Paramount Pictures Inc. commenced negotiations with the Department of Justice to see whether a Consent Judgment could be worked out. The meetings with representatives of the Department of Justice continued until March 3, 1949 and were quite frequent. I attended substantially all of these meetings. LEONARD H. GOLDENSON, a Vice President of Paramount Pictures Inc. in charge of its domestic theatre department, was also present at substantially all of these meetings; and ROBERT H. O'BRIEN, the Secretary of Paramount Pictures, Inc., was also present at many of these meetings. These meetings were largely held with ROBERT L. WRIGHT, the

NY 46-2603

"special assistant to the Attorney General who had tried the suit for the Government and also argued the case for the Government in the Supreme Court. HERBERT A. BERGSON, the Ass't. Attorney General in charge of the anti-trust division, was also present at a few of the meetings, as was SIGMUND TIMBERG, also a special assistant to the Attorney General, who I believe was in charge of the consent decree enforcement division. It was at these meetings that Mr. GOLDENSON, Mr. O'BRIEN and I first met Mr. BERGSON.

"At the very beginning of the meetings the representatives of the Department of Justice took the position that divorcement of production and distribution from exhibition was a 'must' if a Consent Judgment was to be worked out.

"After many months of negotiations a Consent Judgment with respect to Paramount Pictures Inc. was entered on March 3, 1949. This consent judgment provided generally for the divorcement of Paramount's exhibition business from its production and distribution business, for the elimination of all joint ownerships which Paramount had with others in the exhibition business, for the divestiture of certain theatres in order to create competition, and for the subjection of the divorced businesses to various injunction provisions.

"In order to carry out the provisions of the Consent Judgment relating to divorcement, two new corporations were organized, Paramount Pictures Corporation and United Paramount Theatres, Inc. Effective December 31, 1949, Paramount Pictures Inc. was dissolved, and such corporation transferred to United Paramount Theatres, Inc. all of its domestic theatre assets (including the stock of a theatre corporation which operated a television station in Chicago) and transferred to Paramount Pictures Corporation all of its other assets (including the stock of a corporation which operated a television station in Los Angeles and including its stock interest in Dumont, which manufactured television equipment and also operated certain television stations.)

"In accordance with the Consent Judgment, each new corporation was required to be and has been at all times operated independently and without common directors or officers or employees. Mr. GOLDENSON became President of United Paramount Theatres, Inc., I became Vice President and general counsel, and Mr. O'BRIEN became Secretary and Treasurer, and we have acted in such capacities since such corporation started business.

"After United Paramount Theatres, Inc. commenced business, Mr. GOLDENSON, Mr. O'BRIEN and I discussed from time to time the matter of United Paramount Theatres, Inc. expanding its interests in broadcast television and the matter of theatre television (viz., the showing of televised programs in the company's theatres and as to which Paramount Pictures Inc. had been a pioneer). As to broadcast television, we reached the conclusion that it was desirable for United Paramount Theatres, Inc. to expand its interests in this field and that we should be alert to all possibilities to this end. As to theatre television, which still is in the experimental stage, we reached the conclusion that United Paramount Theatres, Inc. should continue with its experimental development.

"The law firm of Simpson, Thacher & Bartlett, of New York City, had been the outside counsel for Paramount Pictures Inc. in the government anti-trust suit and with respect to the Consent Judgment and had also handled the involved corporate matters in connection with the divorcement and the formation of United Paramount Theatres, Inc. and Paramount Pictures Corporation. Such law firm has been outside counsel to United Paramount Theatres, Inc. since it commenced business, and still is its outside counsel, in connection with matters involving the Consent Judgment and corporate matters. The law firm of Hogan & Hartson, of Washington, D. C., has been outside counsel to United Paramount Theatres, Inc. since it commenced business, and still is its outside counsel, with respect to representation before the Federal Communications Commission in connection with the company's television interests.

"About the early part of 1951 I, as general counsel of United Paramount Theatres, Inc., initiated discussions with Mr. GOLDENSON and Mr. O'BRIEN as to retaining outside counsel with respect to the anti-trust aspects of the company's broadcast television and theatre television activities and interests, both as then in existence and as might be proposed in the future. It was the consensus that we must do everything possible to make sure that whatever the company did, or proposed to do, would be consistent with the anti-trust laws and that, with this in mind, we should secure outside counsel of the highest integrity and capacity to advise us in the specialized and highly complex field. Mr. GOLDENSON, Mr. O'BRIEN and I felt that Simpson, Thacher & Bartlett should not be outside counsel to United Paramount Theatres, Inc. in connection with broadcast television and

NY 46-2603

"theatre television problems, because such firm also was outside counsel to Paramount Pictures Corporation which had broadcast television and theatre television interests. As to Hogan & Hartson, while this firm was and is highly capable, we felt that we wanted outside attorneys in anti-trust matters connected with broadcast television and theatre television who had had more experience in the anti-trust field. We knew that HERBERT A. BERGSON had left the Department of Justice and was practicing law in Washington. Mr. GOLDENSON, Mr. O'BRIEN and I, in the meetings which we had with him in connection with the Consent Judgment, had been greatly impressed with the knowledge of the anti-trust field and with his integrity. Mr. GOLDENSON and I accordingly met with him about the early part of 1951 and asked him if he would act as outside counsel to United Paramount Theatres, Inc. with respect to anti-trust problems in the broadcast television and theatre television fields. These were problems which had in no way been considered or acted upon by the Department of Justice during the time he had been there, either with respect to Paramount Pictures Inc. or with respect to United Paramount Theatres, Inc. We agreed with him that we would not retain him to represent us, and he would not represent us, as counsel with respect to any matter affecting United Paramount Theatres, Inc. which he had considered, or which the Department of Justice had considered, while he was in the Department. Upon that express understanding, United Paramount Theatres, Inc. retained Mr. BERGSON'S law firm as outside counsel. The retainer was on a fixed monthly fee basis of \$1,000 per month commencing Feb. 1, 1951, with the understanding that with respect to any matters which might arise involving hearings or proceedings, the same would not be within the scope of the retainer, but would be separately compensated on a basis to be agreed upon.

"Thereafter, in May, 1951, United Paramount Theatres, Inc. consummated an agreement with American Broadcasting Company, Inc. for a merger of the latter corporation into it, such merger being subject to the approval of the Federal Communications Commission. Petitions for the approval of the merger were subsequently filed with the FCC by the two companies. The FCC in August 1951 sent the matter, along with the related matters, to an examiner, setting forth various complicated issues which it directed the examiner to hear, and report. These issues involved various anti-trust matters. Mr. BERGSON, and his partner Mr. BORKLAND, attended numerous meetings with our people and with members of the firm of Hogan & Hartson and with the attorneys for American Broadcasting Company, Inc., in preparation for these hearings. The hearings commenced in

NY 46-2603

"January of 1952. When the hearings temporarily recessed on July 3, 1952, over 91 days of hearings had been held, approximately 13,000 pages of testimony had been taken, and over 900 exhibits had been introduced. Mr. BERGSON or Mr. BORKLAND attended substantially all of these hearings and they worked constantly during this period with our people and with the other counsel above mentioned. United Paramount Theatres, Inc. has paid Mr. BERGSON'S firm bills rendered for legal services preparatory to and during these hearings up to July 1, 1952 in the total amount of \$65,000. Mr. BERGSON advised me in July of 1952 that such total amount was arrived at on the basis of the time spent by him and his associates in such connection, and Mr. BERGSON further advised me that the amount of the monthly retainer had been credited in the computation of the time so spent by Mr. BERGSON and his associates. I considered these bills to be entirely fair and reasonable and as general counsel for United Paramount Theatres, Inc. I approved them.

"I have read this statement consisting of the above typewritten page 8 and the 7 preceding typewritten pages, and the same is true to the best of my knowledge and belief.

/s/ WALTER W. GROSS

"Subscribed and Sworn to  
before me this 21st day  
of August, 1952

JOHN M. DUNAY, Jr., Special Agent, FBI, N.Y.C.

Witness:

WILLIAM F. FINNERAN, Special Agent, FBI, N.Y.C."

- P -

NY 46-2603

ADMINISTRATIVE

LEADS

NEW YORK

At New York, New York

Will interview STRUVE HENSEL of the firm Canter, Ledyard and Milburn, 2 Wall Street, as set out in referenced New York report dated August 13, 1952.

Will interview ROBERT T. HASLAM, President, U.S. Pipe Line, 100 Park Avenue, as set out in referenced New York report dated August 13, 1952.

REFERENCE

Report of SA(A) JOHN M. DUNAY, 8/13/52, New York.  
Washington Field teletype to New York, 8/19/52.  
Report of SA THOMAS J. JENKINS, 8/16/52,  
Washington, D.C.

8-26-52

26 6 P.M.

WASHINGTON AND NEW YORK FROM WASH FIELD

DIRECTOR AND SAC U R G E N T

PEYTON FORD, ET AL; FAG; MISCONDUCT IN OFFICE. REREP THOMAS J. JENKINS, AUG. TWENTY THREE LAST, WASHINGTON, D.C. INTERVIEW P.H. DEUTCHMAN, EDWARD J. CHAPMAN, JOHN C. KELLY, C. GORDON LAMUDE, G. MERLYN O'KEEFE, HAROLD C. PAULL, ROBERT E. GIAUQUE, OFFICERS AND DIRECTORS OF THE E. LEITZ CO., N.Y.C., RE DETAILS OF HAROLD E. HOROWITZ APPOINTMENT TO BOARD AND THE RETAINING OF THE LAW FIRM. ALL PERSONS SHOULD BE QUESTIONED THOROLY HOW AND BY WHOM THE ABOVE ACTS WERE INITIATED AND ALSO OF ANY KNOWLEDGE THEY HAVE OF ANY INFLUENCE ANY OF THE SUBJECTS USED IN DECISIONS MADE OR ACTIONS RE THE E. LEITZ COMPANY. NY'S ATTENTION IS DIRECTED TO PAGE ONE HUNDRED THIRTY SEVEN OF THE REFERENCED REPORT WHICH SETS FORTH THE TITLE OF THE REPORT WRITTEN BY SA JAMES R. MAILEY DATED JAN. EIGHTEEN FIFTY TWO, OF WHICH NY HAS COPY AND WHICH WOULD BE OF ASSISTANCE IN CONDUCTING INVESTIGATIONS AT THE E. LEITZ COMPANY. NY WILL ALSO IN INTERVIEW WITH SIGMUND TIMBERG AT UN HQ, QUESTION HIM RE CONFERENCES WITH HERBERT BERGSON AND DECISIONS MADE BY BERGSON RE SETTLEMENT TO BE MADE WITH COMPANIES INVOLVED IN THE GENERAL ELECTRIC STREET LIGHTING CASE. THIS IS NOT TO BE CONFUSED WITH THE GENERAL ELECTRIC LAMP CASE. NY HAS PREVIOUSLY BEEN REQUESTED IN REFERENCED REPORT TO INTERVIEW TIMBERG RE GENERAL ELECTRIC LAMP CASE.

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TJJ:MCM

46-2715

EX-25

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd *DL*  
 FROM : Mr. Rosen *PR*  
 SUBJECT: PEYTON FORD, et al  
 FRAUD AGAINST THE GOVERNMENT  
 MISCONDUCT IN OFFICE

DATE: August 26, 1952

Tolson \_\_\_\_\_  
 Ladd \_\_\_\_\_  
 Clegg \_\_\_\_\_  
 Glavin \_\_\_\_\_  
 Nichols \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Tracy \_\_\_\_\_  
 Harbo \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Ino. \_\_\_\_\_  
 Gandy \_\_\_\_\_

In view of the fact that the synopsis on each of the reports of Special Agent Thomas J. Jenkins dated August 15, 1952, and August 16, 1952, at Washington Field were lengthy and detailed and could possibly be interpreted as a summary of the result of the investigation in this matter by that office, the synopsis on each report was changed as follows. The lengthy synopsis was completely removed and a new first page prepared wherein the synopsis recited the scope of the various file reviews and interviews conducted by the Washington Field Office.

ACTION:

None. For record purposes only.

ECW:dw *dw*

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65 AUG 29 1952

*File - GHW-6*  
*PR*

*Serial 120  
 SNIF  
 16912-3-11*



The Attorney General

August 26, 1952

PERSONAL AND CONFIDENTIAL

Director, FBI

BEYTON FORD, et al  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

I am attaching to the copies of this memorandum designated for Mr. Murray a copy of each of the following investigative reports:

Report of Special Agent Frank H. Donnelly,  
dated August 21, 1952, at Indianapolis,  
Indiana.

Report of Special Agent Joel D. Colglazier,  
dated August 22, 1952, at Mobile, Alabama.

Report of Special Agent Norman J. Christiansen,  
dated August 22, 1952, at Chicago, Illinois.

Report of Special Agent Walter V. McLaughlin,  
dated August 23, 1952, at Philadelphia,  
Pennsylvania.

Investigation in this matter is going forward expeditiously and copies of all investigative reports received at the Bureau will be immediately reviewed and forwarded to Mr. Murray.

cc: 2 - Assistant Attorney General

Charles E. Murray

(PERSONAL AND CONFIDENTIAL)  
(Attachment)

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Tolson  
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Belmont  
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U.S. DEPT. OF JUSTICE

REC'D DIRECTOR

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AUGUST 26, 1952 U R G E N T

SAC's ALBANY, BOSTON, CLEVELAND  
MILWAUKEE, NEW YORK,  
OKLAHOMA CITY AND NEW HAVEN

0  
PEYTON FORD, ET AL, FAG, MIO. INVESTIGATION THIS MATTER MUST  
RECEIVE TOP PRIORITY AND AS MUCH INVESTIGATION AS POSSIBLE COMPLETED  
BY AUGUST TWENTYNINE TO BE INCORPORATED IN REPORTS TO REACH THE  
BUREAU BY AUGUST THIRTY. ALL OFFICES SUTEL AUGUST TWENTYNINE STATUS,  
DATE OF REPORT AND NAME OF AGENT SUBMITTING.

HOOVER

cc WASHINGTON FIELD (1) (BY SPECIAL MESSENGER)

62-97558

ECW/rh

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
AUG 26 1952  
TELETYPE  
65 SEP 3 1952

Tolson \_\_\_\_\_  
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Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
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Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

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AUG 29 1952

The Attorney General

August 28, 1952

Director, FBI

PERSONAL AND CONFIDENTIAL

2/5  
O  
PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

10202

This memorandum will serve to confirm the conference between representatives of Mr. Charles Murray's Office and representatives of this Bureau on the morning of August 25, 1952, with respect to the extent that the Bureau is to investigate clients appearing on the complete list of clients of the Peyton Ford, et al, law firm, as supplied by Mr. Robert A. Collier, Chief Counsel of the Cbelf Committee, who in turn received the list from Messrs. Ford and Bergson. A copy of the list was informally furnished to Mr. Murray's Office as well as one being supplied with my memorandum of August 25, 1952.

It is understood that investigation will be conducted with respect to all clients which were selected from the complete list of 146 by Mr. Collier, and made available to Mr. Murray's Office.

It was agreed at the conference in Mr. Murray's Office that no investigation would be conducted with respect to clients in divorce matters as appear on the list. Furthermore, it was agreed that no investigation would be conducted with respect to the cases involving insurance claims or negligence claims or other types of claims as appearing in the full list of clients.

With respect to clients who are law firms, no investigation is to be conducted with respect to determining the nature of their representation by the instant law firm of Peyton Ford, et al.

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According to Mr. Murray, in the event there is no information or any indication that an individual listed in the list of 146 clients is pertinent to the purpose of this investigation, no investigation will be conducted looking toward identifying the nature of the legal representation and how the client was obtained by the law firm. It was agreed, however, that if any information is developed during the course of the current investigation which would be of significance with regard to this type of individual, then the necessary investigation will be conducted.

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Holloman  
Gandy

The Attorney General

10203

In addition to the clients which were initially listed in the allegations supplied by the Chelf Committee, and in addition to those specifically selected by Mr. Collier and furnished with my memoranda of August 21, and August 25, 1952, the following list of clients by agreement at the above-referred-to conference will be the subject of a file check in the Department of Justice files to determine if there is any pertinent information:

<u>LIST NO.</u>	<u>CLIENT</u>
5.	American Pacific Enterprises
6.	American Type Founders, Inc.
8.	George Assan
9.	John H. Bacas
18.	A. Ronald Button
45.	Gotham Restaurant Bakers, Inc.
49.	Hallegan v. United States
52.	John T. Hayes
64.	Barbara Lee
68.	Joseph LiCausi
70.	Lust Theaters, Washington, D. C.
72.	W. G. McCullough -- Re: W. Carl Garmon
76.	The Mann Company
79.	Martin County Broadcasting Company
92.	New Orleans Item
98.	Robert K. Parker
105.	Reserve Life Insurance Company
113.	Marvin Schwartz
114.	Walter Schwimmer Production, Inc.
117.	Douglas Silver
118.	Philip Smith
128.	T. O. Teon
129.	Maurice H. Tseng
133.	Edward A. Walsh
140.	Garey Winston and Company

It is to be specifically noted that a question was raised with respect to three listings of clients of Peyton Ford which are as follows:

The Attorney General

LIST NO.

CLIENT

19.

Connolly, et al. v. Jennings  
Oklahoma City, Oklahoma.

20.

Oklahoma City-Ida-Archa Ry. Co.,  
et al. v. Oklahoma Portland Cement  
Co., et al.  
Oklahoma City, Oklahoma.

25.

Old Mac Coal Co. v. S. J.  
Oklahoma City, Oklahoma.

10264

Mr. Murray stated that in the absence of any information supplied by the Committee and in view of the fact that it would be natural for Peyton Ford, who is from the State of Oklahoma, to have Oklahoma clients, no investigation need be conducted at this time with respect to these three items.

It was pointed out that in connection with Item No. 40, the Fairhaven Drive-in Theatre Company, Inc., Boston, Massachusetts, it was explained by Mr. Collier who received information from Messrs. Ford and Gargoon to the effect that this company, and a client, is owned by the father of Sumner Redstone. It was stated by Mr. Murray that the explanation afforded to the Chief Committee by Messrs. Ford and Gargoon could stand and that it was not necessary to direct inquiry into this particular client.

In the event any information is received during the course of this investigation which is of a pertinent nature relative to any of the clients not presently being checked out, it will be brought to your attention. Of course, investigation would be instituted in such event. Furthermore, in the event the Department has any additional desires with respect to any of the clients listed on the list of 146, which has been made available by the Chief Committee, it would be appreciated if you would advise the Bureau.

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
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Laughlin \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD *de*

FROM : A. ROSEN *AW*

SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

DATE: August 20, 1952

Tolson ☒

Ladd ☒

Nichols ☒

Belmont ☒

Clegg ☒

Glavin ☒

Harbo ☒

Rosen ☒

Tracy ☒

Mohr ☒

Tele. Rm. ☒

Nease ☒

Gandy ☒

Late on the afternoon of August 19, 1952, Robert Collier, General Counsel of the Chelf Committee, made available to Winterrowd a list of clients of the Peyton Ford, Herbert Bergson, et al, law firm. This list results from Collier's conference with Peyton Ford and Herbert Bergson who promised to list their clients, the general nature of the business done for the clients, and the fees involved. According to Collier, Ford and Bergson were greatly concerned over the fact that the Committee had issued a subpoena for their bank accounts. Collier, in view of the submission of the list of clients and other data, has suspended the subpoena of the bank accounts and the examination is not going forward.

There will be attached to this memorandum a listing of the clients, together with the other data supplied. This information has already been made available to the Washington Field Office which is beginning a check of the Departmental files to determine if there are any cases involving the clients.

It will be noted that there have been some extremely large fees which have been paid to this company, particularly by the Minnesota Mining and Manufacturing Company, Carborundum, Alcoa, United Paramount Theaters, Inc., E. Leitz, Inc., and others. It is to be further noted that the clients, for the most part, have either been obtained by or retained Bergson.

Collier was specifically asked if this was the entire list and he advised "no"; that he had taken those clients he thought were pertinent. He said the other clients listed were primarily those of Albert E. Adams or were clients of a small local nature involving the normal type of practice, including divorce cases. He said that Adams has a very extensive general practice, including clients which are banks and others who were involved in negligence cases. Collier stated that he eliminated all with the exception of the attached list on the basis of Ford and Bergson's explanation. Collier further advised that the various companies previously listed as being alleged clients appeared on the list with the exception that there is no client listed or business mentioned involving Peyton Ford allegedly having gone to the Department on behalf of Newbold Morris.

Attachment

EHW/rh

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Memorandum for Mr. Ladd

The matter of Collier's selecting the clients and then furnishing his selection to the Bureau will be specifically taken up with Assistant Attorney General Murray to determine if this arrangement has been satisfactory or whether we should ask to look over the entire list that was furnished to Collier.

Collier had previously informed that it had been rumored that the law firm had represented Standard Oil of New Jersey and Pan American Air Lines. This statement was specifically taken up with Collier and he advised that Pan American Air Lines is not contained on the list. He further stated that he had asked Ford and Bergson if they did, in fact, represent Pan American and they advised they did not. With regard to Standard Oil of New Jersey, Collier stated that this corporation, as were all Standard Oil corporations, was interested in the litigation involving Standard Oil of Indiana which was, in fact, represented by Bergson. The client as such, however, was Standard Oil of Indiana. The question as to whether any additional checks should be made on the Standard Oil of New Jersey and Pan American will be taken up with AAG Murray.

With regard to the matter of obtaining the identity of clients of the law firm in question, it is to be recalled that the Department asked that these identities be obtained and it was pointed out and subsequently confirmed by memorandum that we would obtain these identities through our normal investigation, that we would not go to the firm and that the Committee would not be asked to subpoena the records. In addition to this, AAG Murray had observed that our inquiries should be extended to cover interviews with the responsible officials and their assistants in other divisions of the Department than the Antitrust Division. These interviews would be for the purpose of determining whether any contacts had been made by representatives of the law firm in question with respect to matters being handled by a particular division. If necessary other contacts would be made with other representatives in a particular division.

The primary objective, of course, was to determine whether contacts had been made in connection with pending matters; however, another basic objective was to obtain identities of clients.

Inasmuch as we now have the listing, as provided by Collier, the question will be specifically taken up with AAG Murray as to whether he wants these exploratory interviews conducted in the Department.

Memorandum for Mr. Ladd

ACTION

1. The information supplied by Collier is being made available to the Washington Field Office, as well as copies of this memorandum.

2. The information supplied by Collier as to the clients will be submitted to the Attorney General and Assistant Attorney General Murray along with a confirmatory memorandum relative to the questions which are posed above and which will be discussed with Murray.



August 20, 1952

LIST OF CLIENTS FURNISHED BY ROBERT A. COLLIER, CHIEF COUNSEL OF THE CHELF COMMITTEE, AS OBTAINED FROM A LIST SUPPLIED TO HIM BY PEYTON FORD AND HERBERT BERGSON ON BEHALF OF THE LAW FIRM OF FORD, BERGSON, BORKLAND AND ADAMS. (Collier selected the list appearing hereinafter by virtue of explanatory data provided orally by Ford and Bergson and through eliminating other clients which appeared on the list and which were of a local general practice nature, including a number who were represented by Adams in matters pertaining to negligence cases, collection cases, normal business representations, etc.)

ATTORNEY

CLIENT

DATE WHEN  
ACQUIRED

Bergson

The Anderson Company  
Gary, Indiana

October, 1951

(Explanatory note: According to Collier, a fee of \$2500 was obtained and the general nature of the business as supplied by Ford and Bergson was that they worked on a certificate of necessity in connection with a tax amortization matter.)

Ford

Braun and Company  
601 West Fifth Street  
Los Angeles, California

April, 1952

(Explanatory note: According to Collier, the firm received a general retainer of \$300 per month as the general Washington representative of the firm. \$1200 has been received to date.)

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<u>ATTORNEY</u>	<u>CLIENT</u>	<u>DATE WHEN ACQUIRED</u>
Bergson	Coty's Products Corporation 730 Fifth Avenue New York, New York	March, 1951
	(Explanatory note: A fee of \$8,000, according to Collier, was received. Bergson filed a brief for this company along with the American Fair Trade Council, et al. This was in the case of Schwegmann Bros., et al, v.s. Calvert and Seagram Distillers.)	
Bergson	Cohen's 1227 G Street, Northwest Washington, D. C.	December, 1951
	(Explanatory note: According to Collier, a fee of \$250 was received in this matter for rendering an "opinion")	
Bergson	Dictograph Products, Inc. 6 West 49th Street New York, New York	March, 1952
	(Explanatory note: Collier stated that he was advised no money had been received from this client but that the work concerned an "Antitrust opinion.")	
Bergson	Freeport Sulphur Company 161 East 42nd Street New York, New York	January, 1952
	(Explanatory note: Collier stated he was informed the firm is the general Washington representative of this client and it has received \$6400 in fees.	

<u>ATTORNEY</u>	<u>CLIENT</u>	<u>DATE WHEN ACQUIRED</u>
Bergson	Hadacol Lafayette, Louisiana	February, 1951
	(Explanatory note: Collier advised that a fee of \$1,000 had been received by the firm in connection with rendering an opinion on a lottery matter.)	
Redstone	Lawrence G. Lasky 260 Tremont Street Boston, Massachusetts	March, 1951
	(Explanatory note: Collier stated he did not know what the nature of the representing was, nor client, and that according to Bergson no money had been paid as yet.)	
Bergson	Lehman Brothers 1 William Street New York, New York	February, 1951
	(Explanatory note: According to Collier, the firm received a \$3,000 fee in connection with rendering an "Antitrust opinion.")	
Bergson	E. Leitz, Inc. 304 Hudson Street New York, New York	January, 1951
	(Explanatory note: According to Collier, the firm is retained at \$1,000 a month as a general Washington representative of this client, particularly in handling pricing matters. To date a fee of \$16,000 has been paid.)	

<u>ATTORNEY</u>	<u>CLIENT</u>	<u>DATE WHEN ACQUIRED</u>
Ford	Metal Trading Company 272 West 90th Street New York, New York	October, 1951
	(Explanatory note: According to Collier, a fee of \$1,270 has been paid to the firm and the work consisted of handling "contracts for foreign trading.")	
Bergson	National Bulk Carriers, Inc. 600 Fifth Avenue New York, New York	July, 1951
	(Explanatory note: According to Collier, a fee of \$8300 was paid in connection with a "non-Antitrust" matter.)	
Bergson	William H. Plummer and Company, Ltd. 734 Fifth Avenue New York, New York	November, 1951
	(Explanatory note: According to Collier, a fee of \$250 was paid in connection with a Robinson - Patman Act matter.)	
Bergson	Staley Milling Company Kansas City, Missouri	February, 1952
	(Explanatory note: According to Collier, a fee of \$1,000 was paid with respect to an opinion as to whether the company had a valid claim under the Antitrust Laws.)	

<u>ATTORNEY</u>	<u>CLIENT</u>	<u>DATE WHEN ACQUIRED</u>
Bergson	Sylvania Electrical Products, Inc. 1740 Broadway New York, New York	December, 1950
	(Explanatory note: According to Collier, a fee of \$700 was paid to firm in connection with a "foreign distribution matter.")	
Ford	P. Thompson and Company New Orleans, Louisiana	September, 1951
	(Explanatory note: According to Collier, a fee of \$1,000 was paid in connection with "Renegotiation Act, tax and maritime matters.")	
Bergson	Thrift Drug Company Pittsburgh, Pennsylvania	November, 1951
	(Explanatory note: According to Collier, a fee of \$100 was received in connection with a "Fair Trade matter.")	
Bergson	United Paramount Theaters, Inc. 1501 Broadway New York, New York	February, 1951
	(Explanatory note: According to Collier, information was filed by Ford and Bergson that the firm receives a monthly retainer of \$1,000 plus fees for the time and efforts in connection with the merger of Paramount and ABC involving FCC hearings. To date a total of \$83,000 has been paid in fees.)	

<u>ATTORNEY</u>	<u>CLIENT</u>	<u>DATE WHEN ACQUIRED</u>
Ford	August Perez and Association New Orleans, Louisiana	February, 1952
	(Explanatory note: According to Collier, he was advised no money in fees had been received as yet. The work concerns a "Wage Stabilization" matter.)	
Borkland	Publicker Industries Philadelphia, Pennsylvania	June, 1951
	(Explanatory note: According to Collier, a fee of \$400 has been received in connection with a "non-Antitrust matter.")	
Ford	Standard Fruit and Steamship Company New Orleans, Louisiana	November, 1951
	(Explanatory note: According to Collier, the firm receives \$400 a month retainer as Washington representative of this company. To date the firm has been paid \$4,000.)	
Bergson	Rare Earth's, Inc. Paterson, New Jersey	August, 1951
	(Explanatory note: According to Collier, no information was received as to the nature of the matter in which the firm has represented this client. A fee of \$1,000 has been received.)	

In addition to the foregoing clients, Collier advised that the firm listed as clients those companies which have been named in memoranda and other data which have been provided to the FBI and in turn to the Attorney General by the Chelf Committee.

The following are the clients listed with concern to this particular group of clients:

<u>ATTORNEY</u>	<u>CLIENT</u>	<u>DATE WHEN ACQUIRED</u>
Bergson	U. S. Pipeline Company New York, New York	February, 1951
	(Explanatory note: According to Collier, a fee of \$5,000 was paid to the law firm, however, no explanatory information was provided in connection with this client.)	
Bergson	Aluminum Corporation of America Pittsburgh, Pennsylvania	July, 1951
	(Explanatory note: According to Collier, the firm received an annual retainer of \$25,000 from this client and it has been paid a total of \$50,000. This firm is the general Washington representative of this client, except in matters arising out of Antitrust cases.)	
Bergson	The Minnesota Mining and Manufacturing Company and Carborundum Company Minneapolis, Minnesota	October, 1950
	(Explanatory note: According to Collier, \$50,000 was paid by each of the two companies to this firm - a total of \$100,000 - in connection with the proposed merger of the two companies. Collier further advised that Bergson stated that he had arranged with the Minnesota Mining and Manufacturing Company, before he left the Department of Justice, to represent them. Collier stated that Bergson said he felt there was nothing wrong in this matter.)	

<u>ATTORNEY</u>	<u>CLIENT</u>	<u>DATE WHEN ACQUIRED</u>
Bergson	Goodrich Tire and Rubber Company Akron, Ohio.	September, 1951
	(Explanatory note: According to Collier, no fees have as yet been paid. The firm serves as the general Washington representative of Goodrich primarily in connection with Antitrust matters.)	
Bergson	Madison Square Garden Corporation New York, New York	October, 1951
	(Explanatory note: According to Collier, no fees have as yet been paid.)	
Bergson	Standard Oil Company of Indiana	March, 1951
	(Explanatory note: According to Collier, the firm received a fee of \$7,500 in connection with an opinion in an Antitrust matter.)	
Bergson	Hamilton Manufacturing Company Indianapolis, Indiana	November, 1951
	(Explanatory note: According to Collier, a fee of \$1,025 was paid to the firm involving an opinion concerning a Robinson - Patman Act matter, involving a small business contract.)	
Bergson	Seagram Distilling Corporation New York, New York	November, 1951
	(Explanatory note: According to Collier, fees totaling \$4,250 were paid to firm in connection with opinions rendered.)	



It is to be recalled that previous information was supplied by the Chelf Committee to the effect that Peyton Ford made contacts with the Department in connection with the "Newbold Morris Tanker matter." According to Collier there was no indication of any listing of a client by Ford or Bergson for the law firm which deals with this matter.

AUGUST 27, 1952

RECORDED - 65

65 - 97532 - 207

SAC, NEWHAVEN

DEFERRED

PEYTON FORD, ET AL, FAG, MIO. REURTEL AUGUST TWENTYSIX LAST. SEE WFO

LET TO BUREAU AUGUST TWENTYFIFTH LAST. CC WITH LEADS DESIGNATED FOR YOUR  
OFFICE.

HOOVER

OFM:jdc

COPIES DESTROYED

169 DEC 2 1964

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Laughlin \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

SEP 4 1952

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FBI NEW HAVEN

8-26-52

9-34 PM

NLA

DIRECTOR

.....U R G E N T.....

PEYTON FORD, ET AL, FAG, MIO. REBUTEL EIGHT TWENTYSIX. NEW HAVEN  
OFFICE HAS NO PREVIOUS REQUEST FOR INVESTIGATION THIS MATTER.  
ADVISE INVESTIGATION NECESSARY THIS DISTRICT.

CASPER

END ACK PLS

9-34 PM OK FBI WA MLT

DIU

8/27/52  
TT to NH  
RECORDED - 65

62-97538-701

QW

The Attorney General

August 26, 1952

2/3  
Director, FBI

PERSONAL AND CONFIDENTIAL

PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

Attached to the copies of this memorandum designated  
for Mr. Murray are the following reports:

Report of Special Agent Byron E.  
McFall, dated August 22, 1952 at  
Oklahoma City, Oklahoma.

Report of Special Agent (A) John  
M. Dunay, Jr., dated August 25,  
1952 at New York, New York.

Tolson  
Ladd  
Nichols  
Belmont  
Clegg  
Glavin  
Harbo  
Rosen  
Tracy  
Laughlin  
Mohr  
Tele. Rm.  
Holloman  
Gandy

cc - 2 Assistant Attorney General  
Charles B. Murray (Enclosures - 2)  
(Personal and Confidential)

ECW/rh

RECORDED-86  
EX-101

MAILED 2

AUG 27 1952

COMM - FBI

AUG 29 1952

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ECW

Assistant Attorney General  
Charles B. Murray

August 25, 19

Director, FBI

PERSONAL AND CONFIDENTIAL

62-97558-210  
PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

Attached hereto for your information is a copy of the list of clients of the law firm of Peyton Ford, Et Al, provided by Mr. Robert A. Collier, Chief Counsel of the Committee. This list, according to Mr. Collier, was made available by Messrs. Ford and Bergson. It was, in turn, made available by Mr. Collier to the Bureau on the morning of August 22, 1952.

As a matter of explanation, the capital letters appearing alongside each client denote the following members of the law firm: A --- Albert F. Adams, B --- Herbert Bergson, C --- Herbert Borkland, D --- \_\_\_\_\_ Cole, E --- Peyton Ford, F --- Sumner Redstone.

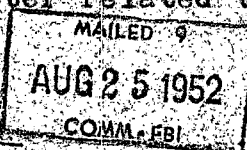
Current attempts are being made to determine the full identity of the person named Cole, inasmuch as Mr. Collier did not have his full name.

Mr. Collier has supplied information with respect to each of the clients in the attached list, with particular reference to the nature of the representation of the particular clients by the law firm. This information is as follows:

1. No. 6 --- American Type Founders, Inc., Elizabeth, New Jersey. Mr. Collier stated that he was advised by Messrs. Ford and Bergson that the firm represented this Company in connection with a wage stabilization matter.

2. No. 15 --- Bowers v. Bowers. According to Mr. Collier, this was a divorce case. Mr. Collier has further advised that cases listed throughout the list where the parties to the suit have the same name represent divorce cases.

3. No. 18 --- A. Ronald Button, Hollywood, California. The nature of the representation in this matter related to a securities hearing.



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4. No. 40 --- Fairhaven Drive-in Theatre Company, Inc. According to Mr. Collier, Redstone's father owns this Company.

5. No. 45 --- Gotham Restaurant Bakers, Inc., New York, New York. According to Mr. Collier, this item had concerned an Office of Price Stabilization matter.

6. No. 52 --- John T. Hayes, Boston, Massachusetts. This client is connected with the Boston Red Sox Baseball team, according to Mr. Collier. The nature of the representation concerned an Antitrust matter.

7. No. 64 --- Barbara Lee, Brookline, Massachusetts. According to Mr. Collier, the firm represented this client in connection with an Immigration and Naturalization Service hearing relative to children being brought into the United States.

8. No. 70 --- Lust Theatres, Washington, D. C. According to Mr. Collier, the nature of the representation of this client related to a corporate reorganization matter.

9. No. 72 --- W. G. McCullough -- RE: W. Carl Garmon. According to Mr. Collier, this was a criminal tax case and was turned down by the law firm.

10. No. 76 --- The Mann Company, Washington, D. C. According to Mr. Collier, the law firm is the general representative of this Company.

11. No. 92 --- New Orleans Item, New Orleans, Louisiana. According to Mr. Collier, this client was represented by the law firm in connection with a question as to whether a "football contest" was a lottery.

12. No. 97 --- Paine, Kramer & Marx, New York, New York. According to Mr. Collier, this client is represented by the law firm in connection with "small items."

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Nichols \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Harbo \_\_\_\_\_  
Alden \_\_\_\_\_  
Belmont \_\_\_\_\_  
Laughlin \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

13. No. 98 --- Robert K. Parker, Delavan, Wisconsin. According to Mr. Collier, this is the operator of a carnival and the law firm rendered an opinion as to whether gambling devices such as "claw machines" were legal.

14. No. 105 --- Reserve Life Insurance Company, Dallas, Texas. According to Mr. Collier, the law firm represented this Company in connection with a matter pertaining to minimum wage laws.

15. No. 114 --- Walter Schwimmer Productions, Inc., Chicago, Illinois. According to Mr. Collier, this is a radio - television producer and the law firm is said to have rendered an opinion as to whether a certain contest program produced by it was a lottery.

16. No. 139 --- Bill Williams, Philadelphia, Pennsylvania. According to Mr. Collier, this matter relates to a criminal tax case.

17. No. 146 --- E. J. Zwilling, New York, New York. There was a written notation on the list provided Mr. Collier to the effect "Rejected."

Mr. Collier had no additional information to supply with respect to the clients listed in the attached list with the exception of that data appearing in the partial list which accompanied my memorandum to the Attorney General with copy designated to you dated August 21, 1952, and captioned as above.

Attachment 

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd *SL*

FROM : A. Rosen *BR*

SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

(4)

DATE: August 22, 1952

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

On the morning of August 22, 1952, Collier of the Chelf Committee made available the complete list of clients of the Peyton Ford, Herbert Bergson, et al, law firm. Copies have been made and the list returned to Collier. Collier supplied some additional explanatory data as provided by Ford and Bergson concerning the nature of the representation of their law firm of certain of the clients named. This information is being incorporated in a separate memorandum for record purposes. However, it is set forth in the attached memorandum being directed to Assistant Attorney General Murray.

We are supplying a copy of this list as an attachment to the memorandum to Assistant Attorney General Murray. Murray was not available for conference today, nor will he be available over the week-end. However, on Monday a conference will be had with him to determine what additional investigation he desires with respect to clients that have not already been made available and which are now available by virtue of our having the complete list. To date we have investigated or we have under investigation 31 client representations by the subjects' law firm. It would appear from reviewing the full listing of clients that obviously investigation will be required in connection with approximately 15 additional clients. However, this matter will be specifically discussed with Murray at the earliest possible moment.

A great number of the clients in the list appear to be those which would be customary in the ordinary law practice. However, we will still obtain Murray's views concerning them. *10*

Collier supplied the last name of another member of the law firm, an individual by the name of Cole. According to Collier, Cole is only an associate and not a partner. This matter is being checked out to determine his full identity. Collier apparently did not see fit to question Ford and Bergson as to his background.

It might be noted that Collier in supplying the list of clients advised that they anticipated having open hearings during

EHW:jh

Attachment

RECORDED-86

62-97558-210

AUG 29 1952

*AW*

*Handled as  
outgoing*



Memorandum to Mr. Ladd

the week of August 25, 1952. He stated, however, that in connection with Ford and Bergson he believed that they would have to first approach this investigation through executive hearings which, however, may result in open hearings.

ACTION:

There is attached a memorandum which transmits the full list of clients to Assistant Attorney General Murray, together with such explanatory data as supplied by Collier. As stated above, the nature of the investigation, if any, with respect to the clients listed in here not already being investigated will be specifically taken up with Murray.

✓.8

JB  
Mr. Ross L. Malone, Jr.  
Deputy Attorney General  
Director, FBI

August 19, 1952

*Replied*

I am attaching hereto a copy of a memorandum, which is self-explanatory, which I am sending to the Attorney General today.

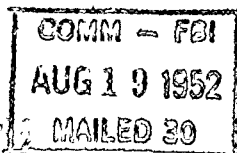
Attachment

LBN:hmc  
*Given*

EX-141

RECORDED - 134

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_



7/5  
0  
PEYTON FORD, et al  
FRAUD AGAINST THE GOVERNMENT - MISCONDUCT  
IN OFFICE  
Knoxville File No. 46-459  
Bureau File No. Unknown

INSPECTOR DeLOACH: This is a closed file, Washington Field origin.  
It was assigned to SA JOSEPH L. KISSIAH and  
supervised by the SAC.

The report of SA JOSEPH L. KISSIAH, dated August  
14, 1952 at Knoxville, failed to designate copies for Washington Field, the  
office of origin.

Copies of this report should be furnished the office  
of origin immediately.

Comments are requested from SA JOSEPH L. KISSIAH  
and the SAC.

SA JOSEPH L. KISSIAH: Failure to designate copies of the above mentioned  
report to the Washington Field Office was an over-  
sight on my part and I regret this, assuring you  
that every effort will be made to avoid a recurrence of this in the future.  
In accordance with your instructions, copies of this report have already  
been furnished the WFO. ND

SAC SOUCY: It is regretted that this error occurred, and the  
need for exercising extreme care in such matters in  
the future has been called emphatically to the attention  
of this employee, who it is felt has been impressed with the importance of  
such details.

INSPECTION REPORT  
KNOXVILLE OFFICE  
INSPECTOR C. D. DeLOACH  
August 26, 1952  
DMH:MPV

62-97558-✓  
NOT RECORDED

SEP 4 1952

57 SEP 9 1952

2B  
The Attorney General

August 29, 1952

Director, FBI

PERSONAL AND CONFIDENTIAL

PHYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

RECORDED - 134

62-97558-213

I am attaching to this memorandum and the copies designated for Mr. Murray a copy of a memorandum dated August 25, 1952, received from our Washington Field Office.

The attachment sets forth allegations made by Curtis Shears, Lands Division attorney, that T. Lamar Caudle, when Assistant Attorney General in charge of the Tax Division, inquired about an Antitrust Division matter.

Your early advice would be appreciated as to what specific investigation you desire to be conducted concerning these allegations.

Attachment

cc: 2 - Assistant Attorney General  
Charles B. Murray

PERSONAL AND CONFIDENTIAL  
(Attachment)

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

ECW:lk  
62-97558

U.S. DEPT. OF JUSTICE  
FBI  
RECEIVED DIRECTOR  
AUG 29 4 28 PM '52

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AUG 29 1952  
COMM - FBI

57 SEP 9 1952

Handwritten initials: *RM*, *EPW*

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd

FROM : Mr. Rosen *ORW*

SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

DATE: August 29, 1952

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

Curtis Shears, Lands Division attorney, when interviewed in captioned matter advised that on one occasion, shortly prior to T. Lamar Caudle's appearance before the King Committee, Caudle inquired of Shears as to what the Antitrust Division intended to do in regard to the case involving the tobacco companies of North Carolina. Shears states he referred Caudle to the Head of the Antitrust Division. Shears states he also understands that Caudle was very friendly with the tobacco interests in North Carolina, but has no information of any action taken in the tobacco case by the Division. He suggested if no action was taken Caudle may have been responsible for having the intended action stopped.

ACTION:

Attached is a memorandum to the Attorney General with copies for Assistant Attorney General Murray enclosing a memorandum setting forth the allegations concerning Caudle. The Department is being requested to advise what specific investigation should be conducted.

*attached*  
Attachment

ECW:lk  
62-97558

INDEXED - 134

162-97558-213  
20 SEP 2 1952

RECORDED - 134

57 SEP 9 1952 *LS*

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: 8/27/52

TO : SAC, KNOXVILLE (46-459)

SUBJECT: PEYTON FORD, et al  
FAG; MISCONDUCT IN OFFICERerep: SA JOSEPH L. KISSIAH, dated 8/14/52, at  
Knoxville.Inadvertently copies of rerep were not forwarded  
to WFO.~~EXPEDITE PROCESSING~~Three copies of rerep are, therefore, being  
furnished to WFO with copy of this communication. The Bureau is  
requested to indicate on their copies of rerep that three copies  
have been furnished to WFO. RUC.

CFC:MPW

cc: WFO (Enclosures) AM

RECORDED - 41

57 SEP 9 1952

EX-129

162-97557-214  
10 AUG 29 1952  
9-2  
Hinter  
E.C. [Signature]  
6-202

SAC, Washington Field

August 26, 1952

Director, FBI

PERSONAL ATTENTION

PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

Attached hereto are copies of a memorandum from the Bureau to the Attorney General, captioned as above, which sets forth the results of a conference had with Mr. Charles B. Murray and his assistant, Miss Ethel Brazwell, on the morning of August 25, 1952. Also attached hereto are two copies of a complete list of clients, totaling 146, which has been made available to the Bureau by Mr. Robert Collier of the Chelf Committee. This information was obtained by Collier from Messrs. Ford and Bergson.

It is desired that the investigation in this matter be extended to cover not only those clients listed in connection with the material transmitted to you in the Bureau's letter of August 21, 1952, but also to cover specifically the clients listed in the memorandum to the Attorney General which is attached and which is dated August 26, 1952. An immediate check should be made of Departmental files and also Immigration and Naturalization Service files with particular respect to the Barbara Lee Item No. 62, and the other items wherein only the name of an individual together with his address is listed.

RECORDED

EX-125

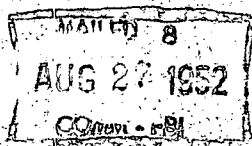
SEP 2 1952

It is to be noted that there are a number of cases and clients listed which appear to be the ordinary type of client or case handled in a law practice. No action is being requested with respect to those not specifically listed. However, in the event any information comes to your attention during the course of this investigation which would pertain to any of the clients not being checked into at this time, you should then immediately institute the necessary investigation and advise the Bureau at the outset.

It is desired that you continue to give this matter top priority attention in order that as much investigation as possible can be completed by August 30, 1952. A report should be prepared setting forth the results of all investigation completed so that it can reach the Bureau by August 31, 1952.

Enclosure

EHW:bjl



Tolson  
Ladd  
Nichols  
Belmont  
Clegg  
Glavin  
Harbo  
Rosen  
Tracy  
Laughlin  
Mohr  
Tele. Rm.  
Holloman  
Gandy

57 SEP 19 1952

## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. D. M. LADD

FROM : MR. A. ROSEN *Am*

SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE  
FBI file 62-97558

DATE: August 29, 1952

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Nichols \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Harbo \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

As you know, the investigation in this matter has received top priority and extensive investigation has been conducted by our Washington Field Office and some twenty-five other field offices. A number of reports have been received and furnished to both the Attorney General and Assistant Attorney General Charles B. Murray.

The investigation has widened in scope in view of the development of additional clients of subject law firm who had matters pending with the Department either during the time the subjects were employed with the Department or after such employment. Each client as identified or where an additional allegation is received which concerns this investigation is immediately ordered for investigation. As a result, approximately fifty phases of this investigation have been developed.

The only delay encountered so far in this investigation is the unavailability of a number of Department attorneys and officials of pertinent companies, who are understandingly vacationing at this time of year. However, our field offices have been able to locate and interview these individuals in most instances.

In view of the urgency of this matter and in view of the fact that the investigation has widened in scope, all offices having work outstanding have been instructed to incorporate in investigative reports all work completed as of August 29, 1952, and submit those reports to reach the Bureau by the week end of August 30, 1952. We have, of course, advised each office that this matter must receive top priority and that every effort must be exerted to complete as much investigation as possible by August 29, 1952. The investigative reports received will be reviewed and the necessary copies furnished to the Attorney General and Assistant Attorney General Murray.

ECW:jd

RECORDED - 41

EX-12

162-97558-216

SEP. 2 1952

57 SEP 9 1952

ECW



ACTION:

A memorandum summarizing the pertinent developments of this investigation as reflected in these reports to be received will be submitted.

At the conclusion of this investigation, a summary memorandum will be prepared dealing with all developments.

*✓*

23  
SAC, Washington Field (46-2715)

August 28, 1952

Director, FBI

PERSONAL ATTENTION

PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

In view of the great amount of investigation which has been conducted and in light of the considerable remaining investigation in this case, the purpose of this letter is to recapitulate our objectives and to set forth additional instructions, both general and specific.

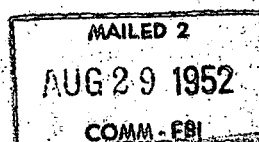
As you know, this investigation requested by the Attorney General, is predicated upon the basic allegations developed by the Chelf Committee that Ford, Bergson and Borkland, through their official positions with the Department, made arrangements with companies and individuals having matters pending with the Department to represent them through an intended future law practice. It was also alleged that clients were referred by Ford while he was still in the Department and after Bergson and Borkland had left the Department; that favors may have been granted certain clients while subjects were still in the Department; and that influence or pressure may have been used by the subjects in contacting the Department in the various matters.

In the memorandum of August 7, 1952, from the Attorney General to the Bureau, a copy of which has been provided to you, it was stated that a feature of the investigation would be to discover any coordination between officials in the Department who anticipated becoming members of the law firm and persons then members of the firm whether ex-officials or not. The Department initially asked for the identities of clients; however, in the meantime the Bureau and the Department have been provided with a list of clients as provided by the Chelf Committee which in turn was furnished this list by Ford and Bergson. 62-97558-217

EX-126 RECORDED - 41 SEP 2 1952  
The Department in its August 7, 1952, memorandum stated with respect to these clients that information concerning when the relationship of client and attorney began, the circumstances which brought it about, the fees paid and contracted to be paid was wanted. The Department also asked for information concerning contact and interviews by members of the law firm with the Department of Justice and with other Government agencies. The

cc - 1 New York, for information

62-97558



SAC, Washington Field

basic problem in this investigation revolves around the matter of clients. You have been supplied with the identities of the clients as selected by Robert A. Collier of the Shelf Committee from the entire list of 146 clients which has been provided to you. In addition, you have been supplied with the list of clients wherein inquiry is to be made as arrived at through a conference with Assistant Attorney General Murray's Office on August 25, 1952. These were set forth in the Bureau's letter to you dated August 26, 1952.

There are several other sets of allegations which the Department has asked to be investigated. The basic material setting forth these allegations has been supplied to you. These allegations are over and above those which pertain to the representation by the subjects' law firm of clients. They are as follows:

1. In the memorandum dated August 1, 1952, entitled "Peyton Ford, et al" prepared by Collier, it is said that T. Lamar Caudle indicated that Grace Stewart had once remarked that a friend of hers had seen the books of the law firm of Ford and Bergson and that the income was unbelievably large, consisting to a great extent of clients obtained through Ford and Bergson while working in the Department.

2. This same memorandum goes on to state that Caudle indicated there was a definite feeling on the part of many Departmental officials that after Bergson left the Department and established his law firm, Ford was "feeding him business" from the Department.

3. In the same memorandum, it was alleged that Peyton Ford instructed that all compromise tax cases be sent to him when he became Deputy Attorney General or the Assistant to the Attorney General. It was further alleged that it was the practice of Ford, when a compromise was being settled in favor of a tax payer, to call the tax payer's attorney and advise him orally of the decision.

4. The same memorandum of Collier's dated August 1, 1952, set forth allegations that Dean Schodler acted as a "pipeline" to Mr. Ford.

5. It was further alleged that Peyton Ford had mentioned or bragged that he had obtained Bergson's employment with the Director of Defense Mobilization.

SAC, Washington Field

6. In Collier's memorandum dated July 9, 1952, captioned "Peyton Ford," it was alleged that two Federal Judges in Philadelphia had severely criticized the Justice and Treasury Departments for failure to cooperate in a Grand Jury tax matter and that the Deputy Attorney General was visited numerous times in regard to the matter with no avail.

We must, of course, fully run out the investigation concerning the above allegations. Furthermore, any allegations which pertain to the subjects of this case and their representation of firms or clients in matters which have been pending in the Department or which are indicated to have been pending in some other Government agency must be independently run out. However, in the event there is an allegation which involves one of the subjects, as well as some other Departmental agency or public official not the subject of this investigation, then you should specifically take up this matter with the Bureau as you have done on several occasions. In this particular regard, your attention is directed to page 128 of the report of SA Thomas J. Jenkins, dated August 23, 1952, at Washington, D. C., in the captioned matter. Thereafter, information is set forth as received from Gordon Grant to the effect that Peyton Ford interceded on behalf of some interests which may have been general matters relative to the acquisition of a steel plant near Cleveland, Ohio which, in turn, was being sought by the former Preston Tucker Motor Corporation. A lead on page 145 of the report is set forth to interview Jess Larson with regard to this allegation. You are advised that this lead should not be conducted at this time since the allegation is being specifically brought to the attention of the Department for advice as to what, if any, investigation is desired.

Instructions Concerning General Phases of  
this Investigation

1. The investigation in this matter must necessarily follow the general course of determining the clients who had matters pending with the Department while the subjects were officials of the Department and those clients who had matters pending with the Department and who were represented by the subjects in contacting officials of the Department. This is the basic group of clients, as provided in the initial allegations and in the group selected by Collier of the Chelf Committee. The investigation should develop how these clients were obtained, the details of the representation and details of the contacts with the Department.

SAC, Washington Field

As previously instructed, the first step is to review any files or documents of the Department pertaining to these clients to determine the extent of the subjects' handling of the matter while they were in the Department and to determine the contacts the subjects had with the Department after resigning. Thereafter, the Departmental attorneys who are familiar with the particular matters are to be interviewed and the client is to be interviewed to determine from that source the details of the representation.

The foregoing is the policy and procedure which you have pursued and it is desired that this be continued.

2. With regard to the list of clients as selected from the master list provided by the Chief Committee at the conference between Department and Bureau representatives on August 25, 1952, the following instructions are being set forth. (Any necessary leads set out for auxiliary offices consisting of the following instructions should, of course, be done promptly.)

a. Appropriate checks should be made with Dun and Bradstreet and credit agencies to determine if there is any pertinent information which will assist in further identifying a client or the nature of business he might represent. This should be done unless information has been provided relative to the nature of the representation by the law firm.

b. Appropriate reviews or checks should be made of Departmental files or other agencies if necessary.

c. In the event there is pertinent information developed from the file check or review, then of course Departmental and agency attorneys or officials should be interviewed. Thereafter, contact should be made with the client as outlined above.

d. With respect to clients listed who are either attorneys or law firms, no investigation in line with Departmental instructions is to be conducted with respect to determining the nature of their representation by the instant law firm with the exception that there may be pertinent information obtained from the credit checks mentioned above obviously requiring investigation.

3. With respect to the allegations which have been set forth above, it is desired that you make certain that all logical persons have been interviewed. These refer to the allegations not pertaining to clients but rather to those of a nature that Dean Schedler served as a "pipeline" for Peyton Ford.

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Laughlin \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

SAC, Washington Field

In addition to the above general instructions, the following matters are being set out with the specific instructions pertaining to each:

1. In the group selected from the list of 146 clients furnished the Chelf Committee by Bergson and Ford, it is noted a number of the clients are individuals. In each instance you will check and obtain identifying data from the records of Dun and Bradstreet and appropriate credit reporting agencies and thereafter check the Department files for any matter that can be identified with these individuals.

2. With further reference to this group, where it is determined there is no record of a matter in the Department's files pertaining to the client, it will not be necessary to investigate the representations of these firms or individuals further in the absence of additional information which suggests further investigation.

3. With further reference to the clients, it is noted there are five companies on which there are files in the Department but no indication that the subjects are involved. These companies are, namely:

Dictograph Products Company  
Metal Trading Company  
National Bulk Carriers, Inc.  
Publickers Industries  
Lehman Brothers

In these cases the client should be contacted to determine the basis and nature of the representation by the subjects.

4. In this group of clients where it is established there is no record of a matter concerning this client in the Department, yet an explanation has been received from the Chelf Committee as to the nature of the representation, such as a matter before the Wage Stabilization Board, then the appropriate check should be made with that agency other than the Department of Justice to determine the details and nature of the representation.

5. With reference to the allegations that Peyton Ford referred clients to the Bergson Law Firm while Ford was still in the Department and the allegation that Ford usurped some of the power of the Attorney General by directing that all tax compromise cases go through his office, it is suggested that among others you interview:

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Laughlin \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

SAC, Washington Field

Elizabeth A. Thomas (Ford's secretary  
at that time)

A. Devitt Vanech  
William A. Underhill  
J. Edward Williams  
Joseph C. Duggan  
Abraham J. Harris  
Clive Palmer

Ellis Lyons, who are  
present and former employees in the Department.

6. In connection with the allegations by T. Lamar Gaudle that Dean Schedler was a "pipeline" to Peyton Ford after Ford left the Department, you should interview Schedler for all information he may have in this connection.

7. In connection with the investigation of the American Booksellers wherein Bergson filed an amicus curiae in the Supreme Court on behalf of numerous clients, it is noted that one of those individuals was Cotys Products, Inc. It is further noted that one of the clients, as furnished by the Shelf Committee for the instant law firm, is the instant company and a substantial fee was collected by the subjects from this company. Therefore, contact should be made with the Cotys Products, Inc. to determine the relationship of the law firm representing this company in the American Booksellers case or any other representations by the law firm.

8. In connection with those companies which are developed through interviews with Departmental attorneys as companies having litigation with the Department wherein the attorneys allege that the handling of the case on the part of the subjects indicated a favorable attitude by the subjects toward the defendant companies, you are instructed to proceed with a review of the files in the Department concerning these cases, thereafter conducting appropriate interviews with Departmental attorneys and contacting the companies involved to determine the nature of the representation by the subjects and any connection which the subjects may have with those companies. An example of this type of matter would be the Flat Glass case and the Goat Milk case which have been previously reported by your office.

9. The report of SA Jenkins dated August 23, 1952, sets out a lead to consider the advisability of our interviewing former Attorney General J. Howard McGrath. This lead should be held in abeyance pending advice from the Bureau, or if you deem it necessary to interview him at a later date, specifically call this to the attention of the Bureau.

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (62-97558)

FROM : SAC, WFO (46-2715)

SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT;  
MISCONDUCT IN OFFICE

DATE: August 26, 1952

On this date while Special Agent BERNARD E. BUSCHER was interviewing LEONARD EMMERGLICK, Departmental Attorney, he was approached by W. B. WATSON SNYDER, another Departmental Attorney, and who has been previously interviewed by Special Agent BUSCHER, at which time SNYDER mentioned to him that on last Friday he had an hour and a half conference with the Attorney General and that if the Attorney General did all the things he intended to do, that this case would go on indefinitely.

During the course of the conversation, Mr. SNYDER mentioned the name of former Attorney General TOM CLARK and inquired if Special Agent BUSCHER was "on that too."

SNYDER further stated that the Justice Department employees who were to testify before the Chelf Committee today had been notified that testimony had been postponed indefinitely, but that they had not been dismissed.

The above is being furnished for the information of the Bureau.

TJJ:PCN

Note: 8-27-52 EHW

To date we have received no request to investigate Justice Clark, although we have submitted allegations concerning him to the Department.

RECORDED-86

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE 6/23/83 BY SP-8 BTJ/RLD

CH 286651

57 SEP 9 1952

UNRECORDED COPY FILED IN

62-97557-1

6-28-52

62-97557-218



Mr. Tolson	
Mr. Boardman	
Mr. Nichols	
Mr. Belmont	
Mr. Ladd	
Mr. Clegg	
Mr. Glavin	
Mr. Harbo	
Mr. Rosen	<input checked="" type="checkbox"/>
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Hendon	
Mr. Pennington	
Mr. Quinn	
Mr. Nease	
Miss Gandy	

*RW Rosen*  
*John*  
*718*

FBI, ALBANY 8-28-52 2-50 PM

FLO

*EC*  
*718*

DIRECTOR, FBI AND SACS, WFO AND NEW YORK....URGENT

PEYTON FORD, ETAL, FAG, MISCONDUCT IN OFFICE. REREPS SA T. J.

JENKINS DATED AUG. SIXTEEN AND AUG. TWENTYTHREE, NINETEEN FIFTYTWO, AT WASH., DC. REFERENCED REPORT DATED AUG. TWENTYTHREE, FIFTYTWO SETS OUT LEAD FOR ALBANY OFFICE TO CONTACT RAY LEUBBE, VICE PRES. AND GENERAL COUNSEL, GE CO., SCHENECTADY, NY OR OTHER APPROPRIATE GE OFFICIALS. INVES. SCHENECTADY DISCLOSES RAY LEUBBE AND HIS STAFF ARE LOCATED GE CO., FIVE SEVEN NAUGHT LEXINGTON AVE., NYC, TELEPHONE PLAZA FIVE ONE THREE ONE ONE. NY REQUESTED TO HANDLE INDICATED INVES. NY IS IN POSSESSION BOTH REFERENCED REPORTS. RUC.

POWERS

END

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WA 2-51 PM OK FBI WA NRB

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*62-97558-219*

NY OK FBI NYC DW

*SEP 2 1952*

DISCMT

*EX-105*

*6-22 PM*

TWO COPIES WFO

*cc Mr. Winterrowd*

57 SEP 9 1952

8-27-52

WASHINGTON AND NEW YORK FROM WASH FIELD 27 6:00 P.M.

DIRECTOR AND SAC

URGENT

PEYTON FORD, ET AL, FAG, MISCONDUCT IN OFFICE. RE REPORT  
SA THOMAS J. JENKINS DATED AUGUST TWENTY THREE INSTANT.

WILL INTERVIEW CONGRESSMAN EMANUEL CELLER, ONE FIVE ZERO ONE  
BROADWAY, NEW YORK CITY, TELEPHONE NUMBER LACKAWANNA FOUR  
DASH NINE SEVEN ZERO ZERO, AND DETERMINE FROM HIM WHETHER  
OR NOT HE HAS EVER BEEN CONTACTED BY HERBERT BERGSON RELATIVE  
TO THE ALUMINUM EXPANSION PROGRAM AND WILL DETERMINE WHETHER  
BERGSON, AS COUNSEL FOR ALCOA, ATTEMPTED TO HAVE CELLER CALL  
OFF HEARINGS THAT WERE SCHEDULED ON THE ALUMINUM EXPANSION  
PROGRAM. ALSO DETERMINE FROM CELLER WHAT PART CURTIS SHEARS  
PLAYED IN THE ALUMINUM EXPANSION PROGRAM AS LEGAL COUNSEL FOR  
CELLER'S COMMITTEE. WILL ALSO DETERMINE WHETHER OR NOT SHEARS  
WAS RESPONSIBLE FOR STOPPING THE MERGER OF THE MINNEAPOLIS  
MINING AND MANUFACTURING COMPANY WITH CARBORONDUM THROUGH  
INTERVENTION WITH CELLER. DETERMINE FROM CELLER WHAT PART  
THE LAW FIRM OF BERGSON, FORD, ADAMS AND BORKLAND PLAYED IN  
THESE MATTERS. THE BUREAU HAS AUTHORIZED INTERVIEW OF CON-  
GRESSMAN CELLER AND BASIS FOR INTERVIEW IN SIGNED STATEMENT OF  
SHEARS IN REFERENCED REPORT. SUTEL.

RECORDED-63

62 775-228 HOOD

EJH:AD

46-2715

## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

FROM : A. ROSEN *AR*

SUBJECT: PEYTON FORD, ETAL,  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

DATE: August 21, 1952

Tolson ☒

Ladd ☒

Nichols ☒

Belmont ☒

Clegg ☒

Glavin ☒

Harbo ☒

Rosen ☒

Tracy ☒

Mohr ☒

Tele. Rm. ☒

Nease ☒

Gandy ☒

*sent*

Attached hereto is a memorandum for the Attorney General, with copies for Mr. Charles B. Murray, setting forth the results of the conference had with Mr. Murray and his assistant, Miss Ethel Brazwell, by Winterrowd and Supervisor E. C. Williams of the Bureau.

The question was posed to Murray as to whether he desired that the Department and the Bureau abide by the selected list of clients which was provided by Collier from a larger list supplied by Messrs. Ford and Bergson to the Chelf Committee. Collier had selected those clients which he thought to be pertinent and had not provided the names of other clients which he said were of a general law practice nature such as divorce cases, negligence suits, etc.

It is to be noted that Murray is of the definite opinion that we should have the full list made available and during the conference Collier called Murray on another matter, Murray specifically took this up with Collier who said that he would make the entire list available to the Bureau. This will be obtained.

Murray is of the very definite opinion that the Department and the Bureau should conduct an independent examination of the list and not merely go on the group selected by Collier. Murray expressed the possibility that there could be names of clients which would be of interest or which might conceivably be members of the Chelf Committee. He gave no reason for this statement. RECORDED-86 162-27558-224

INDEXED-86

Another matter taken up with Mr. Smith as his request that exploratory interviews be made with officials and their assistants in other divisions of the Department than the Antitrust Division. He was asked if these exploratory interviews should be conducted at this time in light of the fact that we have been supplied with the identities of a number of the clients of the law firm and will be provided with the entire list. He was asked if he wanted these exploratory interviews conducted in view of the fact that we have specific objectives to investigate in the firm of the additional names which have been provided. It is Murray's opinion that these exploratory

62-97558

57 SEP 9 1952

ATTACHMENT

Memorandum for Mr. Ladd

interviews should be deferred until we have our specific objectives investigated and then the need of such exploratory interviews will be resolved.

In addition to the foregoing, the question was raised as to whether we should check a large number of companies who were listed in a brief amicus curiae filed by Bergson which, according to information received from Collier, were grouped along with a client, namely, Coty's Products Corporation which paid Bergson a fee of \$8,000.00. This matter is being studied by the attorneys working on this case in the Department inasmuch as there is no indication that some 26 additional companies were, in fact, clients of the law firm even though they were listed in the brief filed by Bergson.

Finally, a question which was not resolved in view of the lack of time available on Mr. Murray's part is specifically brought up in the attached memorandum. Briefly it is this. The Chelf Committee supplied information that it had been rumored that Bergson represented Standard Oil of New Jersey and Pan American Air Lines. These are not listed in the group of clients provided by the Chelf Committee and, according to Collier, Bergson and Ford specifically stated they are not clients. The specific question is being posed to the Attorney General and Assistant Attorney General Charles B. Murray as to whether investigation should be conducted relative to the rumor in light of the information which has been received.

It will also be noted in the attached memorandum that Collier advised that in 1951 the law firm received a \$500.00 fee from the Dallas, Texas, law firm of Clark, Coon, Holt and Fisher. The fee is for an unknown purpose. According to Collier, this law firm includes the brother of Tom C. Clark, former Attorney General, Bob Clark.

Advice is being requested as to what, if any, investigation is to be conducted.

Memorandum for Mr. Ladd

ACTION

There is attached for approval a memorandum directed to the Attorney General with copies designated for Assistant Attorney General Charles B. Murray.

*sent  
8-22-52  
10/22*

*✓.g. 8/22*

The Attorney General

August 29, 1952

Director, FBI

PERSONAL AND CONFIDENTIAL

PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

I am attaching to this memorandum and copies designated for Mr. Murray a copy of an anonymous letter dated August 25, 1952, addressed to Congressman Frank J. Chelf, House of Representatives, Washington, D. C., which was furnished to the Bureau by Mr. Robert Collier, Chief Counsel of the Chelf Committee.

The allegations in the enclosure apparently refer to the Antitrust case against the International Boxing Club. As you know, one phase of our investigation concerns the International Boxing Club, Antitrust matter, and the Madison Square Garden Corporation, which company was a client of Herbert Bergson.

The results of our investigation are set forth in the reports of Special Agent John M. Dunay, Jr., dated August 13, 1952, and August 15, 1952, at New York, and the report of Special Agent Alexander D. Manson dated August 15, 1952, at Milwaukee, Wisconsin. Copies of these reports have been furnished to Mr. Murray.

After you have caused a review of the information developed in this matter, it will be appreciated if you will advise whether Melville Williams should be reinterviewed concerning the allegation set forth in the enclosure.

Tolson  
Ladd  
Nichols  
Belmont  
Clegg  
Glavin  
Harbo  
Rosen  
Tracy  
Mohr  
Tele. Rm.  
Nease  
Gandy

Attachment

RECORDED-114

INDEXED-114

EX-115

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20 SEP 1 3 11 1952

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U.S. DEPT. OF JUSTICE  
SEP 29 7 26 PM '52  
DIRECTOR

cc: 2 - Assistant Attorney General  
Charles E. Murray (Attachment)

PERSONAL AND CONFIDENTIAL

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62-97558

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August 25, 1952

Congressman Frank J. Chelf  
House of Representatives  
Washington, D. C.

Honorable Sir:

In connection with your Committee investigation regarding the activities of Herbert Bergson, I think you should inquire as to the disposition of the case against the Boxing Commission before the New York Grand Jury. Before Mr. Bergson got into the case, one Melville Williams, head of the New York Office of the Antitrust division, felt he had the kind of case that should be presented to a grand jury and prosecuted.

While the Grand Jury was considering the evidence Mr. Bergson called on Melville Williams, spent the night at Williams home, and the next day or shortly thereafter, Mr. Williams went before the Grand Jury and recommended that they Not indict.

It might be well also to find out how Mr. Bergson got the case of the I.B.C.

Sincerely yours,

An interested observer

62-97558-222

ENCLOSURE

RECORDED-114

The Attorney General

August 29, 1952

Director, FBI

PERSONAL AND CONFIDENTIAL

EX-115

PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE  
FBI file 62-97558

I am attaching to this memorandum and to the copies of this memorandum designated for Mr. Murray a copy of a memorandum dated August 28, 1952.

This memorandum sets forth information concerning Curtis Shears, attorney in the Lands Division of the Department, which information was furnished by Mr. George B. Haddock, trial attorney in the Antitrust Division of the Department.

In view of the nature of this information, which concerns an administrative matter of the Department, no investigation is contemplated by the Bureau.

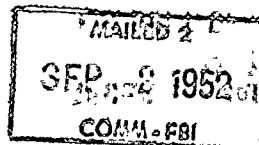
Enclosure

PERSONAL AND CONFIDENTIAL

cc - 2 - Assistant Attorney General Charles B. Murray  
Criminal Division  
(W/Enclosure)

ECW:jd

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Laughlin \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_



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U.S. DEPT. OF JUSTICE  
AUG 30 5 26 PM '52

SEP 3 1952



## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (62-97558)

FROM : SAC, WFO (46-2715)

SUBJECT: PEYTON FORD; HERBERT AUGUSTUS BERGSON;  
HERBERT BORKLAND; ALBERT F. ADAMS;  
SUMNER MURRAY-REDSTONE  
FRAUD AGAINST THE GOVERNMENT;  
MISCONDUCT IN OFFICE

DATE: August 28, 1952

Enclosed is a memorandum setting forth information concerning CURTIS V. SHEARS, Departmental Attorney, as furnished by GEORGE B. HADDOCK, Trial Section, Antitrust Division, Department of Justice. This information was obtained during the course of the investigation concerning captioned matter. w

Enc.  
FJH:AD

*8-29-52  
memo to  
Mr. Tolson  
cc: Mr. Murray*

RECORDED-114

INDEXED-114

62-97558-223  
SEP 3 1952  
20

*[Signature]*

The Attorney General

August 29, 1952

Director, FBI

PERSONAL AND CONFIDENTIAL

PEYTON ROAD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

Reference is made to my memorandum of August 22, 1952, copies of which were designated for Mr. Murray. This memorandum called attention to information that A. William Barlow, United States Attorney at Honolulu, while recently in Washington, was reported to have made the remark there was a particular case in Honolulu which reflected some irregularities on the part of the subjects while they were employed in the Department of Justice.

Mr. Barlow has been interviewed and he advised he knew of no case in Honolulu or any other place in which there would be irregularities on the part of the subjects of this investigation. He further denied that he had made any such statement. The details of the interview with Mr. Barlow are set forth in the report of Special Agent R. Robert Hoy, dated August 25, 1952, at Honolulu, and a copy of that report is attached hereto as well as to the copy of the memorandum designated for Mr. Murray.

Attachment

EX-715

RECORDED-114

cc: 2 - Assistant Attorney General

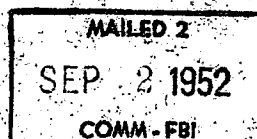
Charles S. Murray (Attachment)

(Personal and Confidential)

SEP 3 1952

ECW/lk/rh

Tolson  
Ladd  
Nichols  
Belmont  
Clegg  
Glavin  
Harbo  
Rosen  
Tracy  
Laughlin  
Mohr  
Tele. Rm.  
Holloman  
Gandy



66 SEP 8 1952

25. HJ on 90 62 only  
U.S. DEPT. OF JUSTICE  
DIRECTOR

SAC, Oklahoma City (46-539)

August 26, 1952

Director, FBI (62-97558)

PEYTON FORD, et al  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

Rerep SA Wesley G. Grapp dated August 14, 1952.  
Attached to this memorandum is a copy of rerep which  
apparently was inadvertently furnished the Bureau and is  
being returned for the completion of your records.

Attachment

ECW: dw

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

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62-97558-225  
13 SEP 18 1952

COMM - FBI  
AUG 26 1952  
MAILED 19

EX-115

SEP 19 1952

PW

SW

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

AUG 27 1952

TELETYPE

Mr. Tolson	
Mr. Ladd	
Mr. Nichols	
Mr. Belmont	
Mr. Clegg	
Mr. Glavin	
Mr. Harbo	
Mr. Rosen	
Mr. Tracy	
Mr. Laughlin	
Mr. Mohr	
Mr. Winterrowd	
Tele. Room	
Mr. Holloman	
Miss Gandy	

WASH & WASH FLD 72 BOSTON 2 FROM NEW YORK 27 11-00 PM  
DIRECTOR AND SACS URGENT

PEYTON FORD, ETAL, FAG. MISCONDUCT IN OFFICE. REREP THOMAS J. JENKINS AUG TWENTY THREE LAST, WASHINGTON, DC AND WFOTEL TO NY AUG TWENTY SIX LAST. INTERVIEW HAROLD C. PAULL, CHAIRMAN OF BOARD OF FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, PROVIDENCE, R. I. , AND G. MERLYN O-KEEFE, CARE OF O-KEEFE MOTORS, PROVIDENCE, R. I. BOTH OF WHOM ARE FORMER DIRECTORS OF E. LEITZ CO., NYC, RE DETAILS OF HAROLD E. HOROWITZ APPOINTMENT TO BOARD AND THE RETAINING BY LEITZ OF SUBJECT LAW FIRM. ALL PERSONS SHOULD BE QUESTIONED THOROUGHLY, <sup>How</sup> ~~1952~~ AND BY WHOM THE ABOVE ACTS WERE INITIATED AND ALSO ANY KNOWLEDGE THEY HAVE OF ANY INFLUENCE ANY OF SUBJECTS USED IN DECISIONS MADE OR ACTIONS RE THE E. LEITZ CO. REFER TO PAGES FIFTY THREE THROUGH EIGHTY EIGHT OF REREP FOR INFO OF VALUE IN CONDUCTING <sup>no</sup> INTERVIEWS. J. HOWARD MC GRATH FORMER ATTORNEY GENERAL, IS ALLEGED TO BE ASSOCIATED WITH G. MERLYN O-KEEFE IN O- KEEFE MOTORS. BUDED <sup>4</sup> AUG THIRTY NEXT.

cc Williams

BOARDMAN

RECORDED-37

CORR L 9 WD 1 "HOW"  
LAST LINE WD 1 "AUG"

EX-115

162-97558-226

BOTH AAD PLS  
111 TWO COPIES WFO  
444

WA VNY R 72 WA SJB  
57 SEP 9 1952  
BS NY R 2 BS WAM

6-802

WASH FLD AND WASHINGTON 11 FROM BOSTON

27

9-10PM

DIRECTOR AND SAC URGENT

PEYTON FORD ET AL FAG, MIO. REREP SA THOMAS J. JENKINS DATED AUG. TWENTY TWO LAST AT WASHINGTON, D. C. RICHARD B. CROSS, MEMBER, WASHINGTON REGIONAL RENEGOTIATIONS BOARD INTERVIEWED AT MANCHESTER, MASS. STATES HAS NO RECOLLECTION OF PETER THOMPSON OR REVELL DASH THOMPSON AND COMPANY - NINETEEN FORTY FIVE CASE. HE DOES NOT RECALL LETTER DATED NOV. SIXTEEN, NINETEEN FIFTY ONE BY SUMNER M. REDSTONE OF THE LAW FIRM OF FORD, BERGSON, ADAMS, AND BORKLAND. HE ADVISED PROCEDURE ON SUCH A REQUEST IS TO ALLOW FIRM OR ITS REPRESENTATIVE TO SEE CONTENTS OF FILE AS TO INFORMATION SUBMITTED BY THE FIRM. ALL OTHER MATTERS ARE REMOVED FROM FILE. BELIEVES INSTANT LETTER HANDLED BY SUMNER MARCUS PRESENTLY ASSOCIATE CONSUL TO RENEGOTIATIONS BOARD, FORMERLY COUNSEL, NAVY RENEGOTIATIONS DIVISION UNDER CROSS OR MARCUS-S ASSISTANT, NOEL WOODHOUSE. HOWEVER, MARCUS OR WOODHOUSE WOULD HAVE DISCUSSED THE REQUEST WITH CROSS FOR A DECISION PRIOR TO PERMITTING THE FILE TO BE REVIEWED BY PERSONS REPRESENTING REVELL DASH THOMPSON. CROSS HAS NO RECOLLECTION OF SEEING THE LETTER OR EVER HAVING DISCUSSED THE REVELL DASH THOMPSON CASE WITH REDSTONE OR ANY OTHER MEMBER OF THE

END OF PAGE ONE .....

57 SEP 9 1952

TWO COPIES WFO

c c Mr Williams  
6-8CN

PAGE TWO .....

LAW FIRM OF FORD, BERGSON, ADAMS, AND BORKLAND. HE IS NOT ACQUAINTED WITH ANY OF THE ABOVE MEMBERS OF THE LAW FIRM AND RECALLS ONLY THAT FORD WAS A PROMINENT MEMBER OF THE DEPARTMENT OF JUSTICE SOMETIME IN THE PAST. CROSS STATES INITIALS ON THE REDSTONE LETTER DATED NOV. SIXTEEN LAST MAY POSSIBLY BE HIS OR THOSE OF MARCUS OR WOODHOUSE. CROSS BELIEVES HE WOULD BE ABLE TO IDENTIFY THE INITIALS IF HE IS GIVEN THE OPPORTUNITY OF SEEING THE DOCUMENT. CROSS LEAVING MANCHESTER, MASS. TODAY PLANNING TO RETURN TO WASHINGTON, D. C., ARRIVING THERE FRIDAY EVENING MNEXT. MAY BE REACHED AT HIS RESIDENCE THREE TWO THREE EIGHT QUOTE R UNQUOTE STREET, N. W. , WASHINGTON, D. C. MARCUS MAY BE REACHED THROUGH RENEGOTIATIONS BOARD, MC SHANE BUILDING, INDIANA AVE., WASHINGTON, D. C. AND WOODHOUSE IN CARE OF NAVY DEPARTMENT, BUREAU OF SUPPLIES AND ACCOUNTS, WASHINGTON, D. C. RESIDENCE ADDRESS OF MARCUS AND WOODHOUSE NOT KNOWN TO CROSS BUT IT IS BELIEVED THAT BOTH RESIDE IN VIRGINIA NEAR WASHINGTON, D. C. RUC REPORT OF SA JOSEPH P. MC DONOUGH WILL BE MAILED AUG. TWENTY EIGHT NEXT.

HOSTETTER

$\frac{1}{4}$

HOLD PLS

HS  
FBI NEW HAVEN

8-28-52

7-09 PM

GBM

DIRECTOR, FBI URGENT

PEYTON FORD, ET AL, FAG, MIO. BUFILE SIXTYTWO DASH NINE SEVEN

FIVE FIVE EIGHT. INVESTIGATION THIS OFFICE COMPLETED. REPORT SA  
EDGAR C. PARKHURST DATED AUG. TWENTYNINTH WILL REACH BUREAU AUG.  
THIRTIETH.

CASPER

END

WA 7-07 PM OK FBI WA MFC

V

EX-115

57 SEP 9 1952 RECORDED-37

62-17558-228  
680V

cc Mr Williams

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **WASHINGTON FIELD**

REPORT MADE AT <b>CLEVELAND</b>	DATE WHEN MADE <b>8/30/52</b>	PERIOD FOR WHICH MADE <b>8/29/52</b>	REPORT MADE BY <b>KENNETH C. HOWE</b> <span style="float: right;"><b>EGK</b></span>
TITLE <b>PEYTON FORD, ET AL</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERNMENT; MISCONDUCT IN OFFICE</b>

**SYNOPSIS OF FACTS:**

RAY GEORGE JETER, B.F. Goodrich Co., Akron, interviewed and gave information identical with that received earlier from individuals at Goodrich and set forth in re report.

*REC - 6-1 Cleveland  
9-2-52  
ECW*

**DETAILS:**

*1cc ASD McGowan  
1cc ASD Murray  
Memo 9-2-52  
ECW*

RAY G. JETER, ~~secretary~~ and general counsel, ~~B.F. Goodrich Company~~, Akron, Ohio, was interviewed and gave information concerning instant matter very parallel to that previously received from KIIMAN and COUTS of that company as set forth in re report of SA KENNETH C. HOWE dated August 16, 1952, at Cleveland.

**EXPEDITE PROCESSING**

JETER stated the first inkling Goodrich had either formally or otherwise that any governmental action with respect to its foreign trade agreement was even a possibility was in July, 1951, when their Cleveland office received a call from the Regional Anti-Trust Office at that

*23  
15*

*1cc Williams  
4718  
1cc let to file by  
Williams 12-4-52 for  
1cc put by Wintermaud  
11/4/53 ECW*

APPROVED AND FORWARDED: <i>Jane J. Shum</i> SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
COPIES OF THIS REPORT 5 - Bureau (62-97558) (AMSD) 3 - Washington Field (46-2715) 2 - Cleveland (46-1023) COPIES DESTROYED <b>169 DEC 2 1964</b>	<b>62-17558-229</b> <i>6-229</i> <b>RECORDED-31</b> <b>INDEXED-37</b> <b>EX-115</b>

PROPERTY OF FBI—THIS CONFIDENTIAL REPORT AND ITS CONTENTS ARE LOANED TO YOU BY THE FBI AND ARE NOT TO BE DISTRIBUTED OUTSIDE OF AGENCY TO WHICH LOANED.

**60 SEP 10 1952**



CV FO  
46-1023

point. It was not until later however, that the company decided to retain counsel. JETER decided on BERGSON because he knew him from negotiations on the case entitled, "U. S. vs Association of American Battery Manufacturers, Etal" and considered him a very able man. He said he had known BERGSON casually prior to the battery case but had never talked to him on any official matter in which B.F. Goodrich had an interest. He knew BERGSON had left the Department and was in private practice since he had received a routine printed announcement to this effect when BERGSON left the Department in September, 1950. He emphasized that handling of instant case was in nowise solicited by BERGSON or any member of the law firm or was it arranged through any third party. JETER said the retention of BERGSON and his law firm was entirely at the initiative of Goodrich. He said he no longer has the card which he received announcing BERGSON's entry into private practice but added that this was in nowise a concrete or speculative solicitation of business but rather was the regular routine card announcement which is regularly sent out by individuals when they enter into private practice, change their office location, etc.

JETER said as had KIIMAN and COUTS that neither BERGSON nor any member of the law firm had ever done any favors for Goodrich while they were with the Department. He gave the same detail as to payment to be made to a law firm as had KIIMAN and COUTS, all of which is in re report.

Subject law firm JETER said never represented Goodrich on any other matter in the past and is handling in the present only this one matter. He said he had no knowledge of the firm's other business.

- RUC -

CV FO  
46-1023

REFERENCE: Report of SA KENNETH C. HOWE dated 8/16/52.

The Attorney General

September 2, 1952

Director, FBI

PERSONAL AND CONFIDENTIAL

PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

I am attaching to this memorandum and to the copies designated for Mr. Murray a copy of a memorandum dated August 26, 1952, received from our Washington Field Office. The information in the attached memorandum was furnished by Curtis Shears, Lands Division attorney.

I would appreciate it if you would advise what specific investigation should be conducted in this matter.

Attachment

cc: 2 - Assistant Attorney General PERSONAL AND CONFIDENTIAL  
Charles B. Murray (Attachment)

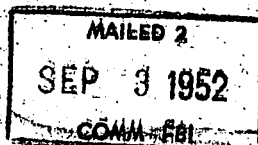
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EX-141 7 SEP 20

U.S. DEPT. OF JUSTICE  
RECEIVED DIRECTOR  
SEP 11 1952

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62-97558



57 SEP 9 1952

The Attorney General

September 2, 1952

75  
Director, FBI

PERSONAL AND CONFIDENTIAL

PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

231  
RECORDED - 65

I am attaching to this memorandum and to the copies designated for Mr. Murray a copy of a memorandum received from our Washington Field Office and dated August 26, 1952. The attachment sets forth information furnished by Curtis Shears of the Lands Division.

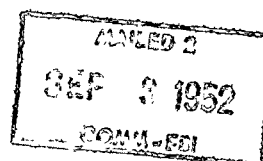
EX - 73

It is requested that you advise what specific investigation should be conducted in this matter.

Attachment

cc: 2-Assistant Attorney General PERSONAL AND CONFIDENTIAL  
Charles B. Murray (Attachment)

ECW:eam  
62-97558



Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Nichols \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Harbo \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

58 SEP 9 1952

# Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd *OL*  
 FROM : Mr. Rosen *RW*  
 SUBJECT: PEYTON FORD, ET AL  
 FRAUD AGAINST THE GOVERNMENT  
 MISCONDUCT IN OFFICE

DATE: September 2, 1952

Tolson \_\_\_\_\_  
 Ladd \_\_\_\_\_  
 Clegg \_\_\_\_\_  
 Glavin \_\_\_\_\_  
 Nichols \_\_\_\_\_  
 Rosen \_\_\_\_\_  
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 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Nease \_\_\_\_\_  
 Gandy \_\_\_\_\_

Curtis Shears, Lands Division, Department of Justice, when interviewed in connection with captioned matter advised that Mathias Orfield, Attorney, now employed in the Lands Division, and formerly employed in the Antitrust Division, had handled the merger of the United States Steel and Geneva Steel.

Shears stated that Orfield told him on a number of occasions he had bitterly protested the merger of these two companies but had been overruled by his superiors. Shears did not know who Orfield's superiors were or details relating to the merger, but he believed that Orfield was transferred to the Lands Division because of his protestations. In addition, Shears stated he believes that former Attorney General Tom Clark played an important part in the merger of these two companies and suggested an interview of Orfield to develop further facts of this case.

## ACTION:

There is attached for your approval a memorandum to the Attorney General with copies for Assistant Attorney General Murray enclosing copies of a memorandum dated August 25, 1952, setting forth the above information. The Department is being requested to advise what specific investigation should be conducted in this matter. *no*

Attachment

EX-141 *✓*

ECW:eam  
 62-97558

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162-97558-231

SEP 11 1952

20

*[Signature]*

*20W*

The Attorney General

September 2, 1952

Director, FBI

PETTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

I am attaching to this memorandum and to the copies designated for Mr. Murray a copy of a memorandum received from our Washington Field Office dated August 26, 1952. The attachment sets forth information furnished by Gordon Grant, Business Economist, Legislative and Clearance Section, Antitrust Division.

It would be appreciated if you would advise what specific investigation you desire concerning the information furnished by Mr. Grant.

Attachment

cc: 2 - Assistant Attorney General PERSONAL AND CONFIDENTIAL  
Charles B. Murray (Attachment)

EX-141

RECORDED - 65

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COMM. FBI

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
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Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

57 SEP 9 1952

Handwritten signatures and initials: "J", "PW", "ECW", and others.

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd

FROM : Mr. Rosen

SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

DATE: August 29, 1952

Tolson \_\_\_\_\_

Ladd \_\_\_\_\_

Clegg \_\_\_\_\_

Glavin \_\_\_\_\_

Nichols \_\_\_\_\_

Rosen \_\_\_\_\_

Tracy \_\_\_\_\_

Harbo \_\_\_\_\_

Selmont \_\_\_\_\_

Mohr \_\_\_\_\_

Tele. Room \_\_\_\_\_

Nease \_\_\_\_\_

Gandy \_\_\_\_\_

Gordon Grant, attorney Antitrust Division, when interviewed in connection with captioned matter furnished the following information. He stated that he learned from Paul Hadlick, former attorney of the Antitrust Division, that Hadlick while employed as legal counsel for the Gillette Committee investigating the A & P case received a telephone call from a person who identified himself as Bergson and who asked that Hadlick send exhibits and statistics that had been prepared by the Gillette Committee on the A & P case.

According to Grant, Hadlick at first thought the call was from Herbert Bergson whereas it was actually made by a brother of Herbert Bergson, first name unknown, who was understood to represent the A & P interests at the time he made the telephone call. Hadlick did not know whether the person who made the call had consulted with Herbert Bergson, and it was his opinion, although he did not know for sure, that the statistics and exhibits would in all probability be forwarded to the office of Herbert Bergson in the Department of Justice.

Grant stated further that he does not know the exact date of the call nor does he know whether Herbert Bergson was still employed by the Department at the time of the Gillette hearings on the A & P matter.

ACTION:

There is attached for your approval a letter to the Attorney General with copies for Assistant Attorney General Murray, attaching a memorandum setting forth the above information and requesting advice as to what specific investigation should be conducted.

Attachment

ECW:lk

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INDEXED - 65

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57 SEP 9 1952

EX - 73

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Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (62-97558)

DATE: August 25, 1952

FROM : SAC, WFO (46-2715)

SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT;  
MISCONDUCT IN OFFICE

There are being transmitted herewith the original and four copies of a Blind Memorandum containing information which was obtained from Department of Justice Attorney JUDSON W. BOWLES when he was interviewed in connection with the above matter on August 22, 1952, by Special Agents CHARLES H. SCHAFER and ALPHONSE F. CALABRESE.

This information was obtained as a result of a query as to whether he knew of any irregularities or use of pressure in cases in the Department of Justice.

Mr. BOWLES stated that he did not desire to go into the specific details of the case reported until he received authority to do so from the Attorney General since he had a question in his mind as to whether the information furnished was within the scope of the investigation.

AFC : DJM

Enclosures: 5- (see

to ASG AAG  
with memo  
8-26-52)

EX-141

RECORDED - 65

INDEXED - 65

62-97558-234

SEP 1 1950

Let G be a group  
 1-2-52  
 Edw

G. E. Andrews



August 25, 1952

U. S. DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

INDIVIDUALS On August 22, 1952, JUDSON W. BOWLES, Trial Attorney, Administrative Relations Section, Criminal Division, Department of Justice, advised that he had received a call from a Secretary of a Congressman concerning two men who had been arrested on warrants which were obtained by Investigators of the Federal Communications Commission. According to Mr. BOWLES, the Secretary of the Congressman stated that the Congressman knew these two men and did not believe that they would do anything criminally wrong and further that the Secretary stated that she knew that the Congressman would like to see the case dropped against these two men under any circumstances.

He advised that she then went on to say that the Congressman at that time was in Europe and did he think it was proper for her to write a letter to him, Mr. BOWLES, concerning their conversation. He advised that he then told her that he felt that it was not proper for her to write a letter and that he did not even consider it proper for her to make the call and suggest the dropping of the case.

He said the matter is still pending and that just recently he had advised the United States Attorney in the Judiciary District where the offense was committed to present the matter to the Grand Jury. He also advised that there are five defendants in the case.

62-97558-234

ENCLOSURE

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (62-97558)

DATE: August 26, 1952

FROM : SAC, WFO (46-2715)

SUBJECT: PEYTON FORD; HERBERT AUGUSTUS  
BERGSON; HERBERT BORKLAND; ALBERT F.  
ADAMS; SUMNER MURRAY REDSTONE  
 FRAUD AGAINST THE GOVERNMENT;  
 MISCONDUCT IN OFFICE

Rereps of Special Agent THOMAS J. JENKINS, dated August 16  
 and 23, 1952, at Washington, D. C.

Enclosed herewith find four memoranda, the details of which  
 were obtained through interview in the above-captioned matter.

EJH:RCH  
 Enclosures (4)

*All memos furnished AD.  
 & AA 8/29/52  
 8/29/52  
 8/29/52  
 8/29/52*

EXPEDITE PROCESSING

EX-141

RECORDED - 65  
 INDEXED - 65

162-97558-2350  
 AUG 28 1952  
 9-3

57 SEP 9 1952

RE: MATHIAS ORFIELD, Attorney  
Lands Division  
United States Department of Justice

During an interview with CURTIS SHEARS, Lands Division, Department of Justice, by Special Agents WILLIAM E. FENIMORE and EDWARD J. HAYES on August 18, 1952, he was asked whether he was aware of cases in the Department of Justice which might possibly indicate the presence of misconduct or malfeasance on the part of anyone in the Department.

CURTIS SHEARS advised that MATHIAS ORFIELD, Attorney now employed in the Lands Division and formerly employed in the Anti Trust Division, had handled the merger of ~~U. S. Steel and Geneva Steel.~~

He stated that ORFIELD told him on a number of occasions that he, ORFIELD, had bitterly protested the merger of these companies, but had been over ruled by his superiors. SHEARS advised that he does not know who ORFIELD's superiors were nor any of the details relating to the U.S. Steel - Geneva merger, but he believes that because of ORFIELD's protestations he was shunned off to the Lands Division.

In addition SHEARS informed that he believes that former Attorney General TOM CLARK played an important part in the merger of the above-mentioned companies and suggested an interview of ORFIELD to develop further facts of this case.

62-97558-235

COPIES DESTROYED.

169 DEC 2 1964

ENCLOSURE

*cc much & sent  
AJ & AAJ  
9-2-52  
EON*

RE: JOHN SONNETT  
Former Assistant Attorney General  
United States Department of Justice

During an interview with CURTIS SHEARS, Lands Division, Department of Justice, by Special Agents WILLIAM E. FENIMORE and EDWARD J. HAYES on August 18, 1952, he was asked whether he was aware of cases in the Department of Justice which might possibly indicate the presence of misconduct or malfeasance on the part of anyone in the Department.

In this connection, SHEARS related the background of a Criminal anti racketeering case which he had tried for the Criminal Division in Philadelphia. This case involved the Teamster's Local Union and a ~~Perishable Food~~ Trade Association in that city. SHEARS recalled the original complaint was first scrutinized in the Department to determine whether the strongest Government case would be in the Criminal Field or in the Anti Trust Field. Both the Anti Trust Division and Criminal Division were instructed to write memoranda reflecting the merits of the case in their particular field.

In the Anti Trust Division the case was assigned to SHEARS and he wrote a memorandum indicating he believed the Anti Trust Case would be relatively weak as compared to the Criminal angle. SHEARS stated he learned the Criminal Division had submitted a similar memorandum indicating the Criminal Angle was weak.

SHEARS recalled TOM CLARK, then Attorney General, called him in and stated he believed some action should be taken in the case, but that two of his Assistant Attorney Generals had both indicated the case was weak. Previously SHEARS had learned from JOHN SONNETT, the Head of the Anti Trust Division, that he, SONNETT, would be reluctant to recommend action in this case since he felt he would be hurting his chance to become a Federal Judge in New York should he initiate action against Labor once again. SHEARS inferred that SONNETT had incurred the wrath of Labor only shortly before this case. (1)

He stated he tried the criminal case for the Department in 1948 and won the case but the anti trust angle has never been pursued.

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169 DEC 2 1964  
62-97558-235

ENCLOSURE

CC made & sent  
AAS & AS 8/29  
ECW

SHEARS related that after TOM CLARK had discussed the case with him, the Attorney General decided to take action on the criminal aspect of the matter. The anti trust angle was dropped. SHEARS recalled this decision of the Attorney General displeased SONNETT greatly.

SHEARS related this instance to illustrate how a case might be handled in the Department if one of the Heads of the Department did not desire action to be taken fearing such action would hurt his best interests either personally or politically. In this case JOHN SONNETT did not desire to injure his chance of becoming a New York Federal Judge.

Re: T. LAMAR CAUDLE  
TOBACCO INTERESTS IN NORTH CAROLINA

During an interview with CURTIS SHEARS, Lands Division Attorney, Department of Justice, by Special Agents WILLIAM E. FENIMORE and EDWARD JOSEPH HAYES on August 18, 1952, he was asked whether he was aware of any cases in the Department of Justice which might possibly indicate the presence of misconduct or malfeasance on the part of anyone in the Department.

SHEARS advised that on one occasion just two or three months prior to T. LAMAR CAUDLE'S appearance before the King Committee on Capitol Hill, CAUDLE telephonically inquired of him as to what the Antitrust Division's intention was regarding the case involving the tobacco companies of North Carolina. SHEARS recalls that CAUDLE, then Head of the Tax Division of the Department of Justice, understood the Antitrust Division had cases pending against the R. J. Reynolds Company and American Tobacco Companies and desired to know what the complaint was and if the Department intended to proceed against the tobacco companies. SHEARS further recalls he was aware the Division had some sort of interest in a tobacco case, but suggested to CAUDLE that the Head of the Antitrust Division be contacted to obtain the desired information.

SHEARS points out he understands CAUDLE was very friendly with tobacco interests in North Carolina. He also noted he never heard whether any action was taken in the tobacco case by the Division. He suggested if no action was taken, CAUDLE may have been responsible for having the intended action stopped.

cc made and  
sent ASV AAS  
8.29.52

COPIES DESTROYED  
169 DEC 2 1964

7-10-52

62-97548-235

August 26, 1952

RE: Mr. BERGSON

*Information concerning*

While interviewing GORDON GRANT, Business Economist, Legislative and Clearance Section, Antitrust Division, United States Department of Justice, on August 21, 1952, he furnished the following information:

He stated that PAUL HADLICK, former Attorney, Antitrust Division, told him that he, HADLICK, while employed as Legal Counsel for the Gillette Committee investigating aspects of the A & P case, received the following telephone call:

He informed that the caller, who identified himself as BERGSON, asked that he, HADLICK, send over to him exhibits and statistics that had been prepared by the Gillette Committee on the A & P case.

In this connection, GRANT advised that HADLICK told him that he thought it was HERBERT BERGSON who was actually making the telephone call, whereas it was a brother of HERBERT BERGSON, whose first name he does not recall. He stated that he learned later that HERBERT BERGSON's brother was representing the A & P interests at the time he made this call.

GRANT further stated that HADLICK remarked to him that he thought this action on the part of HERBERT BERGSON's brother was highly unethical inasmuch as he was representing A & P. He did not know whether BERGSON had consulted with HERBERT BERGSON before making the above mentioned telephone call. In this regard, he advised that although he did not know, it was HADLICK's opinion that the statistics and exhibits would in all probability be forwarded to the offices of HERBERT BERGSON in the Department of Justice. GRANT advised that he does not recall the exact date BERGSON called HADLICK, nor does he know whether HERBERT BERGSON was still employed by the Department at the time of the Gillette hearings on the A & P matter.

RE: Mr. ~~BERGSON~~

While interviewing GORDON GRANT, Business Economist, Legislative and Clearance Section, Antitrust Division, United States Department of Justice, on August 21, 1952, he furnished the following information:

He stated that PAUL HADLICK, former Attorney, Antitrust Division, told him that he, HADLICK, while employed as Legal Counsel for the Gillette Committee investigating aspects of the A & P case, received the following telephone call:

He informed that the caller, who identified himself as BERGSON, asked that he, HADLICK, send over to him exhibits and statistics that had been prepared by the Gillette Committee on the A & P case.

In this connection, GRANT advised that HADLICK told him that he thought it was HERBERT BERGSON who was actually making the telephone call, whereas it was a brother of HERBERT BERGSON, whose first name he does not recall. He stated that he learned later that HERBERT BERGSON's brother was representing the A & P interests at the time he made this call.

GRANT further stated that HADLICK remarked to him that he thought this action on the part of HERBERT BERGSON's brother was highly unethical inasmuch as he was representing A & P. He did not know whether BERGSON had consulted with HERBERT BERGSON before making the above mentioned telephone call. In this regard, he advised that although he did not know, it was HADLICK's opinion that the statistics and exhibits would in all probability be forwarded to the offices of HERBERT BERGSON in the Department of Justice. GRANT advised that he does not recall the exact date BERGSON called HADLICK, nor does he know whether HERBERT BERGSON was still employed by the Department at the time of the Gillette hearings on the A & P matter.

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ENCLOSURE

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8/29/52  
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# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **WASHINGTON FIELD**

REPORT MADE AT <b>CLEVELAND</b>	DATE WHEN MADE <b>8/29/52</b>	PERIOD FOR WHICH MADE <b>8/28/52</b>	REPORT MADE BY <b>RICHARD S. BETER</b> <span style="float: right;">jmc</span>
TITLE <b>PEYTON FORD, Et Al</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERNMENT; MISCONDUCT IN OFFICE</b>

**SYNOPSIS OF FACTS:**

Mr. QUINCY D. BALDWIN, General Counsel, Lamp Department, General Electric Company, Cleveland, had 3 to 5 conferences with Mr. BERGSON in connection with settlement of GE Lamp Case. BALDWIN considered BERGSON one of the most reliable and forthright men he came in contact with at Department of Justice. He considered BERGSON's views to be always in favor of the Government and never attempted to show favor or give any special consideration to GE.

*1cc ASD McGowan  
1cc AAS Murray  
Memo - 9-2-52  
ECW*

- P -

**DETAILS:**

At Cleveland, Ohio

**EXPEDITE PROCESSING.**

Mr. QUINCY D. BALDWIN, General Counsel, Lamp Department, General Electric Company, Nela Park and Noble Road, upon interview advised that he and other attorneys for the General Electric Company had on various occasions contacted Mr. HERBERT BERGSON of the Department of Justice in Washington, D.C., but he could not recall the exact dates. Mr. BALDWIN stated that it is his recollection that they contacted Mr. BERGSON approximately 3 to 5 times. He also recalled having conferences with Mr. TIMBERG and a Mr. JAMES.

*1cc Williams  
4718  
1cc not to file by  
Williams 12-4-50*

*cc not by Walter  
41-4153*

APPROVED AND FORWARDED: <i>Paul J. Shine</i> SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
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**60 SEP 10 1952**

CV. F. O.  
46-1023

Mr. BALDWIN advised that during these conferences with Mr. BERGSON he considered him to be one of the most reliable and forthright persons that he and the other attorneys dealt with at the Department of Justice. He stated that he believed that his views concerning BERGSON were also shared by the other representatives of the General Electric who were at the conferences. Mr. BALDWIN advised that at no time during his contacts did BERGSON in any way intimate, suggest, or in any way show any special consideration or favors toward the General Electric Company in the handling of the Lamp Case.

Mr. BALDWIN stated that BERGSON's views during the conferences were always in favor of the Government. In fact, it was Mr. BALDWIN's opinion that BERGSON sometimes shaded his opinions to that of Mr. TIMBERG's.

- PENDING -

CV. F. O.  
46-1023

ADMINISTRATIVE

LEADS

CLEVELAND

At Akron, Ohio

Will interview RAY G. JETER, Secretary and General Counsel, B. F. Goodrich Company, upon his return to Akron.

REFERENCE: Report of SA THOMAS J. JENKINS at Washington Field, 8/23/52.

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

**WASHINGTON FIELD**

REPORT MADE AT <b>CLEVELAND</b>	DATE WHEN MADE <b>8/29/52</b>	PERIOD FOR WHICH MADE <b>8/23/52</b>	REPORT MADE BY <b>RICHARD S. BEIER</b> <span style="float: right;">jmc</span>
TITLE  <b>PEYTON FORD, Et AL</b>			CHARACTER OF CASE  <b>FRAUD AGAINST THE GOVERNMENT; MISCONDUCT IN OFFICE</b>

**SYNOPSIS OF FACTS:**

Mr. QUINCY D. BALDWIN, General Counsel, Lamp Department, General Electric Company, Cleveland, had 3 to 5 conferences with Mr. BERGSON in connection with settlement of GE Lamp Case. BALDWIN considered BERGSON one of the most reliable and forthright men he came in contact with at Department of Justice. He considered BERGSON's views to be always in favor of the Government and never attempted to show favor or give any special consideration to GE.

- P -

**DETAILS:**

At Cleveland, Ohio

Mr. QUINCY D. BALDWIN, General Counsel, Lamp Department, General Electric Company, Nela Park and Noble Road, upon interview advised that he and other attorneys for the General Electric Company had on various occasions contacted Mr. HERBERT BERGSON of the Department of Justice in Washington, D.C., but he could not recall the exact dates. Mr. BALDWIN stated that it is his recollection that they contacted Mr. BERGSON approximately 3 to 5 times. He also recalled having conferences with Mr. TIMBERG and a Mr. JAMES.

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*H. E. Jones Case*

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **WASHINGTON FIELD**

FILE NO.

**EJC**

<b>REPORT MADE AT</b> <p style="text-align: center;"><b>NEW YORK</b></p>	<b>DATE WHEN MADE</b> <p style="text-align: center;"><b>8/29/52</b></p>	<b>PERIOD FOR WHICH MADE</b> <p style="text-align: center;"><b>8/25-29/52</b></p>	<b>REPORT MADE BY</b> <p style="text-align: center;"><b>JOHN M. DUNAY, JR. (A)</b></p>
<b>TITLE</b> <p><b>PEYTON FORD; HERBERT AUGUSTUS BERGSON; HERBERT BORKLAND; ALBERT F. ADAMS; SUMNER MURRAY REDSTONE</b></p>			<b>CHARACTER OF CASE</b> <p><b>FRAUD AGAINST THE GOVERNMENT MISCONDUCT IN OFFICE</b></p>

**SYNOPSIS OF FACTS:**

PHILIP H. DEUTCHMAN, Secretary and Treasurer, E. Leitz, Inc., in sworn statement advises that DON EMERT, Alien Property Custodian employee, in March 1948 presented a power of attorney from the Alien Property Custodian which was voted in favor of HAROLD E. HOROWITZ to become a director of E. Leitz, Inc. ROBERT E. GIAUQUE does not know how HOROWITZ became a director or who first suggested his name. JOHN C. KELLY, former director of E. Leitz, Inc., did not know HOROWITZ until he was introduced at a directors' meeting by a person from the Alien Property Custodian's Office. None of above knew of any influence exerted by subjects on any decisions or actions of E. Leitz, Inc. EDWARD J. CHAPMAN not available for interview until 9/2/52. C. GORDON LAMUDE advised that E. Leitz matter was handled out of Washington, DC, and that HOROWITZ was elected to Board of Directors on 5/3/48 prior to his own election on 6/14/48. LAMUDE says BERGSON'S law firm was retained 2/9/51 by Board of Directors' resolution after discussion about need for administrative legal representation in Washington, DC, and after BAYNTON or RUBIN advised that Department would not object. LAMUDE has no knowledge of attempted influence by anyone. Assistant Attorney General JAMES MCINERNEY states conference with US District Court Judge GANEY, et al, relative to Treasury.

*1cc ASD memo*  
*1cc ASD memo*  
*By memo 8/31/52*  
*ECR*

*1cc Williams 4/28*  
*1cc 12/1/52*  
*1cc 12/1/52*  
*1cc ref By Williams 4/14/53*

**EXPEDITE PROCESSING**

<b>APPROVED AND FORWARDED</b> <p style="text-align: center;"><i>John M. Dunay, Jr.</i></p>	<b>SPECIAL AGENT IN CHARGE</b>	<b>DO NOT WRITE IN THESE SPACES</b> <p style="text-align: center;"><i>720 62-97558-237</i></p>
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SYNOPSIS: (Cont'd.)

Department cooperation was held in May 1951. Details of conference set out. McINERNEY knows of no influence or pressure on Philadelphia Grand Jury and no connection of subjects or their law firm with the Grand Jury or witnesses. SIGMUND TIMBERG out of country on United Nations business and expected to return late October next. NY Office, Anti-Trust Division, files on Perfume-Toilet Goods investigation negative as to subjects or their firm. Sworn statement of JOHN F. SONNETT set out. Subjects or their firm never represented General Electric Company. Congressman EMANUEL CELLER not available until 9/2/52.

- P -

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E. LEITZ, INC.

INTERVIEW OF PHILIP H. DEUTCHMAN

Mr. PHILIP H. DEUTCHMAN, Secretary and Treasurer of E. Leitz, Inc., 304 Hudson Street, New York City, was interviewed by SAA ROBERT J. PETERSEN and the writer.

DEUTCHMAN advised that in his position as Secretary and Treasurer he attended all the Board of Directors' meetings during HAROLD E. HOROWITZ' tenure with E. Leitz, Inc. as a member of the Board of Directors, Chairman of the Board and President of the Corporation. DEUTCHMAN furnished the following sworn statement pertaining to his knowledge about HOROWITZ' association with E. Leitz, Inc. and whether or not any influence was executed by subject firm in behalf of E. Leitz, Inc.:

"New York, N.Y.  
August 27, 1952

"I, PHILIP H. DEUTCHMAN, make the following statement voluntarily and under oath to JOHN M. DUNAY, Jr. and ROBERT J. PETERSEN who have identified themselves to me as Special Agents of the Federal Bureau of Investigation. No threats or promises of reward have been made to induce me to submit this statement and I know it may be used against me and/or others in a court of law.

"I am Secretary and Treasurer of E. Leitz Company, 304 Hudson Street, N.Y.C. and have been associated with this company in various capacities since January 1942.

"HAROLD E. HOROWITZ was first elected to the Board of Directors of E. Leitz Company in March 1948, at which time all of the capital stock of the company was owned by the Alien Property Custodian. This election took place at a stockholders meeting and to the best of my recollection a Mr. DON EMMERT, then an employee of the Alien Property Custodian, attended this meeting and presented a power of attorney issued by the Alien Property Custodian, authorizing EMMERT to vote in the election of Directors. EMMERT voted all the stock for HAROLD E. HOROWITZ to be elected to the Board of Directors. Mr. HOROWITZ had no prior connection with E. Leitz and Co., and he continued as a director until May or June 1948 when he was elected Chairman of the Board of Directors. In 1950 or early 1951 HOROWITZ also



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"became President of the firm and he served as President and Chairman of the Board until August 20, 1952 when he resigned both offices.

"I do not know why EMMERT voted all the stock in favor of HAROLD E. HOROWITZ and I do not know who first proposed that HOROWITZ be made a director of the company.

"In January 1951, when problems were arising as to wage stabilization regulations, OPS regulations and Fair Trade regulations, Mr. HOROWITZ suggested that E. Leitz Company hire a law firm then known as Bergson, Adams and Borkland, Washington, D.C. to handle the aforementioned problems. Mr. HOROWITZ felt that the firm needed additional legal counsel and Bergson, Adams and Borkland were retained at a fee of \$12,000.00 per annum. This firm represented E. Leitz Company through April 1952 when they withdrew. I do not now know the reason for their withdrawal.

"I do not know of any influence or pressure extended by the above mentioned law firm on behalf of E. Leitz Company and they served only as a source of legal advice and counsel.

"I have read this statement consisting of this and two prior pages and is true to the best of my knowledge and belief.

/s/ PHILIP H. DEUTCHMAN

"Subscribed and sworn to before  
me this 27th day of August 1952

JOHN M. DUNAY, Jr. Special Agent, FBI, NYC

ROBERT J. PETERSEN, Special Agent, FBI, NYC."

INTERVIEW OF ROBERT EDOUARD GIAUQUE

ROBERT E. GIAUQUE, Assistant Treasurer and Engineer, E. Leitz, Inc., 304 Hudson Street, New York, New York, was interviewed by SAA ROBERT J. PETERSEN and the writer at which time he supplied the following information in a sworn signed statement which reads as follows:

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"New York, N.Y.  
August 28, 1952

"I, ROBERT EDOUARD GIAUQUE, make the following statement voluntarily and under oath to JOHN M. DUNAY, Jr. and ROBERT J. PETERSEN who have identified themselves to me as Special Agents of the Federal Bureau of Investigation, U. S. Department of Justice. No threats or promises of reward have been made to induce me to submit this statement and I know it may be used against me and/or others in a court of law.

"I have been employed by E. Leitz, Inc., 304 Hudson St., N.Y.C. as an Engineer since Nov. 1, 1946 and in April or May 1948 I was elected to the office of Assistant Treasurer, which office I still hold.

"I first heard that HAROLD E. HOROWITZ, a New York Attorney, was elected a director of E. Leitz, Inc. from JOHN W. SLACKS, then President of the company, in about April 1948. I did not know then nor do I know now why HAROLD HOROWITZ was elected a member of the Board nor do I know who first suggested that HOROWITZ be so elected. HOROWITZ continued as a Director until around August 1948 when he was elected Chairman of the Board, and President some time later in which capacities he acted until August 20, 1952. HOROWITZ told me he resigned because he felt that his presence in the firm would be detrimental to the company in their negotiations with the company's foreign supplier.

"I do not know who voted the capital stock which placed HOROWITZ on the Board of Directors or which elected him Chairman of the Board and President.

"About one and a half to two years ago I first learned that E. Leitz, Inc. had engaged legal counsel in Washington, D. C. I believe the law firm was then known as Bergson, Adams and Borkland and our principal contacts were with Mr. BORKLAND. About that time our firm was having a little difficulty obtaining raw materials and at the suggestion of HAROLD HOROWITZ I made a trip to the National Production Authority to see if this material could be expedited. HOROWITZ also suggested that after I had concluded my business in Washington that I call HERBERT BERGSON, who was then with the Office of Defense Mobilization and advise BERGSON as to what took place. I phoned

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"BERGSON, told him about my contacts at the National Production Authority and since that time I heard nothing from BERGSON regarding this matter.

"Also around this same time the problem of acquiring materials was also referred to Mr. BORKLAND of our Washington legal representatives but these efforts never did prove successful in acquiring the needed materials.

"I do not know of any influence or pressure exerted by BERGSON, ADAMS and BORKLAND on behalf of E. Leitz, Inc. and I do not know of any influence or pressure exerted by them on decisions or actions by E. Leitz, Inc.

"I have read this statement consisting of this and two prior handwritten pages and swear it is true to the best of my knowledge and belief.

/s/ ROBERT EDOUARD GIAUQUE

"Subscribed and sworn to before  
me this 28th day of August 1952

JOHN M. DUNAY, Jr., Special Agent, FBI, NYC  
ROBERT J. PETERSEN, Special Agent, FBI, NYC."

INTERVIEW OF JOHN C. KELLY

JOHN C. KELLY, President of Kelly and Nason, Inc., and majority stockholder, 247 Park Avenue, New York, New York, was interviewed by SAA ARTHUR P. ROEHRL and SA ANTHONY M. O'DONNELL. He recalled that he had become a Director in the E. Leitz Company about 1945. He submitted his resignation by letter dated August 7, 1952.

KELLY did not know HAROLD E. HOROWITZ until the latter had been introduced to members of the Board of E. Leitz Company at a Director's meeting. A person named DONALD ----- (last name unknown), who was employed in the Alien Property Custodian's Office, made the introduction remarking that HOROWITZ would run the organization. KELLY had never heard of HOROWITZ before but realized that HOROWITZ had been selected by the Alien Property Office.

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KELLY did not definitely recall a law firm by the name of Bergson, Adams and Borkland. However, he believed that this was the firm that had been retained at \$1000.00 a month. He did not know why this firm had been selected but stated that there had been a need for a law firm to handle wage stabilization, patent and other problems arising.

HOROWITZ recommended that the company retain this law firm and since the retainer of \$1000.00 per month was reasonable and the company was operating profitably, the resolution was passed.

KELLY vaguely recalled that he had heard that BERGSON and HOROWITZ had attended Harvard Law School together. He could not place the time when he heard this or could not recall his source. He stated that he doubted if he knew BERGSON at all although he may have had lunch in a group in which BERGSON was present.

KELLY did not know any reason other than HOROWITZ' recommendation why BERGSON'S firm had been selected to represent the company.

KELLY stated that on no occasion had any attempt been made by any member of this law firm to exert any influence on the decisions of the Board of Directors of E. Leitz, Inc. to his knowledge.

#### INTERVIEW OF EDWARD J. CHAPMAN

SA ANTHONY M. O'DONNELL, upon contacting CHAPMAN'S office at 60 Wall Street, New York, New York, was advised that CHAPMAN is out of town on vacation and unavailable for interview. CHAPMAN is expected to return to his office on September 2, 1952.

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Interview--C. GORDON LAMUDE,  
Manager, New York Office,  
Office of Alien Property,  
Department of Justice

The following investigation was conducted by Special Agents Harry Kiefer and William F. Finneran:

C. GORDON LAMUDE, 242-34 Van Zandt Avenue, Douglaston, New York, advised that he had been appointed a senior attorney in the Office of the General Counsel, Office of Alien Property Custodian, on October 29, 1942 and that he had acted in the capacity of attorney in the New York City office until the present time.

LAMUDE said that the following information was obtained by him from a review of the minutes of E. LEITZ, INC.:

LAMUDE said that some time in the latter part of 1943 W. E. BRADFORD, an analyst with the Office of Alien Property Custodian, took the E. LEITZ case from the New York office to the Washington, D. C. headquarters where it was intended that BRADFORD operate as Chief of Business Operations. Subsequent to 1943 the E. LEITZ case was handled exclusively from the Washington, D. C. headquarters.

LAMUDE advised that a review of the E. LEITZ Board of Directors minutes revealed that on March 1, 1948, DONALD EMMERT, OAPC, Washington, D. C., was elected to the Board of Directors of the E. LEITZ COMPANY. LAMUDE advised that at the same time it was intended that EMMERT hold the proxy of the Alien Property Custodian and that HAROLD E. HOROWITZ, JOHN C. KELLY and EDWARD CHAPMAN were also elected to the Board of E. LEITZ COMPANY. LAMUDE advised that he had no knowledge concerning the background of such elections.

LAMUDE advised that on the same day, March 1, 1948, JOHN W. SLACKS was re-elected President of the company at an annual salary of \$15,000 plus \$600 per month expense funds. LAMUDE advised that it was his understanding that the above elections were the first step on the part of the Alien Property Custodian to remove the existing German interests from the company.

LAMUDE advised that at a stockholders' meeting held May 3, 1948, the by-laws of the company were amended to create a position of Chairman of the Board of Directors. LAMUDE advised it was his understanding that such a position was created upon motion of EMMERT because of the desire of the Department of

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Justice to eliminate the German interests entirely from the company.

LAMUDE stated that at a Board of Directors meeting which occurred on May 3, 1948 HOROWITZ was elected to the position of Chairman of the Board of Directors. He advised that in payment for his services HOROWITZ was to receive \$25 for each hour of service he extended on behalf of the E. LEITZ COMPANY.

LAMUDE advised that on June 14, 1948, SLACKS resigned from the company and MATTHEW F. RAFTREE, an Alien Property Custodian Analyst assigned to the New York office, was elected President of the company.

LAMUDE also advised that during the June 14, 1948 Board of Directors meeting, he, LAMUDE, was elected to the Board of Directors.

LAMUDE stated that on or about July 1, 1948, the Office of Alien Property, was entering into extended litigation in connection with the ~~GREENPOINT COAL DOCKS~~ case. LAMUDE advised that relative to the ~~GREENPOINT~~ case, he had communicated with HAROLD I. BAYNTON, then Deputy Director of the Office of Alien Property. LAMUDE advised that in this communication with BAYNTON he had requested the assignment to his office of some attorney who could follow through the complicated litigation which was involved in Leases, First Right of Decline, Stock Ownership, etc. LAMUDE said that shortly after this communication with BAYNTON, the latter telephoned him and stated that attorney HAROLD HOROWITZ would be assigned to assist in the ~~GREENPOINT~~ case. LAMUDE advised that at the time of BAYNTON's call he did not realize that this HOROWITZ was identical with the Chairman of the Board of Directors of the E. LEITZ COMPANY. LAMUDE also emphasized that the contact on July 1, 1948 was the first time he had ever met HOROWITZ.

LAMUDE said that on July 6, 1948 he attended his first meeting of the Board of Directors of the E. LEITZ COMPANY and that this meeting was also attended by RAFTREE, EMMERT, KELLY, CHAPMAN and HOROWITZ as Chairman of the Board.

LAMUDE advised that thereafter monthly meetings of the Board of Directors occurred in which the same personnel were involved. He said that on March 14, 1949, EMMERT attended his last meeting because of resignation from the Department of Justice. LAMUDE stated further in this connection that thereafter

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he was designated by the Attorney General as the proxy of the Department of Justice at the E. LEITZ COMPANY.

LAMUDE stated that on October 15, 1948, in his absence, a meeting of the Board of Directors of the E. LEITZ COMPANY occurred in which HOROWITZ was authorized to travel to Europe (Germany) on behalf of the company for which he was to receive a fee of \$1,000 plus expenses. During this time, HOROWITZ was not to receive his fee of \$25 per hour previously mentioned.

LAMUDE stated that on February 18, 1949, at a meeting of the Board of Directors attended by all members, it was resolved that HOROWITZ was to receive a monthly expense allowance of \$600 retroactive to the inception of his capacity as Chairman of the Board.

LAMUDE stated that the above resolution was introduced by RAFTREE but that in all likelihood the approval of the Department of Justice was voiced by EMMERT who acted as the proxy for the Attorney General. In this same connection, LAMUDE stated that HOROWITZ travelled to Washington, D. C. about every week at which time he conferred with BAYNTON and other Department of Justice officials. LAMUDE said that he felt a degree of dissatisfaction with this arrangement since it was evident that HOROWITZ completely was circumventing the authority of the New York APC office. LAMUDE stated, however, that he never had registered any formal objection to HOROWITZ' conferences in Washington since he felt that the entire case was being handled by the Washington headquarters and not by the local office.

LAMUDE said that during a stockholders' meeting on May 13, 1949, JOHN L. LEBAN, President of SCHENLEY DISTRIBUTORS, was elected to the Board of Directors to fill the vacancy of EMMERT.

LAMUDE advised that on July 20, 1949, at a meeting of the Board of Directors, CHAPMAN introduced a resolution for HOROWITZ to again travel in Europe, for which he was to receive a \$3,000 fee and \$2,000 in expenses. In this connection, LAMUDE advised that by the time the resolution had been made it appeared that HOROWITZ had already completed such arrangements with the Department of Justice. LAMUDE stated that he recalled that he had been notified of the Department of Justice approval either by BAYNTON or by BAYNTON's assistant, LEWIS E. RUBIN, who was acting as Chief of the Business Management Section, OAP.

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LAMUDE advised that on September 22, 1949, RAFTREE resigned as a member of the Board of Directors but remained in the capacity as President of the company.

LAMUDE advised that on December 15, 1949 another trip was authorized by the Board of Directors for HOROWITZ and Mr. KELLER (first name not recalled), an E. LEITZ technician, to visit Germany in January, 1950. For such trip, HOROWITZ was authorized a fee of \$3,000 plus expenses.

LAMUDE said that during an annual stockholders meeting on February 15, 1950, HAROLD C. PAULL was elected as a member of the Board of Directors. In this connection, LAMUDE identified PAULL as President of the PROVIDENT SAVINGS AND LOAN ASSOCIATION and a close personal friend of Attorney General J. HOWARD McGRATH.

LAMUDE said that on July 13, 1950, at a meeting of the Board of Directors, the remuneration of the board members was increased from \$25 to \$50 per meeting. LAMUDE stated that he also noticed at this time that not only was HOROWITZ contacting the officials at Washington, D. C., but that PAULL appeared to be in close contact with the officials of the Department of Justice. LAMUDE said that at the same meeting another trip of HOROWITZ to Europe was authorized at a fee of \$4,000 plus \$2,000 expenses.

LAMUDE said that on October 6, 1950, HOROWITZ was elected by the Board of Directors as President of the company without salary. He stated that this election was made in order to surround HOROWITZ with suitable prestige in his dealings with other firms. LAMUDE said that the above was accomplished upon instructions from RUBIN in Washington, D. C.

LAMUDE advised that on November 3, 1950 the Board of Directors granted a \$5,000 bonus to HOROWITZ because of the splendid results achieved by the company. LAMUDE advised that the payment of such bonus was deferred until January, 1951.

LAMUDE said that at a meeting of the Board of Directors held February 9, 1951 all of the existing officers were re-elected. LAMUDE stated further that a resolution was introduced to retain the law firm of BERGSON, ADAMS & BORKLAND at an annual retainer fee of \$12,000 payable \$1,000 per month and retroactive to January 1, 1951. LAMUDE said that his review of the Board of Directors minutes revealed that such resolution was introduced by himself and seconded by PAULL but that, at the present time, he had no recollection of introducing such resolution.



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LAMUDE stated, however, he had a distinct recollection of the general discussion during the meeting at which time it was the opinion of the Board of Directors that there was great need for legal representation in Washington, D. C. relative to contacts with other governmental agencies.

LAMUDE stated further that he had a recollection of speaking to HOROWITZ the day before the Board of Directors meeting as was his custom. He said that he recalled that HOROWITZ told him that he, HOROWITZ, had received the approval of the Department of Justice to retain BERGSON's law firm to do administrative legal work in Washington, D. C. LAMUDE said further in this connection that he had no idea as to whom HOROWITZ spoke within the Department of Justice.

LAMUDE said, however, that he recalled telephoning the Department of Justice in order to check upon HOROWITZ's statement and he recalled that either BAYNTON or RUBIN stated that if the Board of Directors were to approve the retention of BERGSON's law firm, the OAP would not object.

LAMUDE said that at the same time BAYNTON or RUBIN discussed other E. LEITZ matters with him not connected with the retention of BERGSON's firm.

LAMUDE recalled at the February 9, 1951 meeting that G. MERLYN O'KEEFE of Providence, Rhode Island, was elected a member of the Board of Directors to replace JOHN LEBAN who had failed to attend any meetings.

LAMUDE stated further that the retention of BERGSON's law firm was not automatic but that it engendered a great deal of discussion relative to the need of such representation in Washington, D. C. LAMUDE advised that ultimately it was the unanimous decision of the Board of Directors that because of the general war situation, the frequent trips of personnel to Washington, OPS regulations, certifications, etc., there was a real need for legal representation in Washington with the various administrative agencies of the government.

LAMUDE stated that he recalled some discussion at the time concerning the fact that BERGSON was acting as general counsel for CHARLES E. WILSON in the Office of Defense Mobilization. He said that the general conversation was to the effect that

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since BERGSON was receiving no salary from the Office of Defense Mobilization, and because he was merely constructing rules and regulations for that office, there would be no ethical question involved in the retention of the law firm.

LAMUDE said that he recalled some time later insisting upon the receipt of a letter from BERGSON's law firm to the effect that their retention was on a month-to-month basis which would be subject to cancellation upon the sale of the company. He said that as a matter of fact such sale to ~~DUNHILL~~ DUNHILL INTERNATIONAL, INC. was accomplished on August 12, 1952, at which time the retention of BERGSON's firm terminated.

LAMUDE stated that at the February 9, 1951 meeting, in addition to the above, another trip to Germany was authorized for HOROWITZ at a fee of \$4,000 plus expenses. He said in this connection that again it was his impression that ~~LEWIS RUBIN~~ LEWIS RUBIN had authorized this trip.

LAMUDE advised that on April 13, 1951 he introduced a resolution making it mandatory that HOROWITZ present expense vouchers by the tenth of the following month to support his monthly expense allowance of \$600.

LAMUDE said that on July 13, 1951 a further trip of HOROWITZ to Germany was authorized at a fee of \$4,000 plus \$3,000 expenses. LAMUDE advised that KELLER again accompanied HOROWITZ on this trip.

LAMUDE stated that on December 4, 1951 the Board of Directors authorized a bonus of \$2,500 to HOROWITZ instead of the \$5,000 authorized in 1950. He said that this bonus was suggested by HOROWITZ who further suggested that the remaining \$2,500 be disseminated to the other operating officers of the company.

LAMUDE advised that the BERGSON law firm actually did some legal work for E. LEITZ, INC. He said that they submitted interpretations of the law relative to increasing the price of cameras and also increasing salaries within the company. LAMUDE stated that the law firm also was contacted periodically in connection with OPS matters and other administrative legal matters in Washington, D. C. LAMUDE stated that when the business was sold all of the legal work relative to the construction of the prospectus, etc. was accomplished by the New York office of the OAP and that none of such work was accomplished by the BERGSON

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law firm. LAMUDE further stated that some trade mark litigation work was necessary in connection with E. LEITZ COMPANY but that an outside law firm was retained for such work and that none of the trade mark work was accomplished by BERGSON's law firm.

LAMUDE stated he had no knowledge of any influence exerted or attempted by BERGSON or any of the members of his law firm on any of the directors, officers or personnel of E. LEITZ, INC.

LAMUDE advised that he was not personally acquainted with any of the subjects in this case. He said that he knew BERGSON as a Department of Justice official and that he had met him on two or three occasions during public dinners, etc. He stated that he met PEYTON FORD on one such occasion.

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TAX GRAND JURY INVESTIGATION IN PHILADELPHIA

Interview of Assistant Attorney General JAMES McINERNEY

At Mount Marion, New York

Mr. McINERNEY was interviewed by SAS JOHN V. WALSH and JACK H. LUPTON and he advised that he recalls a conference relative to the above-captioned matter which was attended by United States District Court Judge J. CULLEN GANEY, Federal Judge WILLIAM H. KIRKPATRICK, both of Philadelphia, Deputy Attorney General PEYTON FORD, EDWARD H. FOLEY, Assistant Secretary of the United States Treasury Department, and himself. He stated that to the best of his recollection this conference took place in May 1951 at his (McINERNEY'S) office at the Department of Justice in Washington, D.C. and was called for the purpose of arranging greater cooperation between the Treasury Agents in Philadelphia and [REDACTED]

b3

McINERNEY stated that this cooperation may have been lacking because the Philadelphia Treasury Agents resented [REDACTED] having been sent to Philadelphia to present [REDACTED]

b3

[REDACTED] He also advised that [REDACTED] was a hard man to get along with and because of this the Treasury Agents were not anxious to cooperate with him.

As a result of this conference, EDWARD FOLEY promised full cooperation of the Treasury Department and issued an order to that effect to the Treasury Agents in Philadelphia. However, according to McINERNEY, full cooperation existed for a short time and possibly because FOLEY'S order did not have sufficient power at the operating level, this cooperation again disappeared. McINERNEY further advised that this lack of cooperation was merely due to the situation which existed at that time between [REDACTED] and the local Philadelphia Treasury Agents, and that he has never noticed any indication of anyone attempting to tamper with, influence or apply any pressure on this Grand Jury or to affect its inquiry.

b3

McINERNEY further stated that to his knowledge none of the subjects of this case or their law firm had anything to

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do with this Philadelphia Grand Jury or any of the witnesses appearing before it. [REDACTED]  
[REDACTED]  
[REDACTED]

b3

McINERNEY advised that while the Treasury Department's help was lacking, one HARRY WOLF was in charge of all Treasury Agents and in December 1951 he was replaced by a FRANK LOHN, who had previously assisted [REDACTED] in [REDACTED]

[REDACTED] After this change, LOHN issued orders that complete cooperation be given by the Treasury Agents to the [REDACTED]  
[REDACTED]

b3

#### INTERVIEW OF SIGMUND TIMBERG

Confidential Informant T-1, of known reliability, advised SA FRANCIS A. COGSWELL, Jr. that SIGMUND TIMBERG, as a member of a United Nations committee called the "ADHOC Committee on Restrictive Business Practices" had left the United States and was scheduled to be in Paris August 25, 1952 and later would proceed to Brussels, Belgium and Geneva, Switzerland where he is scheduled to arrive on September 1, 1952. TIMBERG is to attend various conferences in each of these cities and the above-mentioned committee is to begin their meetings on September 8, 1952 at the Palais Des Nations in Geneva, Switzerland. He is expected to return sometime between the middle and end of October 1952.

#### ANTITRUST INVESTIGATION REGARDING PERFUME- TOILET GOODS INDUSTRY

The files of the New York Office of the Antitrust Division relating to the captioned subject were made available to the writer by PAUL SAPIENZA of that office who is assisting Attorney JOHN D. SWARTZ.

A review of this file revealed that on June 13, 1950 SWARTZ wrote a memorandum to MELVILLE C. WILLIAMS, then Chief of the New York Antitrust Office, setting out possible violations of the Antitrust laws by a group of about twenty perfume manufacturers in a conspiracy to curtail the importation of perfume.

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This memorandum requested that authority be granted to conduct an investigation.

On June 14, 1950 WILLIAMS wrote a memorandum to H. A. BERGSON, Assistant Attorney General, in which WILLIAMS concurred with the SWARTZ memorandum and requested authority from the Department of Justice to institute a full investigation.

The file contained a reply to the latter memorandum from W. AMORY UNDERHILL, Acting Assistant Attorney General, dated June 21, 1950 and addressed to MELVILLE C. WILLIAMS concurring with WILLIAMS' memorandum of June 14, 1950 and authorizing the institution of a preliminary inquiry.

Subsequent to the Departmental memorandum of June 14, 1950, the file contained various correspondence and memoranda written by Attorneys JOHN D. SWARTZ and JOHN C. LEONFORTE reflecting the results of their investigation as to the perfume manufacturers involved.

The file contained a memorandum dated June 29, 1951 by MELVILLE C. WILLIAMS to H. G. MORISON, Assistant Attorney General, with which was enclosed a memorandum of Attorney JOHN D. SWARTZ dated June 28, 1951 [REDACTED]

[REDACTED]

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The file further contained a memorandum of NEWELL A. CLAPP, Acting Assistant Attorney General, dated [REDACTED] in which it was stated that Grand Jury action was under consideration and on [REDACTED] copies of subpoenas duces tecum were sent to MORISON for his study and approval.

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A memorandum dated June 11, 1952 by JOHN D. SWARTZ to C. WORTH ROWLEY, Acting Chief of the New York Antitrust Office, was forwarded to NEWELL A. CLAPP via a memorandum dated August 6, 1952 written by C. WORTH ROWLEY together with copies of proposed complaints to be filed in this case. These memoranda requested authority for the filing of the complaints and they

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indicated that ROWLEY concurred as to the filing of the complaints except for certain minor changes suggested by him in his memorandum.

This file did not contain any references to or any information about any of the subjects of this case or their law firm with the exception of the memorandum dated June 14, 1950 referred to above which was addressed to H. A. BERGSON, then Assistant Attorney General.

The file contains no reference to subjects' law firm and there was no indication that they represented any of the defendants.

~~X~~ ELAT GLASS CASE

JOHN F. SONNETT, associated with the law firm of Cahill, Gordon, Zachrey and Reindel, was interviewed by SAA ARTHUR P. ROEHL and SA ANTHONY M. O'DONNELL. SONNETT dictated a statement to his secretary incorporating the matters mentioned during the interview.

The following statement, dictated by JOHN F. SONNETT, was sworn to on the following day in the presence of SAA HARRY KIEFER and SA ANTHONY M. O'DONNELL:

"New York, N. Y.  
August 29, 1952

"I, JOHN F. SONNETT, having been duly sworn and placed under oath, make the following voluntary statement to and at the request of HARRY KIEFER and ANTHONY M. O'DONNELL, known to me to be Special Agents of the Federal Bureau of Investigation.

"I have been informed that pursuant to orders of the Attorney General certain information as herein indicated is desired from me.

"A resume of my legal career is as follows:

"From 1933 to 1936, while I attended Fordham Law School evenings, I worked for the law firm of Cotton, Franklin, Wright & Gordon as Managing Clerk. That firm's name has been

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"changed several times and in recent years has been Cahill, Gordon, Zachry & Reindel.

"Upon graduation from law school about 1936 and admittance to the New York Bar, I became a member of the litigation staff of that firm and continued in that position until 1941.

"Around the middle of 1941, I became Executive Assistant to the United States Attorney for the Southern District of New York, and later became Chief Assistant of that office. In 1943, I was also appointed Special Assistant to the Attorney General in Charge of the War Frauds Office organized in New York.

"In 1943, JAMES FORRESTAL, then Undersecretary of the Navy, requested that I undertake special duties for him as a Special Assistant and I was loaned to the Navy Department by the Attorney General for that purpose. During this period Mr. FORRESTAL requested that I continue on in the capacity of a Special Assistant and I did so for several years, both as a civilian Special Assistant and as a Lieutenant Commander in the Naval Reserve on active duty.

"In 1945, while I was serving as a civilian Special Assistant to Mr. FORRESTAL in the Navy Department, Attorney General CLARK requested that I be released to return to the Justice Department to head the Claims Division. Mr. FORRESTAL agreed, and accordingly I did so and was appointed an Assistant Attorney General of the United States and headed the Claims Division from 1945 until early 1947.

"In early 1947, I tendered my resignation as Assistant Attorney General in order to return to private practice, but at the request of the Attorney General and of the President, I took charge of the Antitrust Division for the purpose of improving the administration and work of that Division.

"I remained as Head of the Antitrust Division from early 1947 until about April, 1948, when the President and the Attorney General agreed that I might return to private practice. In this connection I annex a copy of the President's letter of April 29, 1948, accepting my resignation as an Assistant Attorney General.



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"I have been asked generally about the work which I did as Head of the Antitrust Division and in response wish to state that I made a complete review of the activities of the Division, which was embodied in a written report submitted to the Attorney General and to the President, and approved by them. This report followed a series of divisional conferences in the Antitrust Division with the heads of field offices of the Division and all sections of the Division. During these conferences those in attendance presented orally and in writing, their views with respect to the functioning of the Division and its effectiveness, and their suggestions for the future program of the Division.

"The program for the Division which I thereafter recommended to the Attorney General and to the President, resulted from this process of divisional conferences, together with my personal examination into the Division's activities and conferences with many others in that Division. In addition, I have a recollection, which is not definite, that I also reviewed a report which the Federal Bureau of Investigation had made with respect to the Division and its functioning.

"I have been asked about the so-called 'Flat Glass' case, and my connection with it, and in response state as follows:

"It is my recollection that that case was pending and ready for trial when I headed the Antitrust Division, and was to be tried shortly. It charged Libbey-Owens-Ford Glass Co. and others with monopolization of the flat glass industry. I do not recall exactly when I first learned that such a case was pending in the courts, but I am certain that I learned of the pendency of the case and the nature of the case not later than the time of my review of the work of the Antitrust Division in late spring or early summer of 1947, and that I learned that the case was being handled by a trial staff headed by CURTIS SHEARS, one of the attorneys of the Antitrust Division.

"I disqualified myself from participation in the 'Flat Glass' case because while I was in private practice prior to the summer of 1941, the firm by which I was then employed had been retained in connection with a Department of Justice

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"investigation into the flat glass industry and I had done some work on an aspect of that investigation. As I recall it, my work on the matter prior to the summer of 1941 involved the preparation of a legal memorandum on some aspect of a proposed stipulation respecting various documents which the Antitrust Division was discussing with counsel in the matter.

"In view of this prior connection with the matter, I disqualified myself while Head of the Antitrust Division, from participation in the 'Flat Glass' case, and designated JOHN FORD BAECHER, First Assistant of the Division, to handle it with CURTIS SHEARS and the staff of the Division working on the matter. I thereafter had no connection with the case.

"This action on my part in connection with the 'Flat Glass' case was in accord with my general practice while in Government not to participate in any matter with which I had had connection while in private practice.

"I have been asked when I first met HERBERT A. BERGSON, and as to my contacts with him and as to whether following my return to private practice I communicated with him in regard to the 'Flat Glass' case. In response, I wish to state as follows:

"I believe that I first met HERBERT A. BERGSON when I was Head of the Claims Division of the Department of Justice and Mr. BERGSON was, as I recall, in the Assistant Solicitor General's office where he worked on the preparation of executive orders and advice to executive departments of the Government. I do not recall any particular contact with him thereafter, although I am under the impression that there were instances when I had contact with him, while I headed the Claims Division, regarding executive orders relating to the seizure of plants or facilities.

"I cannot recall any particular contact with Mr. BERGSON following my taking charge of the Antitrust Division in early 1948, and while I was in charge of that Division. Nor do I recall any conversation with Mr. BERGSON regarding any antitrust matter. Specifically, in response to the question I have been asked, it is my definite recollection that at no

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"time did I discuss the 'Flat Glass' case with Mr. BERGSON or request him to take any action with respect to that case -- either while I was in Government service, or at any other time.

"In summary, I wish to state that neither with respect to Mr. BERGSON, or anyone else, have I taken part while in Government service in any legal matter in which I had acted while in private practice; nor have I, while in private practice, taken part in any legal matter in which I had been active while in Government service.

/s/ JOHN F. SONNETT

"Sworn to before us this  
29 day of August, 1952

HARRY KIEFER, Special Agent, FBI, NYC  
ANTHONY M. O'DONNELL, Special Agent, FBI, NYC."

~~GENERAL ELECTRIC LAMP CASE~~  
~~GENERAL ELECTRIC STREET LIGHTING CASE~~

Interview of RAY LEUBBE  
Vice-President and General Counsel  
General Electric Company  
570 Lexington Avenue  
New York, New York

On August 29, 1952 SAA's FREDERICK J. LANGE and JAMES M. MC GRATH were advised by RAY LEUBBE, Vice-President and General Counsel, that General Electric Company was not and had never been a client of the subjects or their law firm. He said that no overtures had ever been made to General Electric Company along these lines. He said that as General Counsel of General Electric Company he is the competent official to make this statement because he retains all outside counsel.

LEUBBE advised that should outside counsel be needed, he would be the one to select and retain such counsel and should any attorney contact a General Electric official in this regard the matter would have to be referred to him (LEUBBE).

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INTERVIEW OF CONGRESSMAN EMANUEL CELLER

Upon contacting the office of Congressman EMANUEL CELLER, 1501 Broadway, New York City, SAA HARRY KIEFER was advised that CELLER was unavailable for interview until 11:00 AM, September 2, 1952.

- P -

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ADMINISTRATIVE

INFORMANT

T-1



MISCELLANEOUS

During the interview of PHILIP H. DEUTCHMAN, Secretary and Treasurer, E. Leitz, Inc., he advised that G. MERLYN O'KEEFE, a former member of the Board of Directors, is now associated with former Attorney General J. HOWARD MC GRATH in a firm known as O'Keefe, Motors in Providence, Rhode Island.

It was also ascertained from the report of SA JAMES R. MALLEY, dated January 18, 1952, at Washington, D.C., entitled "Office of Alien Property--E. Leitz, Inc; Special Inquiry" (Bureau file 62-96071) that HAROLD C. PAULL is Chairman of the Board of Directors of the First Federal Savings and Loan Association, Providence, Rhode Island.

The above information was transmitted to the Boston Office by teletype dated August 27, 1952 for the purpose of having O'KEEFE and PAULL interviewed in accordance with referenced Washington Field Office teletype dated August 26, 1952.

LEADS

NEW YORK

At New York, New York

Will interview STRUVE HENSEL of the firm Carter, Ledyard and Milburn, 2 Wall Street, as set out in referenced New York report dated August 13, 1952.

Will interview ROBERT T. HASLAM, President, U.S. Pipe Line, 100 Park Avenue, as set out in referenced New York report dated August 13, 1952.

Will interview EDWARD J. CHAPMAN, 60 Wall Street, as per referenced Washington Field teletype to New York dated August 26, 1952. CHAPMAN is presently on vacation and unavailable for interview until September 2, 1952.

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ADMINISTRATIVE (Cont'd)

Will interview Congressman EMANUEL CELLER, 1501 Broadway, in accordance with Washington Field Office teletype to New York dated August 27, 1952.

Will interview SIGMUND TIMBERG, care of United Nations, upon his return late in October 1952 for the information requested in referenced Washington Field Office teletypes to New York dated August 23 and 26, 1952.

REFERENCE

Washington Field teletypes to New York, 8/23,25,26,27/52  
Reports of SA THOMAS J. JENKINS, 8/16 and 23/52,  
Washington, D.C.  
Report of SAA JOHN M. DUNAY, 8/13/52, New York

SAC, Washington Field (46-2715)

September 2, 1952

RECORDED - 96 Director, FBI (62-97558)-238

EX-25

PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

Reurlet August 26, 1952, requesting Bureau instructions concerning the matters related to therein. You are advised that with respect to each captioned matter in relet the following action should be taken:

1. Continental Can Company and Tri-State Theater of Des Moines, Iowa. No further investigation should be conducted concerning these two companies at this time.

2. Perfume Case and United States v. Great Western Distributors, Inc. As stated in relet you should proceed with the necessary investigation including interviews to determine whether the subjects have represented these companies.

3. Goat Milk Case and Flat Glass Case. In addition to the investigation already conducted concerning these two cases the necessary interviews should be made with officials of the companies involved to determine whether the subjects have represented these companies.

4. Banana Case. You are instructed that appropriate contact should be made with the United Fruit Company and the Standard Fruit and Steamship Corporation to determine the nature of the representation of these companies by subject law firm.

5. Liquor and Cooperage Cases. No further investigation concerning these matters should be conducted at this time.

6. General Electric Lamp Case and General Electric Street Lamp Case. As set forth in relet it should be determined whether the subjects represented the General Electric Company in these matters.

7. Paramount Pictures Interstate Circuit Case. No further investigation should be conducted concerning this matter at this time.

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

ECW:lk

55 SEP 10 1952

*[Handwritten signature]*

8. Pencil Case. Appropriate investigation should be conducted to determine whether subject law firm represented any individuals or companies in connection with this case.

9. Miscellaneous. No further investigation should be conducted concerning the Lincoln Metal Products Corporation, H. L. Green Company, or the Great Lakes Carbon Corporation of New York City.

You are further advised that in connection with those individuals and companies which have been identified through toll calls and mail cover no further investigation should be conducted in the absence of specific allegation that these individuals are clients of subject law firm.

Further reference is made to Bureau letter dated August 28, 1952, setting forth general instructions concerning this investigation. For your further advice concerning investigation to be conducted of individuals and companies set forth in the list of clients furnished by the Chelf Committee, in those instances where there is no record of a matter pending within the Department, where there is no information of explanation, and where there has been no allegation concerning the subjects in connection with these individuals or companies, it will only be necessary to make a check of the appropriate credit reporting agencies to sufficiently identify these persons and companies.

- 2 -

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

*Handwritten initials*



## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (62-97558)

FROM : SAC, WFO (46-2715)

SUBJECT: PEYTON FORD, et al  
FRAUD AGAINST THE GOVERNMENT;  
MISCONDUCT IN OFFICE

DATE: August 26, 1952

In accordance with Bureau request, there is set forth in this letter a summary of the various companies involved in the instant investigation. These companies do not include the companies which it is known to be clients of the subject law firm, based on information furnished by the CHELF Committee. These companies are those which have been developed during the course of the investigation either by direct allegation or by inference.

1. CONTINENTAL CAN COMPANY and the TRI-STATE THEATER  
OF DES MOINE, IOWA

In a check of the toll calls for the firm for the past three months, the only two companies noted which were in communication with the law firm were the Continental Can Company and the Tri-State Theater of Des Moines, Iowa. The Departmental files on these two companies have been reviewed, but no interviews have been conducted as yet. It should be realized that in connection with the toll calls, the majority of the calls are from individuals, some of whom are possibly connected with the companies, but this information is not available from the toll call slips.

PERFUME CASE and UNITED STATES v. GREAT WESTERN  
DISTRIBUTORS, INC.

These two cases were developed through investigation at New York, which is set forth in the report of SA JOHN W. DUNAY, JR., dated 8-13-52, at New York, on page 48, which reflects memos found in the New York Regional Office of the Antitrust Division, indicating that BERGSON had contacted attorneys in that Office concerning these two matters, indicating that he may possibly represent the defendants. The files in these cases have been reviewed at the Department, and the New York Office has been requested to review the Perfume Case file in the Regional Office of the Antitrust Division at New York City. It is contemplated that interviews will be conducted in connection with the Great Western Case and the Perfume Case, in an effort to determine whether the subjects are representing these organizations.

TJJ:MCM

RECORDED - 96

INDEXED - 96

AUG 27 1952

6-2 (fn)

GOAT MILK CASE and FLAT GLASS CASE

These two cases were referred to by Departmental Attorneys interviewed in connection with this investigation, indicating that BERGSON, while Chief of the Antitrust Division, had in both cases reversed the opinion of the Antitrust Division staff on the handling of these cases, and some of the attorneys interviewed indicated that they thought that his stand on these cases was unusual, and by inference gave the impression that possibly BERGSON was now representing the defendant in the Goat Milk Case and some of the defendants in the Flat Glass Case. Extensive investigation has been conducted of the Flat Glass Case in Washington, consisting of interviews with Departmental Attorneys who handled the case, and, to date, there is no indication that BERGSON is representing any of the defendants who were involved in the Flat Glass Case. The Goat Milk Case has been reviewed, and the attorneys handling the case in the Department have been interviewed, and here again there has been no information developed reflecting that BERGSON is representing anyone connected with this case.

BANANA CASE

The Banana Case was brought to the attention of this Office during the investigation when VICTOR H. KRAMER, Departmental Attorney, advised that he had worked on the Banana Case, and that EBERHARDT DEUTSCH, General Counsel for the United Fruit and Standard Fruit and Steamship Corporation of New Orleans, informed KRAMER that the subject law firm was Washington representative for these two companies, and, at the time, Mr. KRAMER pointed out, these two companies were the two prime defendants in the Banana Case. He stated that during his association with the Case, he had not been contacted by any members of the firm. Departmental Attorneys handling the Banana Case have been interviewed, without developing any irregularities on the part of the subjects, and it is not planned that any contact will be made with the United Fruit Company and the Standard Fruit and Steamship Corporation, since it is known that they have employed the firm to represent them in Washington.

LIQUOR and COOPERAGE CASES

These cases were developed during the course of investigations which indicated that possibly the law firm represented some of the liquor interests and, as a result, a review has been made of the Departmental files of both the Liquor and Cooperage Cases, but no interviews have been conducted in connection with these cases, based upon previous Bureau instructions.

GENERAL ELECTRIC LAMP CASE and GENERAL ELECTRIC  
STREET LAMP CASE

These two cases were brought to the attention of Investigating Agents by Departmental Attorneys, wherein allegations were made that BERGSON overruled the Staff of the Antitrust Division concerning these two cases, and was most friendly to the General Electric Company while he was employed at the Department of Justice. The files of the Department have been reviewed in both of these cases. Departmental Attorneys who handled the cases have been interviewed, and leads have been set forth requesting contact with the General Electric Company to determine whether the subjects are employed by GE and, if so, in what capacity.

PARAMOUNT PICTURES INTERSTATE CIRCUIT CASE

This case was brought to the attention of Agents during this investigation as a case which BERGSON again reversed the Staff in making a final ruling in the case, which favored Paramount Pictures, and, as the Bureau knows, BERGSON is a representative for Paramount. Therefore, in connection with this case, the Departmental file has been reviewed and Departmental Attorneys interviewed concerning this case, without developing any irregularities on the part of the subjects.

GREAT LAKES CARBON CORPORATION, NEW YORK CITY

This Company was brought to the attention of this Office in this investigation through a mail cover placed on the mail addressed to the subject firm at 918 Sixteenth Street, N. W. A review has been made of the Departmental files concerning this Corporation, which failed to indicate any active part taken in cases by any of the subjects.

On a mail cover received on August 25, 1952, it was reflected that the Lincoln Metal Products Corporation of Brooklyn, New York, and the H. L. Green Company of New York City, were both in contact with the subjects. No review of Departmental files has been made of those two companies.

On August 26, 1952, while interviewing Attorney GEORGE B. HADDOCK of the Department, who is Chief of the Trial Section of the Antitrust Division, he advised that after BORKLAND and BERGSON left the Department, he received a telephone call from BORKLAND asking him to check the Departmental files on the Perfume Case and the Pencil Case to determine

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if he or BERGSON had handled any of the investigation while they were connected with the Department. He stated that he had checked the files, and replied in the negative.

It is believed that the Perfume Case referred to here is the same case referred to in the report of SA DUNAY, listed above. The Pencil Case has never entered into this investigation prior to this time.

The Bureau is requested to advise what additional action this Office should take in connection with the Continental Can Case, the Tri-State Theater Case, the Goat Milk Case, the Liquor and Cooperage Cases, and the Great Lakes Carbon Case; the Lincoln Metal Products Corporation, the H. L. Green Company, and the Pencil Case.

No additional action will be taken in these cases until instructions are received from the Bureau.

*Check  
Goat milk  
Liquor cases*

*Check Perfume  
Pencil  
Case*

*no on others → same as  
have no indication they are clients  
hint on others → they are meaningless  
mail cover & toll calls gone 8/14/52*

## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. A. ROSEN *RW*

FROM : E. H. WINTERROWD *EW*

SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

DATE: September 2, 1952

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Holloman \_\_\_\_\_

Reference is made to the report of SA Tom Jenkins of the WFO dated August 23, 1952. In this report there is set forth the negative results of the file review in the Department concerning the Thrift Drug Company of Pittsburgh, Pennsylvania.

A check of the Bureau indices reflected that in file 60-4202 there is set forth a Department of Justice announcement dated August 22, 1951, stating that an indictment had been returned in Pittsburgh charging four wholesalers and three chain store retailers of drugstore merchandise in the Pittsburgh area with a conspiracy in violation of the Sherman Antitrust Act to maintain retail prices and to cooperate in preventing retailers from cutting prices. Among the companies named was the Thrift Drug Company of Pennsylvania.

This matter has been called to the attention of the WFO and they have instituted another review of the Department's file in order to locate the appropriate file.

ACTION

None. The foregoing is submitted for informative purposes.

62-97558

EHW/rh

RECORDED - 96  
INDEXED - 96

162-97558-239  
SEP 4 1952

EX-25

55 SEP 10 1952

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI 62-97558

DATE: August 29, 1952

FROM : SAC, Oklahoma City 46-539

AIR MAIL SPECIAL DELIVERY

SUBJECT: PEYTON FORD, et al.  
FAG, MIO

Rereport SA BYRON E. MC FALL at Oklahoma City dated 8/29/52.

The Bureau's attention is invited to the fact that during the interview Mr. BALDRIDGE commented several times that Mr. CURTIS SHEARS was a "personnel problem;" that he is a "scandal monger;" that he would tell something today and reverse himself tomorrow; that he, BALDRIDGE, considered SHEARS to be a "psychopathic liar" and an individual who feels frustrated because he aspires for, but has never obtained, a position of prominence in the Department. He further stated SHEARS married a wealthy woman who largely dictates what SHEARS should do in any given situation.

Mr. BALDRIDGE further commented that, in his opinion, SHEARS is not too capable as a lawyer; that after SHEARS made several attempts to prepare a complaint in the Flat Glass Case, he, BALDRIDGE, drafted it himself, and that the only reason the case was assigned to SHEARS was because he was drawing the salary of a competent trial lawyer and it was assumed he could handle the case. He stated that for some time after the Philadelphia case SHEARS was without work in the Department, and indicated that his lack of ability was the real reason.

All of the above information was volunteered and was not solicited. Moreover, BALDRIDGE stated that he did not expect to be quoted on his opinion of SHEARS as he did not consider it material to the Flat Glass Case or the instant investigation, but was purely his personal opinion of SHEARS. Accordingly, the above information does not appear in the referenced report.

BEM:PM

EXPEDITE PROCESSING

RECORDED-14  
INDEXED-14  
EX-18

SEP 10 1952

62-27558-240  
6-800

57 SEP 9 1952

8-30-52

30

4:00 P.M.

WASHINGTON AND NEW YORK FROM WASH FIELD

DIRECTOR AND SAC

URGENT

PEYTON FORD, ET AL, FAG, MISCONDUCT IN OFFICE. RE REPORT OF THOMAS J.

JENKINS DATED AUGUST EIGHTEEN FIFTYTWO. ON PAGE TWENTYTWO OF REFERENCED REPORT THERE IS SET FORTH A LIST OF FIRMS TO WHICH SUBJECT BERGSON FILED A BRIEF IN THE US SUPREME COURT IN CONNECTION WITH THE SCHWEGMANN BROS.

CASE. ONE OF THESE CLIENTS WAS CODY, INC. INFORMATION HAS BEEN

RECEIVED THAT THE SUBJECT'S LAW FIRM HAS AS A CLIENT THE CODY PRODUCTS CORPORATION, SEVEN THREE ZERO FIFTH AVENUE, NYC, AND RECEIVED A FEE OF EIGHT THOUSAND DOLLARS FROM THAT FIRM FOR FILING A BRIEF. IT IS BELIEVED THAT THIS FEE WAS RECEIVED FOR THE BRIEF FILED IN THE SCHWEGMANN CASE.

THE BUREAU INSTRUCTS THAT CODY PRODUCTS, INC. BE CONTACTED AND INFORMATION OBTAINED AS TO THE NATURE OF THE RELATIONSHIP BETWEEN CODY AND THE SUBJECT FIRM, THE MANNER IN WHICH THE SUBJECT FIRM WAS EMPLOYED, THE AMOUNT OF COMPENSATION PAID, THE NATURE OF THE BUSINESS HANDLED BY THE FIRM FOR CODY, AND WHETHER THE SUBJECTS WHILE EMPLOYED IN THE DEPARTMENT OF JUSTICE EXTENDED ANY FAVORS TO CODY IN ORDER TO SET THEM UP AS A CLIENT WHEN THEY LATER ENTERED PRIVATE LAW PRACTICE.

RECORDED-113

HOOD

TJJ:RCH

46-2715

EX-187

65-47558-241  
6-8-52

8-30-52

WASHINGTON, BOSTON, CHICAGO, LOS ANGELES, MIAMI

AND WASH FIELD

30

4:00 P.M.

DIRECTOR AND SACS

URGENT

PEYTON FORD, ET AL, FAG, MISCONDUCT IN OFFICE. BUFILE SIXTYTWO DASH NINE SEVEN FIVE FIVE EIGHT. IN CONNECTION WITH INSTANT INVESTIGATION ALL OFFICES RECEIVING A COPY OF THIS TELETYPE SHOULD IMMEDIATELY CHECK CREDIT RECORDS AND DUNN AND BRADSTREET REPORTS CONCERNING THOSE INDIVIDUALS OR COMPANIES LISTED IN THEIR DIVISION, BEING ALERT FOR ANY INFORMATION IN THOSE REPORTS REFLECTING ANY LITIGATION WITH THE US GOVERNMENT. THE RESULTS OF THESE CHECKS SHOULD BE SUBMITTED TO THE WASHINGTON FIELD OFFICE AIR MAIL SPECIAL DELIVERY TO BE INCLUDED IN A REPORT TO BE SUBMITTED BY WFO. BUREAU INSTRUCTS THAT THIS MATTER BE GIVEN IMMEDIATE AND PREFERRED ATTENTION. BOSTON WILL CHECK CREDIT RECORDS FOR BARBARA LEE, ONE THREE ONE CARLTON STREET, BROOKLINE, MASSACHUSETTS AND PHILIP SMITH, THREE FIVE NINE BOYLSTON STREET, BOSTON, MASSACHUSETTS. CHICAGO WILL CHECK CREDIT RECORDS FOR WALTER SCHWIMMER PRODUCTS, INC., SEVEN FIVE EAST WACKER DRIVE, CHICAGO. NEW YORK WILL CHECK CREDIT RECORDS FOR GEORGE ASSAN, TWENTYFIVE EAST SIXTYSEVENTH STREET, MARVIN SCHWARTZ, FORTYTWO BROADWAY, AND EDWARD A. WALSH, ONE SIX ONE WEST THIRTYSIXTH STREET. MIAMI WILL CHECK RECORDS FOR MARTIN COUNTY

TJJ:RCH  
46-2715

RECORDED-114  
47-18

62-9755-242

SEP 3 1952



PAGE TWO

BROADCASTING COMPANY, BOX FIVE SEVEN TWO, STUART, FLORIDA, AND DOUGLAS SILVER, RADIO STATION WIRA, FORT PIERCE, FLORIDA. LOS ANGELES WILL CHECK THE CREDIT RECORD FOR A. RONALD BUTTON, SIX THREE THREE ONE HOLLYWOOD BLVD., HOLLYWOOD, CALIFORNIA. INVESTIGATION SHOULD INCLUDE COMPLETE CREDIT REPORTS AND DUNN AND BRADSTREET REPORTS THAT ARE AVAILABLE ON THE ABOVE INDIVIDUALS. -

HOOD



7/15  
August 11, 1952

MEMORANDUM

RE: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

On August 7, 1952, while Agents of the Bureau were contacting Mr. Newell A. Clapp, Acting Assistant Attorney General, Mr. Clapp received a call on the inter-office system, presumably from his secretary, who advised him Mr. Ford had not yet reached his office. A few minutes later, he received a call from an individual called Mike and the subject of some litigation in which the Department had been successful was discussed. Mr. Clapp informed Mike he had a call in for Peyton Ford to furnish him this information because he knew Ford was interested in the matter.

At the conclusion of the conversation with Mike, Mr. Clapp stated that on August 6, 1952, the Government had obtained a court decision in Nashville, Tennessee, on a matter in which the Government had filed a claim against the company, name not mentioned. Mr. Clapp did not state what interest Mr. Ford had in this matter. It is also noted Mr. Clapp did not give the impression he was trying to conceal his contact with Mr. Ford. No questions were asked of Mr. Clapp concerning this telephone call.

It is further noted that representatives of the Bureau observed Newell A. Clapp having lunch with Herbert Bergson at Hammel's Restaurant on Saturday, August 9, 1952. NP

RECORDED-114

INDEXED-114

COPIES DESTROYED  
169 DEC 2 1964  
P24

162-97558-243  
SEP 4 1952

57 SEP 9 1952

## OFFICE OF DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

TO  
OFFICIAL INDICATED BELOW BY CHECK MARK

Mr. Tolson ☒ \_\_\_\_\_  
Mr. Ladd ☒ \_\_\_\_\_  
Mr. Nichols ☒ \_\_\_\_\_  
Mr. Belmont ☒ \_\_\_\_\_  
Mr. Clegg ☒ \_\_\_\_\_  
Mr. Glavin ☒ \_\_\_\_\_  
Mr. Harbo ☒ \_\_\_\_\_  
Mr. Rosen ☒ \_\_\_\_\_  
Mr. Tracy ☒ \_\_\_\_\_  
Mr. Laughlin ☒ \_\_\_\_\_  
Mr. Mohr ☒ \_\_\_\_\_  
Mr. Winterrowd ☒ \_\_\_\_\_  
Mr. Holloman ☒ \_\_\_\_\_  
Miss Gandy ☒ \_\_\_\_\_

See Me \_\_\_\_\_ ( )  
Note and Return \_\_\_\_\_ ( )  
For Your Recommendation \_\_\_\_\_ ( )  
What are the facts? \_\_\_\_\_ ( )  
Remarks: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: August 7, 1952

FROM : SAC, WFO

(46-2715)

SUBJECT: PEYTON FORD, ET AL  
FAG, MISCONDUCT IN OFFICE

As a matter of interest to the Bureau, on August 7, 1952, while Agents of this office were contacting Mr. NEWELL A. CLAPP, Acting Assistant Attorney General in charge of the Antitrust Division, Mr. CLAPP received a call on the inter-office communicating system presumably from his secretary who advised him Mr. FORD had not reached his office as yet. A few minutes later he received a call from an individual he called MIKE and briefly discussed with him some litigation in which the Department had been successful, apparently coming to a conclusion in court on August 6, 1952. Mr. CLAPP informed MIKE he had a call in for PEYTON FORD to furnish him this information because he knew Mr. FORD was interested in the matter.

At the conclusion of his conversation with MIKE, Mr. CLAPP said that on August 6, 1952, the Government had obtained a court decision in Nashville, Tennessee, on a matter in which the Government had filed a claim against the company, name not mentioned; that a settlement had been agreed upon by the Government with the company but in the examination of the settlement, it had been found the company had made a misrepresentation. The Government rescinded the settlement, thereafter brought suit against the company in Federal court and had been successful in winning the litigation on all counts. Mr. CLAPP did not state what interest Mr. FORD had in this matter.

Mr. CLAPP did not give the impression that he was trying to conceal his contact with Mr. FORD and no questions were asked him concerning this telephone call.

8/11/52

ADDENDUM:

As of possible interest, it is pointed out that Mr. Ladd, SAC Hood and Winterrowd observed Newell Clapp eating with Herbert Bergson at Hamel's Restaurant at noon on Saturday, August 9, 1952.

TJJ:VIM

EHW:

RECORDED-114

EX-10

1 SEP 1 1952

INDEXED-114

57 SEP 9 1952

cc Winterrowd  
Williams

62-97558-244

EHW

215  
FBI, OKLAHOMA CITY 8-29-52 1-25 PM CST

DIRECTOR URGENT

PEYTON FORD, ETAL, FAG, MIO. REBUTEL AUGUST TWENTYSIX. INVESTIGATION  
COMPLETED HERE. RUC REPORT OF SA BYRON E. MC FALL AT OC SUBMITTED AMSD  
TODAY.

BRYCE

END

ACK PLS

3-27 PM OK FBI WA RD

M

RECORDED-114

EX-18

62-97558-245  
6-8 (pr)  
23 SEPI 4 1952

57 SEP 9 1952

## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

FROM : A. ROSEN

SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

DATE: August 26, 1952

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

Attached hereto is a memorandum to the Attorney General with copies directed to Assistant Attorney General Charles B. Murray. This memorandum confirms the conference held in Mr. Murray's office on the morning of August 25, 1952, consisting of Mr. Murray, his assistant who has been working on this matter in the Department, Miss Ethel Brazwell, Supervisor E. C. Williams of the Bureau and E. H. Winterrowd.

The purpose of the conference was to determine what were the desires of Mr. Murray in connection with investigation of clients which are on the list of 146 which has been provided by the law firm to the Chelf Committee and in turn furnished to the Bureau and the Department.

Mr. Murray stated that by no means did he wish that investigation be conducted with respect to the entire 146 clients. He stated it should be limited and was of the opinion that the Bureau should use its own judgment. However, it was pointed out that in such event it would be necessary for us to check all the clients. Murray stated in the interest of time and common sense he wanted to limit the number of clients, which will be looked into, to those which have been selected by the Chelf Committee, together with any others appearing on the list which might look as though they warranted attention. Murray made several general qualifications which are as follows:

1. We will not check divorce case clients.
2. We will not check out those cases or suits which obviously appear to be claims, negligence matters and routine matters handled by Adams.
3. Murray stated he did not want investigation at this time into matters wherein a law firm from out of the city has referred a matter of an undisclosed nature to the Peyton Ford, et al, law firm.

Mr. Murray was present for approximately an hour of the two hours which were consumed in the conference. He made the general decisions as reflected above and also selected some specific items which are named in the attached memorandum. The rest of the specific items have been selected as a result of discussing them with Miss Ethel Brazwell.

57 SEP 9 1952  
EHW/rh  
Attachments (2)

RECORDED-14

SEP 14 1952

Memorandum for Mr. Ladd

It might be noted that Murray stated he did not want to investigate or check into every individual named on this list as a client unless there is some information of a positive nature indicating the necessity for checking out the Department's files. In the event that any information is developed during the course of the investigation which would indicate the necessity of checking into a client not presently listed, this will, of course, be done. There are approximately three clients listed as being those of Peyton Ford which appear to be some sort of a civil suit. These are:

No. 19	<u>Connelly, et al. v. Jennings</u> <u>Oklahoma City, Oklahoma.</u>
No. 94	<u>Oklahoma City-Ada-Atoka Ry.</u> <u>Company, et al. v. Oklahoma</u> <u>Portland Cement Company, et al</u> <u>Oklahoma City, Oklahoma.</u>
No. 95	<u>Old Mac Coal Company, v. S. J.</u> <u>Oklahoma City, Oklahoma</u>

Murray felt that it was not necessary to go into these matters since there was no information supplied by the Committee and in view of the fact that it would be natural for Peyton Ford, who is from Oklahoma, to have Oklahoma clients.

#### ACTION

Attached is a memorandum submitted for approval for the Attorney General with copies to AAG Murray. There is also attached a letter to the Washington Field Office instructing that they make the necessary checks of Departmental records with respect to that group of clients selected at the conference on August 25, 1952.

2/8

The Attorney General

September 3, 1952

Director, FBI

PERSONAL AND CONFIDENTIAL

PHYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

I am attaching to this memorandum and to the copies which are designated for Mr. Murray a copy of a memorandum received from our Washington Field Office dated August 29, 1952. The information concerns the Antitrust Division investigation of dairies in the St. Louis, Missouri, area and was furnished by Kenneth R. Lindsay, Attorney in the Antitrust Division.

It is requested that you advise what specific investigation is desired in connection with the information furnished by Mr. Lindsay.

Attachment

cc: 2 - Assistant Attorney General PERSONAL AND CONFIDENTIAL  
Charles B. Murray (Attachment)

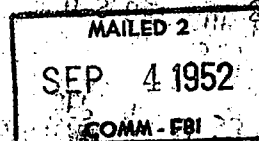
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62-97558-247

SEP 5 1952

ECW:lk  
62-97558

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_



SEP 3 5 40 PM '52  
U.S. DEPT. OF JUSTICE  
RECEIVED DIRECTOR

55 SEP 10 1952

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The Attorney General

September 3, 1952

Director, FBI

PERSONAL AND CONFIDENTIAL

0  
PRYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

I want to call attention to information which has been furnished by Mr. Thomas F. McGovern, Attorney in the Admiralty Division.

Mr. McGovern has advised representatives of our Washington Field Office that he heard that Mr. Julian S. Wilhelm, Departmental Attorney, in the Claims Division, had some cases in which Wilhelm thought some pressure or influence was involved. According to Mr. McGovern, Mr. Wilhelm did not indicate that any of the subjects in this investigation were involved.

It would be appreciated if you would advise what, if any, investigation is desired in connection with the information furnished by Mr. McGovern.

cc: 2 - Assistant Attorney General PERSONAL AND CONFIDENTIAL  
Charles B. Murray

RECORDED - 100

62-97558-248

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

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MAILED 2

SEP 4 1952

COMM - FBI

55 SEP 10 1952

SEP 5 1952  
U.S. DEPT. OF JUSTICE  
RECEIVED DIRECTOR

SEP 4 10 31 AM '52  
FBI  
RECEIVED READING ROOM  
Rosen  
Mohr  
ECW

The Attorney General

September 3, 1952

Director, FBI

PERSONAL AND CONFIDENTIAL

PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

I want to call to your attention information that has been furnished to the Bureau by Mr. Holmes Baldrige, Assistant Attorney General in charge of the Claims Division, concerning Curtis Shears, an attorney in the Department of Justice. Mr. Baldrige stated that he considers Curtis Shears to be a "personnel problem", a "scandal monger" and a "psychopathic liar." He advised that he considered Shears an individual who feels frustrated because he aspires for but has never attained a position of prominence in the Department. He added that Shears is married to a wealthy woman who largely dictates what Shears should do in any given situation.

Mr. Baldrige further commented that in his opinion Shears is not too capable as a lawyer and pointed out that after Shears had made several attempts to prepare a complaint in the Flat Glass case (Department File 60-14-37) that he, Baldrige, drafted the complaint himself. He continued that it was his opinion the only reason this case was assigned to Shears was because he was drawing the salary of a competent trial lawyer and it was assumed he could handle the case. Baldrige stated that for some time after this case was handled Shears was without work in the Department and Baldrige indicated that Shears' lack of ability was the real reason work was not assigned to him.

The Flat Glass case is one phase of our investigation to determine whether members of subject law firm represented clients before the Department in this matter. In view of the administrative nature of the above information it is not being set forth in the investigative reports concerning the Flat Glass case but is being called to your attention separately for whatever administrative action you desire to take. No investigation is contemplated by the Bureau concerning the above information.

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

25. WJ OH S

RECORDED - 100

20 SEP 5 1952

cc: 2 - Assistant Attorney General  
Charles B. Murray

PERSONAL AND CONFIDENTIAL

55 SEP 10 1952

ECW:lk  
62-97558

SEP 4 1952  
COMM - FBI

INDEXED - 100

SEP 4 10 31 AM '52  
RECEIVED READING ROOM

62-97558-249

The Attorney General

September 3, 1952

Director, FBI

PERSONAL AND CONFIDENTIAL

PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

I am attaching to this memorandum and to the copies designated for Mr. Murray a copy of a memorandum dated August 29, 1952, received from our Washington Field Office. The information in the attachment was furnished by Mr. Kenneth H. Lindsay of the Department and concerns an Antitrust Division investigation of the Milk Industry.

It would be appreciated if you would advise what specific investigation you desire concerning the information set forth in the attached memorandum.

Attachment

cc: 2 - Assistant Attorney General PERSONAL AND CONFIDENTIAL  
Charles B. Murray (Attachment)

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

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SEP 5 1952

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U.S. DEPT. OF JUSTICE

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SEP 4 1952

COMM - FBI

55 SEP 10 1952

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SEP 4 10 31 AM '52

ECW

The Attorney General

September 2, 1952

PERSONAL AND CONFIDENTIAL

Director, FBI

0  
PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

I am enclosing a copy of the following investigative reports:

Report of Special Agent Richard S. Beier, dated August 29, 1952, at Cleveland, Ohio.

Report of Special Agent Robert J. Collins, dated August 29, 1952, at Milwaukee, Wisconsin.

Report of Special Agent Edgar C. Parkhurst, dated August 29, 1952, at New Haven, Connecticut.

Report of Special Agent Byron E. McFall, dated August 29, 1952, at Oklahoma City, Oklahoma.

Report of Special Agent John M. Dunay, Jr., dated August 29, 1952, at New York, New York.

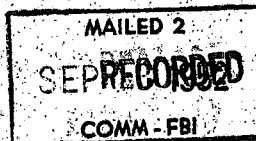
Report of Special Agent Thomas J. Jenkins, dated August 29, 1952, at Washington, D. C.

Report of Special Agent Kenneth C. Howe, dated August 30, 1952, at Cleveland, Ohio.

A copy of each of the above reports is also being enclosed with copies of this memorandum designated for Mr. Murray. The exhibits referred to in the above report of Special Agent Jenkins are being included in the enclosures to Mr. Murray.

You may wish to know that this investigation is continuing and reports will be furnished to you and Mr. Murray as soon as they are received and reviewed at the Bureau.

Enclosures (7)



100

62-97558-251

SEP 15 1952

13

PERSONAL AND CONFIDENTIAL

Oct 2 - Assistant Attorney General

Charles E. Murray Enclosures (7)

55 SEP 10 1952

29. 11 56 11 3

U.S. DEPT. OF JUSTICE

ECW:1K 62-97558

Tolson  
Ladd  
Nichols  
Belmont  
Clegg  
Glavin  
Harbo  
Rosen  
Tracy  
Mohr  
Tele. Rm.  
Nease  
Gandy

The Attorney General

September 3, 1952

Director, FBI

PERSONAL AND CONFIDENTIAL

PEYTON FORT, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

There is attached to this memorandum and to the copies designated for Mr. Murray a copy of a memorandum dated August 29, 1952, received from our Washington Field Office. The attachment sets forth information furnished by Kenneth R. Lindsay of the Department concerning an Antitrust case involving Pitney-Bowes, Incorporated.

It is requested you advise what specific investigation is desired in connection with the information set forth in the attachment.

Attachment

cc: 2 - Assistant Attorney General    PERSONAL AND CONFIDENTIAL  
Charles B. Murray    (Attachment)

RECORDED - 100

ECW:lk  
62-97558



Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

SEP 3 5 40 PM '52  
U.S. DEPT. OF JUSTICE  
DIRECTOR

55 SEP 10 1952

UNRECORDED COPY FILED IN 62-97558-252

## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. A. ROSEN *RW*

FROM : E. H. WINTERROW *EW*

SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

DATE: September 2, 1952

4.  
Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Nichols \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Harbo \_\_\_\_\_  
Alden \_\_\_\_\_  
Belmont \_\_\_\_\_  
Laughlin \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

Attached is a complete listing of the clients of the Peyton Ford, et al, law firm which was provided to the Bureau by Robert A. Collier, Chief Counsel of the Chelf Committee on Friday, August 22, 1952. Appropriate dissemination has been made of this list to the Department and to the field.

This is submitted for record purposes.

62-97558

Attachment

EHW/rh

RECORDED - 160

62-97558-253

13 SEP. 4 1952

ENCL.

INDEXED - 91

SEP 16 1952

6-600

CLIENT	WHEN RETAINED	FEE PAID OCT. 1950 TO DATE
A 1. <del>Aiken v. Aiken</del> 1827 Belmont Street, N.W. Washington, D.C.	Nov. 1951	47
A 2. <del>Aiken, Breedlove and Hozik</del> 800 H Street, N.W. Washington, D. C.	Nov. 1951	\$125.00
B 3. <del>Aluminum Company of America</del> Pittsburgh 19, Pennsylvania	July 1951 Annual Retainer: \$25,000.00	50,000.00
A 4. <del>Amalgamated Casualty Insurance Co.</del> 1006 H Street, N.W. Washington, D.C.	July 1947	2,800.00
<del>Standfield v. Thompson</del> <del>Harrod v. Thompson</del> <del>Floravanti v. Chase</del> <del>Smith v. District Cab</del> <del>Dixon v. Green</del> <del>Siebert v. American Cab Association</del> <del>Walker v. Fleming</del> <del>Wells v. Devaney</del> <del>Russell v. Reese</del> <del>Allen v. Jones</del> <del>Somerville v. Day</del> <del>Thompson v. Amalgamated</del>		
A 5. <del>American Pacific Enterprises, Inc.</del> 350 Broadway New York, New York	July 1949	
<del>Aly v. Green</del> <del>American Pacific Enterprises v. Bedell</del>		
A 6. <del>American Type Founders, Inc.</del> 200 Elmora Ave. Elizabeth, New Jersey	April 1952	
B 7. <del>The Anderson Company</del> Gary, Indiana	Oct. 1951	2,500.00
C 8. <del>George Assan</del> 25 East 67th Street New York, New York	Nov. 1951	
A 9. <del>John H. Bacas</del> 3317 Highwood Drive, S.E. Washington, D.C.	1949	233.34

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	<u>CLIENT</u>	<u>WHEN RETAINED</u>	<u>FEE'S PAID</u> <u>OCT. 1950 TO DATE</u>
A	10. <del>X</del> Baker v. <del>X</del> Willard Hotel 1701 Massachusetts Avenue, N.W. Washington, D. C.	June 1951	
C	11. Jacob A. <del>X</del> Bernstein One Stevens Avenue Mount Vernon, New York	June 1952	
A	12. Henry C. <del>X</del> Beuchler 915 19th Street, N.W. Washington, D.C.	Feb. 1951	\$ 150.00
A	13. Laurence <del>X</del> Boerner 2308 Ashmead Place, N.W. Washington, D.C.	July 1951	
A	14. Estate of Roy L. <del>X</del> Bourgeois Washington, D.C.	July 1951	
F	15. <del>X</del> Bowers v. Bowers 1025 Connecticut Avenue Washington, D. C.	Feb. 1952	
F	16. <del>X</del> Braun and Company 601 West Fifth Street Los Angeles, California	April 1952 Monthly Retainer: \$300.00	1,200.00
A	17. <del>X</del> Burke v. Burke 7205 Cobalt Road Woodacres, Maryland	June 1949	150.00
A	18. A. Ronald <del>X</del> Button 6331 Hollywood Boulevard Hollywood, California	Feb. 1951	500.00
F	19. <del>X</del> Connelly, et al. v. <del>X</del> Jennings Oklahoma City, Oklahoma	June 1952	
A	20. Estate of Roy O. <del>X</del> Campbell 7412 Georgia Avenue, N.W. Washington, D. C.	Dec. 1951	
A	21. <del>X</del> Campbell Music Company 1108 G Street, N.W. Washington, D. C.	May 1951 Monthly Retainer: \$200.00	2,400.00
B	22. <del>X</del> Carborundum Company Niagara Falls, New York	October. 1950	50,000.00



CLIENT	WHEN RETAINED	FEES PAID OCT. 1950 to DATE
A 23. <del>Malcolm B. Catlin</del> 3726 Connecticut Avenue Washington, D. C.	March 1952	\$ 50.00
A 24. <del>Christian Heurich Brewing Company</del> <del>26th and Water Street, N.W.</del> <del>Washington, D.C.</del>	Feb. 1951	650.00
B 25. <del>Clark, Coon, Holt &amp; Fisher</del> <del>Republic Bank Building</del> <del>Dallas, Texas</del>	March 1951	500.00
B 26. <del>Cohen's</del> <del>1227 G Street, N.W.</del> <del>Washington, D. C.</del>	Dec. 1951	250.00
B 27. <del>Coty's Products Corporation</del> <del>American Fair Trade Council, Inc., et al</del> <del>730 Fifth Avenue</del> <del>New York, New York</del>	March 1951	8,000.00
A 28. <del>Dr. J. Keith Cromer</del> <del>1801 Eye Street, N. W.</del> <del>Washington, D. C.</del>	July 1951	
A 29. <del>Davis &amp; Aiken</del> <del>800 H Street, N.W.</del> <del>Washington, D. C.</del>	July 1951	50.00
A 30. <del>Dean v. Lofty</del> <del>1941 Capitol Avenue, N. E.</del> <del>Washington, D. C.</del>	July 1951	
A 31. <del>Dr. Stephen L. DeBurr</del> <del>Sampsons Wharf, Virginia</del>	April 1951	150.00
B 32. <del>Dictograph Products, Inc.</del> <del>6 West 49th Street</del> <del>New York, New York</del>	March 1952	
A 33. <del>Scott Donaldson</del> <del>Woodward Building</del> <del>Washington, D. C.</del>	July 1952	
A 34. <del>Estate of Charles G. Dougherty</del> <del>3421 34th Place, N. W.</del> <del>Washington, D. C.</del>	July 1951	

CLIENT	WHEN RETAINED	FEES PAID OCT. 1950 TO DATE
A 35. <del>Duncan v. Kreiter</del> 1420 Connecticut Avenue, N. W. Washington, D. C.	Nov. 1950	\$ 275.00
A 36. <del>Du Rite Chemical Co.</del> 3800 37th Place Brentwood, Maryland.	Jan. 1946	700.00
A 37. <del>Eisner v. Howard</del> 118 West 75th Street New York, New York	June 1950	150.00
A 38. <del>Ellett &amp; Short, Inc.</del> 1511 K Street, N.W. Washington, D. C.	Oct. 1949	865.00
<del>Boothby v. Hodges</del> <del>Harry Cohen</del> <del>N. N. Courtis</del> <del>Green v. Smith</del> <del>Burnett v. Smith</del> <del>Wickstrand v. W.C. &amp; A.N. Miller Dev. Co., et al.</del> <del>Deas v. Poole &amp; Coppedge</del> <del>John J. Tormay Estate</del> <del>Fireman's Fund v. Hippler</del> <del>King v. Winman</del> <del>Leasure v. Martin</del> <del>Lieb v. Davis and Goodwill Industries</del> <del>Mafrige &amp; Phoenix v. Colcaire</del> <del>Phoenix Indemnity Co. v. Rotnem</del> <del>Robina v. Link</del> <del>Schmitt v. Forrest</del> <del>Leary v. Wash</del> <del>May v. Service Parking</del> <del>Wensh v. Waters</del> <del>Rice v. Burch</del> <del>Schurr v. Govern</del> <del>Siegel v. Brockway</del> <del>Niosi</del> <del>Wise v. Fireman's Fund</del> <del>Fireman's Fund &amp; George Treat v. Buchwald</del> <del>Martin v. Hamilton National Bank</del>		
A 39. <del>Estate of Emily W. Erick</del> Washington, D. C.	1949	
R 40. <del>Fairhaven Drive-in Theatre Co., Inc.</del> 260 Tremont Street Boston, Massachusetts	Jan. 1951	500.00

<u>CLIENT</u>	<u>WHEN RETAINED</u>	<u>FEE PAID</u> <u>OCT. 1950 TO DATE</u>
A 41. <del>X</del> Foxworth v. Lucas 1316 Fairmont Street, N.W. Washington, D. C.	Nov. 1951	
B 42. <del>X</del> Freeport Sulphur Company 161 East 42d Street New York, New York	Jan. 1952	\$6,400.00
A 43. <del>X</del> General Electric Credit Corp. 261 Constitution Avenue Washington, D. C.	Oct. 1949	100.00
<del>General Electric Credit Corp. v. Clark</del> <del>General Electric Credit Corp. v. Perry</del> <del>General Electric Credit Corp. v. Young</del>		
B 44. The B. F. <del>X</del> Goodrich Company Akron, Ohio	Sept. 1951	
A 45. <del>X</del> Gotham Restaurant Bakers, Inc. 510 East 76th Street New York, New York	Jan. 1952	5,000.00
B 46. <del>X</del> Hadacol Lafayette, Louisiana	Feb. 1951	1,000.00
A 47. Estate of E. <del>X</del> Haldeman-Julius Girard, Kansas	Sept. 1951	
A 48. <del>X</del> Hallett v. Ashby O. <del>X</del> Miller 642 Hamilton Street, N.W. Washington, D. C.	April 1950	
A 49. <del>X</del> Halligan v. United States 541 Piedmont Street Arlington, Virginia	July 1951	
B 50. <del>X</del> Hamilton Manufacturing Co. Columbus, Indiana	Nov. 1951	1,025.00
A 51. <del>X</del> Harris v. <del>X</del> Long 1612 S Street, N.W. Washington, D. C.	Dec. 1950	50.00
B 52. John T. <del>X</del> Hayes 1 Federal Street Boston, Massachusetts	Oct. 1950	500.00
A 53. <del>X</del> Heid v. Heid 4020 Southern Avenue, S.E. Washington, D. C.	Aug. 1951	

CLIENT	WHEN RETAINED	FEES PAID OCT. 1950 TO DATE
A 54. <del>S. H. Hines Company</del> <del>2904 14th Street, N.W.</del> <del>Washington, D.C.</del>	March 1951	\$ 80.00
<del>Hines v. Watson</del> <del>Hines v. Pool</del>		
A 55. <del>Hudson Supply &amp; Equipment</del> <del>1727 Pennsylvania Avenue, N.W.</del> <del>Washington, D.C.</del>	June 1952	
<del>Hudson v. Shapiro</del>		
A 56. <del>Insurance Rating Bureau of the</del> <del>District of Columbia</del> <del>Woodward Building</del> <del>Washington, D.C.</del>	1951	500.00
A 57. <del>Jeffries v. Pennebaker</del> <del>927 New York Avenue, N.W.</del> <del>Washington, D.C.</del>	July 1950	
A 58. <del>Estate of David Lawrence Jenkins</del> <del>355 Pinetree Drive, N.E.</del> <del>Atlanta, Georgia</del>	July 1951	450.00
A 59. <del>Joyce v. Steuart, Inc.</del> <del>2700 Wilson Boulevard</del> <del>Arlington, Virginia</del>	March 1952	500.00
A 60. <del>Kaplowitz Bros., Inc.</del> <del>521 13th Street, N.W.</del> <del>Washington, D.C.</del>	July 1951	
A 61. <del>Kassell v. Kassell</del> <del>1368 Bryant Street, N.E.</del> <del>Washington, D. C.</del>	April 1951	15.00
A 62. <del>Estate of Kathryn E. Knott</del> <del>3605 Quesada Street, N.W.</del> <del>Washington, D. C.</del>	1951	200.00
R 63. <del>Lawrence G. Lasky</del> <del>260 Tremont Street</del> <del>Boston, Massachusetts</del>	March 1951	
F 64. <del>Barbara Lee</del> <del>131 Carlton Street</del> <del>Brookline, Massachusetts</del>	Oct. 1951	750.00
A 65. <del>LeBrett and McNair v. Blankenship</del> <del>2121 H Street, N.W.</del> <del>Washington, D.C.</del>	July 1951	

<u>CLIENT</u>	<u>WHEN RETAINED</u>	<u>FEEES PAID</u> <u>OCT. 1950 TO DATE</u>
B 66. <del>X</del> Lehman Bros. <u>One William Street</u> <u>New York, New York</u>	Feb. 1951	\$ 3,000.00
B 67. <del>X</del> E. Leitz, Inc. <u>304 Hudson Street</u> <u>New York, New York.</u>	Jan. 1951 Monthly Retainer: \$1,000.00	16,000.00
A 68. <del>X</del> Joseph LiCausi <u>5207 Georgia Avenue, N.W.</u> <u>Washington, D. C.</u>	Aug. 1951	2,000.00
A 69. <del>X</del> <u>Lincoln Properties v. Payne, et al.</u> <u>Washington, D.C.</u>	Dec. 1950	1,000.00
A 70. <del>X</del> Lust Theatres <u>711 14th Street, N.W.</u> <u>Washington, D.C.</u>	Dec. 1950	6,000.00

<u>CLIENT</u>	<u>WHEN RETAINED</u>	<u>FEE PAID</u> <u>OCT. 1950 TO DATE</u>
A 71. <del>Estate of Laura B. MacDonald</del> 324 F Street, N.E. Washington, D. C.	July 1951	\$ 177.67
F 72. <del>W. G. McCullough</del> -- Re: <del>W. Carl Garmon</del> 601-3 Volunteer Building Atlanta 3, Georgia	June 1952	
A 73. <del>McDonald v. 76 N.Y. Ave., Inc.</del> 8701 Georgia Avenue Silver Spring, Maryland	Sept. 1951	500.00
A 74. <del>McQueeney Brothers Service Station</del> 1925 Bladensburg Road, N.E. Washington, D.C. <del>Wehneman v. McQueeney</del> <del>Bragdon v. McQueeney</del>	April 1952	
B 75. <del>Madison Square Garden Corp.</del> 49th Street and 8th Avenue New York, New York	Oct. 1951	
A 76. <del>The Mann Company</del> 2215 Adams Place, N.E. Washington, D.C.	Jan. 1951	1,600.00
A 77. <del>Mann-Jackson, Inc.</del> Roanoke, Virginia	Jan. 1952	250.00
A 78. <del>Marlow Coal Co.</del> 811 E Street, N.W. Washington, D.C. <del>Marlow Coal Co. v. Mandes</del>	June 1950	50.00
A 79. <del>Martin County Broadcasting Co.</del> Box 572 Stuart, Florida	May 1951	300.00
F 80. <del>Metal Trading Company</del> 272 West 90th Street New York, New York	Oct. 1951	1,270.00
A 81. <del>Ethel Meyer</del> Tall Timbers, Maryland	July 1951	
A 82. <del>Estate of Emma Meyenberg</del> Washington, D.C.	July 1951	1,277.00
A 83. <del>Estate of Josephine L. Milmore</del> Washington, D.C.	June 1951	

CLIENT	WHEN RETAINED	FEES PAID OCT. 1950 TO DATE
B 84. <del>Minnesota Mining &amp; Manufacturing Co.</del> <del>900 Fauquier Avenue</del> <del>St. Paul, Minnesota</del>	Oct. 1950	\$50,000.00
A 85. <del>Morgan v. Miller</del> <del>642 Hamilton Street, N.W.</del> <del>Washington, D. C.</del>	May 1949	250.00
A 86. <del>Mott Motors, Inc.</del> <del>1018 Tower Building</del> <del>Washington, D. C.</del>	April 1952 Monthly Retainer: \$25.00	125.00
A 87. <del>Jay Mount</del> <del>National Press Building</del> <del>Washington, D. C.</del>	May 1951	50.00
A 88. <del>Freda E. Murray</del> <del>761 10th Street, S.E.</del> <del>Washington, D. C.</del>	Feb. 1952	25.00
B 89. <del>National Bulk Carriers, Inc.</del> <del>600 Fifth Avenue</del> <del>New York, New York</del>	July 1951	8,300.00
A 90. <del>National Press Building Corp.</del> <del>National Press Building</del> <del>Washington, D. C.</del>	Jan. 1951 Monthly Retainer: \$250.00	4,755.00
A 91. <del>National Savings &amp; Trust Co.</del> <del>15th and New York Avenue, N. W.</del> <del>Washington, D. C.</del>	Oct. 1950	
<del>National Savings and Trust Co. v. NSTC v. Waggener</del> <del>McCoy, et al. v. McCoy, et al.</del> <del>NSTC, as Committee, Mary</del> <del>Wentworth Williams</del>		1,000.00 20.00 325.00
B 92. <del>New Orleans Item</del> <del>New Orleans, Louisiana</del>	Nov. 1950	400.00
A 93. <del>Noble v. Goldstein</del> <del>1821 Summit Place, N. W.</del> <del>Washington, D. C.</del>	March 1951	50.00
F 94. <del>Oklahoma City-Ada-Atoka Ry. Co., et al.</del> <del>v. Oklahoma Portland Cement Co., et al.</del> <del>Oklahoma City, Oklahoma</del>	July 1952	
F 95. <del>Old Mac Coal Co. v. S. J.</del> <del>Oklahoma City, Oklahoma</del>	Oct. 1951	150.00

CLIENT	WHEN RETAINED	FEES PAID OCT. 1950 TO DATE
A 96. <del>X</del> <u>Orem v. Albers</u> <u>5520 Connecticut Avenue, N.W.</u> <u>Washington, D. C.</u>	Oct. 1950	\$ 60.00
B 97. <del>X</del> <u>Paine, Kramer &amp; Marx</u> <u>50 Broadway</u> <u>New York, New York</u>	Feb. 1951	700.00
R 98. <del>X</del> <u>Robert K. Parker</u> <u>Delavan, Wisconsin</u>	Oct. 1951	2,500.00
F 99. <del>X</del> <u>August Perez &amp; Associates</u> <u>New Orleans, Louisiana</u>	Feb. 1952	.
A 100. <del>X</del> <u>William E. Plummer</u> <u>2804 Military Road, N.W.</u> <u>Washington, D. C.</u>	Sept. 1951	15.00
B 101. <del>X</del> <u>William H. Plummer &amp; Company, Ltd.</u> <u>734 Fifth Avenue</u> <u>New York, New York</u>	Nov. 1951	250.00
BO 102. <del>X</del> <u>Publicker Industries, Inc.</u> <u>1429 Walnut Street</u> <u>Philadelphia, Pennsylvania</u>	June 1951	450.00
B 103. <del>X</del> <u>Rare Earths, Inc.</u> <u>Box 488, R. D. No. 4</u> <u>Paterson, New Jersey</u>	Aug. 1951	1,000.00
A 104. <del>X</del> <u>Real Estate Commission of the District of Columbia</u> <u>District Building</u> <u>Washington, D. C.</u>	Oct. 1950	1,432.00
B 105. <del>X</del> <u>Reserve Life Insurance Company</u> <u>103 South Akard Street</u> <u>Dallas, Texas</u>	Aug. 1951	.
A 106. <del>X</del> <u>B. Rich's Sons</u> <u>1001 F Street, N.W.</u> <u>Washington, D. C.</u>	Aug. 1951	500.00
A 107. <del>X</del> <u>Dora F. Richardson</u> <u>400 Whittier Street, N.W.</u> <u>Washington, D. C.</u>	Jan. 1951	75.00
A 108. <del>X</del> <u>Robeson v. Robeson</u> <u>Washington, D. C.</u>	June 1947	300.00



CLIENT	WHEN RETAINED	FEES PAID OCT. 1950 TO DATE
A 109. <del>Walter</del> Rothe 5060 MacArthur Boulevard, N.W. Washington, D. C.	Nov. 1950	\$ 200.00
A 110. <del>Roupas v. Xlanganis</del> 1136 11th Street, N.W. Washington, D. C.	June 1951	
A 111. <del>Raymond</del> Scheirer 2300 Connecticut Avenue, N.W. Washington, D. C.	Nov. 1950	800.00
A 112. <del>Jules</del> Schneider 215 Mill Road Hempstead, New York	Dec. 1951	
A 113. <del>Marvin</del> Schwartz 42 Broadway New York, New York	June 1952	
B 114. <del>Walter</del> Schwimmer Productions, Inc. 75 East Wacker Drive Chicago, Illinois	Jan. 1952	750.00
B 115. <del>Joseph E. XSeagram &amp; Sons, Inc..</del> <del>Chrysler Building</del> <del>New York, New York</del>	Nov. 1951	4,250.00
C 116. <del>Samuel</del> Shapiro 233 Broadway New York, New York	June 1952	500.00
A 117. <del>Douglas</del> Silver Radio Station WIRA Ft. Pierce, Florida	Jan. 1951	100.00
R 118. <del>Philip</del> Smith 359 Boylston Street Boston, Massachusetts	Feb. 1951	750.00
C 119. <del>Smith &amp; Davis, Physicists</del> <del>901 Pershing Drive</del> <del>Silver Spring, Maryland</del>	Jan. 1952	550.00
A 120. <del>Smithdeal Estate</del> 7100 Marian Lane Bethesda 14, Maryland	Aug. 1951	200.00
B 121. <del>Staley Milling Company</del> <del>Kansas City, Missouri</del>	Feb. 1952	1,000.00

<u>CLIENT</u>	<u>WHEN RETAINED</u>	<u>FEEES PAID</u> <u>OCT. 1950 TO DATE</u>
F 122. <del>X</del> Standard Fruit and Steamship Company <u>944 St. Charles Avenue at Lee Circle</u> <u>New Orleans 12, Louisiana</u>	Nov. 1951 Monthly Retainer: \$400.00	\$ 4,000.00
A 123. <del>X</del> W. F. Stickle 1713 K Street, N.W. Washington, D. C.	April 1951	75.00
B 124. <del>X</del> Sylvania Electric Products, Inc. <u>1740 Broadway</u> <u>New York, New York</u>	Dec. 1950	750.00
A 125. <del>X</del> Jack Tandler 913 D Street, N.W. Washington, D. C.	July 1951	100.00
F 126. <del>X</del> P. Thompson & Co. <u>1104 Tchoupitoulas Street</u> <u>New Orleans, Louisiana</u>	Sept. 1951	1,000.00
B 127. <del>X</del> Thrift Drug Company <u>Pittsburgh, Pennsylvania</u>	Nov. 1951	100.00
A 128. <del>X</del> T. O. Toon Washington House Washington, D. C.	July 1952	
A 129. <del>X</del> Maurice H. Tseng 1847 14th Street, N.W. Washington, D. C.	Sept. 1951	100.00
A 130. <del>X</del> Unger & Weinberg v. <del>X</del> Schlosberg 730 11th Street, N. W. Washington, D. C.	April 1950	500.00
B 131. <del>X</del> United Paramount Theatres, Inc. <u>1501 Broadway</u> <u>New York, New York</u>	Feb. 1951 Monthly Retainer: \$1,000.00 plus time on FCC merger	83,000.00
B 132. <del>X</del> United States Pipe Line Co. <u>100 Park Avenue</u> <u>New York, New York</u>	Feb. 1951	5,000.00
A 133. <del>X</del> Edward A. Walsh 161 West 36th Street New York, New York	July 1951	

CLIENT	WHEN RETAINED	FEEES PAID OCT. 1950 TO DATE
A 134. Katherine S. <del>Weikel</del> 3429 14th Street, N.W. Washington, D. C.	April 1950	\$ 50.00
A 135. Katherine <del>Wells</del> Washington, D. C.	Oct. 1951	333.33
A 136. <del>Wells v. Donaldson</del> 110 Van Buren Street, N.W. Washington, D. C.	Feb. 1951	100.00
A 137. Estate of <del>Wheeler</del> Washington, D. C.	Aug. 1951	
A 138. Estate of Laura <del>Wilder</del> Washington, D. C.	July 1951	11,250.00
B 139. Bill <del>Williams</del> 1529 Walnut Street Philadelphia, Pennsylvania	June 1951	10,000.00
A 140. Carey <del>Winston &amp; Co.</del> 739 15th Street, N.W. Washington, D. C.	May 1951	850.00
A 141. Estate of George <del>Wise</del> Washington, D. C.	Nov. 1951	153.00
A 142. <del>Wolin v. Bragoff</del> 128 Longfellow Street, N.W. Washington, D. C.	May 1951	500.00
A 143. Paul <del>Wooten</del> National Press Building Washington, D. C.	July 1951	
A 144. James L. <del>Wright</del> National Press Building Washington, D. C.	May 1952	
A 145. <del>Yellow Cab Co. of the District of Columbia</del> Washington, D. C.	Feb. 1952	
<del>Andrich v. Yellow Cab</del>		
<del>Godwin v. Yellow Cab</del>		
<del>Henderson v. Yellow Cab</del>		
<del>Kern v. Yellow Cab</del>		
A 146. E. J. <del>Zwilling</del> 152 West 42d Street New York, New York	Nov. 1951	

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DIRECTOR, FBI

U R G E N T

PEYTON FORD ETAL FAG MIO. REPORT SUBMITTED THIS DATE BY  
SA ROBERT J. COLLINS.

MURPHY

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# FEDERAL BUREAU OF INVESTIGATION

FORM NO. 1  
THIS CASE ORIGINATED AT WASHINGTON FIELD OFFICE

FILE NO.

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
WASHINGTON, D. C.	AUG 23 1952	8/15, 16, 18-22/52	THOMAS J. JENKINS TJJ:NER
TITLE			CHARACTER OF CASE
PEYTON FORD, et al			FRAUD AGAINST THE GOVERNMENT: MISCONDUCT IN OFFICE

## SYNOPSIS OF FACTS:

(15)  
41749

Review of Departmental files made and results set forth herein on the following matters:  
NEWBOLD MORRIS Tanker Case, Banana Case, Liquor and Cooperage Cases, General Electric Street Lamp Case and other Departmental files pertaining to subjects' clients which have not been previously reviewed. Departmental Attorneys and former Departmental employees interviewed concerning instant matter and results set forth.

EXPEDITE PROCESSING  
AUG 26 1952

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AUG 27 1952

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P 9 1952

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WCH;EJA:MOO

DETAILS: AT WASHINGTON, D. C.:  
ALUMINUM EXPANSION PROGRAM

INTERVIEW WITH RICHARD D. SEARLES, UNDER SECRETARY  
OF INTERIOR, DEPARTMENT OF THE INTERIOR

Mr. RICHARD D. SEARLES, Under Secretary of the Interior, was interviewed on August 18, 1952 by Special Agents EDWARD J. ARMBRUSTER and WILLIAM C. HIGGINS in his office, Room 5116, Department of the Interior Building.

Mr. SEARLES was informed of the nature of the inquiry initiated at the specific request of the Attorney General who had directed the Federal Bureau of Investigation to conduct the necessary investigation.

Mr. SEARLES advised that he did not get into the aluminum expansion program until approximately in January of 1951, and that he is thoroughly familiar with the events leading up to the allocation of increased tonnage of aluminum to ~~ALCOA~~, Kaiser and Reynolds subsequent to this date.

He said the aluminum picture just prior to the allocation of increased facilities was that aluminum was critically needed in the interests of national defense and that this aluminum could be most economically and most readily obtained only from existing companies, inasmuch as the various attempts to introduce any producers in this industry had failed because of the latter's inability to obtain adequate financial backing.

Mr. SEARLES advised that the Justice Department, and, for that matter, the heads of all the other interested government agencies desired new independent concerns, rather than allocate the increased facilities to the existing producers, i.e. ALCOA, Reynolds and Kaiser; however, since this aluminum was urgently needed in the defense effort, and since the only possible way to obtain this aluminum was from existing producers he and other Governmental officials charged with the responsibility of producing and maintaining stockpiles of aluminum had so informed the Justice Department officials.

He said he was thoroughly familiar with the bases for the objections raised by the Department of Justice in an endeavor to bring about the expansion program within the framework of the Anti-Trust Statutes; however, he said there was no other alternative than to utilize the facilities of the existing big three producers.

He further stated that in the latter part of July of 1951, at a meeting attended by JESS LARSON, CHARLIE WILSON, HOWARD McGRATH and other government officials interested in the expansion program, he had informed the then Attorney General that the country had to have aluminum right away and that in furtherance of this conversation with Mr. McGRATH, he wrote a letter to the Attorney General confirming the sense of the meeting for the purpose of the record.

SEARLES continued by saying that shortly thereafter Mr. McGRATH advised him by letter that since those government agencies charged with the responsibility of the aluminum program have gone on record that the country needed an immediate increase in aluminum producing facilities in the interest of national defense, and since attempts by the government to introduce new independents had been unproductive that he, Mr. McGRATH, was forced into the position whereby he would not interpose further objections to the expansion program.

SEARLES said that with reference to any personal influences exerted upon him or any other government official by BERGSON, FORD OR BORKLAND, the idea of such possible coercion or influence was out of the question.

Mr. SEARLES said he would like to point out that the government had initiated the aluminum expansion program and had requested the representatives of the aluminum industry to present their plans as to how their respective companies could produce the required aluminum in the immediate future and that, inasmuch as this aluminum was needed urgently, it was not a question of one man or any number of men using their influence to obtain aluminum allocations for the companies, rather, it was simply that the country needed aluminum and that the government was going to see that this aluminum was obtained as soon as possible.



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In conclusion, Mr. SEARLES stated that no individual had ever attempted to interfere with or sway his decisions in behalf of any aluminum company, and, furthermore he said he seriously doubted whether any such attempts had been made on anyone connected with the Aluminum Expansion Program.

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THE PROPOSED AMERICAN BROADCASTING COMPANY MERGER WITH UNITED  
PARAMOUNT THEATERS, INC.

The following investigation was conducted on August 18, 1952, by Special Agents CHARLES H. SCHAFER and LESLIE B. CHISHOLM, JR.

INTERVIEW WITH MR. T. J. SLOWIE

Mr. T. J. SLOWIE, Secretary, Federal Communications Commission, was advised of the confidential nature of this investigation and that this investigation was being conducted at the instructions of the Attorney General. He was requested to make available the correspondence and conference files of the Federal Communications Commission pertaining to the proposed merger.

Mr. SLOWIE advised that the records concerning the merger were not available in his office but were in the possession of Mr. FREDERICK W. FORD, Chief, Hearing Division, Broadcast Bureau, Federal Communications Commission, who was the attorney who prepared the case for the Federal Communications Commission Hearings.

INTERVIEW WITH MR. FREDERICK W. FORD

Mr. FREDERICK W. FORD, Chief, Hearing Division, Broadcast Bureau, Federal Communications Commission, was advised of the confidential nature of the investigation and that the investigation was being conducted at the direction of the Attorney General.

He related he prepared the case on the proposed merger for the Federal Communications Commission Hearings, conferred with Justice Department officials, and worked out the necessary plans in preparation for the hearings. He stated he does not feel that the department wrongfully failed to intervene in the hearings because the department pointed out there was a problem as to whether the proposed merger would violate the Clayton Act.

He stated the department discussed the proposed merger with him and the law involved and in view of their explanation he believes the department pursued the right course in not intervening.

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LBC:IRM

He stated the department did not cooperate to the fullest extent in the early planning of the hearings, but as the hearings progressed their cooperation did become very fine. He stated prior to the time that the department's position with regard to the proposed merger was made clear to him he had hope that the department would come in as a party to the hearings and "carry the ball."

Mr. FORD stated he was a little sensitive about Mr. HERBERT BERGSON representing United Paramount Theaters, Inc., as a special counsel in the proposed merger due to his former relationship with the department. However, he stated Mr. BERGSON made it clear that he was representing United Paramount Theaters, Inc., only with regard to the merger aspect. According to Mr. FORD, Mr. BERGSON played an insignificant role insofar as the hearings were concerned and conducted himself on a high level. He stated he has no knowledge that any of the activities of Mr. BERGSON with regard to the merger have been irregular.

Mr. FORD made available the Federal Communications Commission file on the proposed merger and the file on the conferences held by the FCC with the department. The file was reviewed and reflected the following pertinent documents which have been photostated and are being set forth as exhibits:

Exhibit number DJ 217 is a letter to H. GRAHAM MORISON, Assistant Attorney General, from JOSEPH J. SAUNDERS, of the Department, dated September 21, 1951, which relates to the request of the Federal Communications Commission counsel to examine the departmental files on the paramount case. The memorandum sets forth the arrangements which the department contemplated with regard to making its files available to the Federal Communications Commission, and stated it was the opinion of the department staff members attending the conference held September 21, 1951, that the proposed arrangements would be entirely acceptable to the department.

Exhibit DJ 218 is a letter to the Attorney General from Mr. T. J. SLOWIE, Secretary, Federal Communications Commission, dated October 10, 1951. This letter sets forth certain background information concerning the proposed merger and requests the cooperation of the department in making its records available to the FCC and in assisting the FCC to analyze the material in the department's files.

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Exhibit DJ 219 is a letter to Mr. T. J. SLOWIE, Secretary, Federal Communications Commission, from Mr. H. G. MORISON, Assistant Attorney General, dated November 30, 1951, which is a reply to the commission's letter of October 10, 1951, which advises Mr. SLOWIE as to the extent of the cooperation which the Justice Department can afford the FCC in the hearings on the proposed merger.

Exhibit DJ 220 is a Federal Communications Commission inter-office memorandum dated December 11, 1951, to Mr. CURTIS B. PLUMMER from Mr. FREDERICK W. FORD, which sets forth the status of the preparation for trial in the paramount case. This memorandum discusses the position which was assumed by the department with regard to the proposed merger.

Exhibit DJ 221 is a letter to Mr. LeROY C. McCAULEY Executive Assistant, AntiTrust Division, Department of Justice, from Mr. FREDERICK W. FORD, Chief, Hearing Division, Federal Communications Commission, dated January 3, 1952. This letter sets forth the names of the FCC Attorneys who would make an analysis of the department's files with regard to the proposed merger.

Exhibit DJ 222 is a letter to Mr. LeROY C. McCAULEY, Chief, Administrative Section, Department of Justice, from FREDERICK W. FORD, Chief, Hearing Division, Federal Communications Commission. This letter sets forth a request that the department make available additional files.

On August 20, 1952, Mr. FREDERICK FORD telephonically advised the Washington Field Office he had located additional information concerning the proposed merger. Accordingly, Special Agents LESLIE B. CHISHOLM and EDWARD J. ARMBRUSTER reinterviewed Mr. FORD on August 20, 1952.

Mr. FORD advised he had reviewed the information in his files and the Hearings pertaining to the proposed merger and had located two additional documents which were not available at the time his file was reviewed by Agents which he thought would be of interest.

Mr. FORD made available Hearing Docket #10031 et al, which was the Pre-Hearing Conference, Volume I, pages 1 to 91, which reflected the following on page 5 of the proceedings:

"Mr. PATRICK: Mr. PATRICK and Mr. COHEN in all docket numbers. Mr. BERGSON, his appearance is limited to dockets #10046 and 10047. That is HERBERT H. BERGSON.

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The Presiding Officer: Mr. BERGSON's appearance is confined to Dockets 10046 and 10047?

Mr. BERGSON: That is right.

The Presiding Officer: On behalf of the United Paramount Theatres, Inc.?

Mr. PATRICK: Right."

Mr. FORD stated the above reflects that Mr. BERGSON participated in the Hearings with regard to only the proposed merger which was Dockets 10046 and 10047, and did not appear with regard to any other matter.

Mr. FORD made available a Federal Communications Commission Inter-Office memorandum to Mr. CURTIS B. PLUMMER from Mr. FREDERICK W. FORD, dated December 6, 1951, which pertained to the status of preparation for trial in the Paramount cases and staff requirements, and relates to the position assumed by the Department.

Photostatic copies of the aforementioned memorandum were prepared, and they have been designated as Exhibit DJ-223.

BANANA CASE

Instant case is more formally known as the Department's investigation into the banana industry which largely surrounds the activities of the ~~United Fruit Company~~ and the ~~Standard Fruit & Steamship Corporation~~, these two companies stated to be handling some 85% of the banana importation and distribution in the United States of America. The Department File in instant matter, File #60-166-56, was reviewed by Special Agent EDGAR L. CARTER.

It is noted that as early as 1907, the Department of Justice began an investigation of the activities of the United Fruit Company and instant file reflects substantial investigation made by the Antitrust Division of the Department covering the entire banana industry, which investigation largely surrounds the activities of United Fruit and ~~Standard Fruit & Steamship Company~~ as being the two largest operators in the industry. It is noted in this connection that this Bureau, the Federal Bureau of Investigation, conducted investigation for the Antitrust Division in Mobile, Cincinnati, San Antonio, Chicago, San Francisco, Miami, Charlotte, Milwaukee, Seattle, Portland, Los Angeles, New York City, Washington, D. C., and Omaha. The basic industry divides itself into three categories, the production of bananas largely in the Central American countries, the international shipment of bananas to the United States and their distribution in the United States. It is noted that Standard Fruit & Steamship Company has numerous subsidiaries in this country and that the ~~Fruit Dispatch Company~~ distributes the product of United Fruit in the United States of America.

There are numerous allegations from independent growers and importers of the product that United and Standard Fruit & Steamship Company have attempted to dispel competition by outbidding the smaller companies for the product in the market places in the countries where bananas are grown and they further allege that these two companies, particularly United, have been active in driving out competition by flooding markets with the product at the point of sale, thereby driving down the price of the product to a point where economic subsistence of competition would be impossible.

It is noted that Mr. VICTOR H. KRAMER, an attorney in the Antitrust Division, when recently interviewed in connection with instant case, advised that Mr. BERGSON, HERBERT BERGSON, subject in instant case, is currently counsel for Standard Fruit & Steamship Corporation and that Mr. BERGSON had concurred with attorney HADDOCK of the Department in closing the Antitrust case against the Standard Company and that he, KRAMER, had been instrumental in having this case reopened. Mr. KRAMER made no allegations with respect to instant case other than the above

remark and stated, to his knowledge, Mr. BERGSON has made no contact with the Antitrust Division relative to the second Antitrust investigation of the above mentioned Standard Fruit & Steamship Corporation for which he understands BERGSON is now counsel.

The only correspondence located in instant file which appears pertinent to instant statement or which, in any way, tends to reflect any action on the part of Mr. BERGSON in connection with this case, is a memorandum directed to Mr. HERBERT A. BERGSON from Mr. HERBERT BORKLAND, also subject in instant case, dated July 16, 1948. Instant memorandum is entitled, "Banana Industry -- Investigation" and is quoted in its entirety as follows:

"I agree with George Haddock that there is insufficient evidence of concert of action to justify the institution of a civil action. Irrespective of whether the evidence may be sufficient to warrant the institution of grand jury proceedings, I do not recommend such a course. The scope of such an investigation would be so great that it would unduly tie up personnel for an extended period. Moreover, the required information is of a nature and located in such a wide geographical area that investigation by the FBI would ultimately prove more expeditious.

"I further agree that George should feel satisfied that the material thus far assembled has been thoroughly studied and all evidence and leads extracted. Unless there is to be almost complete decentralization, I believe the further study should be made in Washington. We should not tie up field office personnel."

It is noted that instant memorandum, blue in color, contains a pen and ink notation, "OK, H.A.B.", (apparently HERBERT A. BERGSON). There is further a penned notation upon the same, "I concur, W.A.U.", (apparently the initials of WILLIAM A. UNDERHILL).

On October 20, 1948, Mr. GEORGE B. HADDOCK wrote a memorandum to Mr. GERALD J. MCCARTHY, Chief of the Department's Boston Office, (apparently Antitrust Office). Instant memorandum from HADDOCK reflects that last year, apparently 1947, the Department had requested the FBI to make an investigation of the activities of United Fruit and Standard Fruit & Steamship Company, the two largest importers of bananas. The memorandum went on to state that voluminous reports were received from the FBI that the tentative conclusion was reached thereon that further

investigation was required before a decision could be reached whether or not these two companies, or either of them, were violating the Sherman Act. Instant memorandum continued to state as follows:

"It was decided during the month of August that there was little likelihood that the necessary additional investigation could be completed within several months, and further consideration of this matter was deferred until the disposition of cases which were further advanced."

Continuing further from instant memorandum is the following statement, "It is our general belief that it would be inadvisable to embark upon the investigation of a series of local complaints from different sections of the country, since it seems probable that those complaints all stem from the apparent fact that United and Standard control practically all bananas imported into the country".

Instant file reflects that on March 18, 1952, Mr. MILTON A. KALLIS, to whom the case was apparently assigned at that time, directed a memorandum to Mr. HARRY F. HOUGHTON. Instant memorandum is six pages in length and is not being quoted as it is not deemed sufficiently pertinent to instant case. Mr. KALLIS' memorandum is in the nature of instructions from MILTON KALLIS to members of the Department of Justice working on the banana case and sets out theory and suggested avenues of investigation.

Under date of April 2, 1952, Mr. VICTOR H. KRAMER directed a memorandum to Mr. MILTON A. KALLIS which would appear to reflect some variance of opinion between Mr. KRAMER and Mr. KALLIS with respect to instant case. Mr. KRAMER's memorandum of April 2, 1952, is quoted as follows:

"Banana Investigation"

"At your request I have read your memorandum of March 18th with considerable care and interest. I find it exceptionally well written. Other than that I find that it has very few virtues. My comments follow.

"1. The tone of the memorandum, particularly of the opening paragraphs and in the last sentence, reveals a slight tendency towards Prussianism which is a characteristic that hitherto I have never seen in you. In any event, the tone is condescending whereas, in fact, Mr. Houghton is your associate, not your assistant.

"(The following comments relate to the merits of your suggestions.)



"2. In the first full paragraph on Page 2 I wish to record my agreement with Houghton that if United and Standard do 88 per cent of the business, it is of no particular relevance to determine how many do the remaining 12 per cent. As I understand the facts, however, the combined percentage of those two is much lower and in such circumstances I would agree with you rather than with Houghton. The authority is Columbia Steel case, the words, 'the strength of the remaining competitors.'

"3. I wish strongly to record my agreement with Houghton and my disagreement with you when Houghton states, 'that we could not succeed without proof of predatory practices' if Houghton means by 'succeed' to obtain really effective relief. I challenge you to produce a single 'judicial holding' in terms of relief that disproves this statement. Of course we are all aware of the courts having taken the position that you take in words, but have they in substance?

"4. I disagree with both you and Houghton in the only full paragraph on page 3 in which it is indicated that possibly high profits by United would be persuasive to a court. In both the Aluminum and Hartford Empire cases this approach was rejected by the courts, despite the fact that in both cases the Government won significant victories. My feeling is that courts tend to regard an attack upon profits as an attack upon the capitalistic system. Of course that regard is misconceived, but I am afraid that it would be the approach adopted by any judge who might hear any case involving United. Nevertheless, I have no objection to working up information relating to profits, providing that the time spent on it is not excessive.

"5. I agree wholeheartedly with the substance of the only full paragraph on page 4 and with your observations regarding vertical integration and price. I strongly agree with the first full paragraph on the last page of your memorandum.

\* \* \* \* \*

"Let me repeat that what your investigation needs in my judgment is better organization of the investigation. I think that this can only be achieved if you will (a) settle on a temporary hypothesis of your possible law suit (subject to constant change, if need be); and then (b) parcel out specific assignments with deadlines relating to proof of each conclusion of fact contained in your hypothesis. The first step in this program would be to comply thoughtfully and fully with Mr. Epes' memorandum or oral request. You should avoid any discussion of any substantive matters with your associates until you have committed to writing a specific proposition about which your discussion could center.

\* \* \* \* \*

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"If I were at the receiving end of this memorandum I would find it insulting. Nevertheless, I know you know that it was written by someone who is on your side in every important sense. Therefore, I trust you will find it clear and that it will be of some assistance to you in making up your own mind, which, of course, is the most important mind to be considered in this investigation.

"Good luck."

It is noted that instant investigation of the banana industry appears to be in a current status in the Department and that other than the foregoing memorandum written by Mr. BORKLAND and concurred in by Mr. BERGSON (also concurred in by Mr. UNDERHILL), there has been no attention directed to the Banana Case by subjects of instant case.

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RNW:PCN

BANANA CASE

Mr. JAMES R. BROWNING, Executive Secretary to the Attorney General, was interviewed by Special Agents ROBERT K. LEWIS and ROBERT N. WINGARD on August 18, 1952, in his office at the Justice Department.

Mr. BROWNING advised that when he succeeded Mr. GEORGE HADDOCK as Assistant Chief of the Litigation Section, Antitrust Division, one of the cases which he inherited from Mr. HADDOCK was the Banana Case. He stated that at the time he inherited this case he had Mr. WALTER SMITH of the Litigation Section review this case in anticipation of possible prosecution. He stated that at the conclusion of Mr. SMITH's review it was a joint opinion of the reviewer and himself that the jurisdiction in this case was outside the continental limits of the United States. Further, that the case involved business arrangements between the United Fruit Company and a foreign Government; therefore, this case was not a civil matter but one which required diplomatic action.

Mr. BROWNING commented that as well as he can remember, this case appeared to be a possible monopolization of banana boats by the United Fruit Company. He commented he did not know what the ultimate conclusion of this case had been inasmuch as this case was taken from the Litigation Section and reassigned to another unit when Mr. BERGSON became Assistant Attorney General in charge of Antitrust. He stated that during the period of time this case was assigned to him, he had discussed it with WALTER SMITH, Mr. HADDOCK and HOLMES BALDRIDGE. He added that the case, during the time he handled it and prior to being assigned to him, had been handled on merit alone and that up until the time it left the Litigation Section no irregularities had appeared and to the best of his knowledge no irregularities took place concerning this case while it was active in the Justice Department.

THE LIQUOR CASE

The Justice Department files number 60-257-21 and 60-257-2 entitled LIQUOR INVESTIGATION were reviewed by SA ALECK G. KARIS and the following was noted:

These files concerned the investigation and prosecution of several liquor concerns mostly in the state of Colorado. The concerns were charged with conspiring to restrict competition and set prices. Several of the concerns were found guilty in violation of the Sherman Act and were fined. This case was appealed and heard in the Circuit Court of Appeals.

The only mention or listing regarding any of the subjects was a memorandum dated May 23, 1950 addressed to HERBERT A. BERGSON of a routine nature for his information, and a memorandum written May 25, 1950 over the signature of HERBERT A. BERGSON thanking a complainant in this case for his co-operation.

The files also contained a memorandum dated May 26, 1950 from Mr. BORKLAND to Mr. HODGES entitled "Re Liquor", which is as follows, and is signed with the initials, HB:

"The monopoly of the Big Four could be broken if they were prohibited from using brand names on bottles containing any liquor which differs from the product originally sold under that label, or traditionally sold under that label. The theory would be that they had achieved and are maintaining a dominant position through consumer deception. There is no doubt about the fact that the same label is used to describe a multitude of different kinds of liquor. Unfortunately, there was no question about the fact that the Federal Alcohol Administration, which, by statute, is charged with the duty of preventing consumer deception, has permitted this practice to continue.

"Let's give some thought to figuring out an approach which will leave the Federal Alcohol Administration out of it if possible."

The files reviewed contained no decisions, overrulings, concurrences, or opinions other than the above mentioned memorandums.

The files reflect that Mr. A. HOLMES BALDRIDGE, Justice Department, made the overall decisions in this investigation and conducted the general supervision of the case.

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AGK:CEM

COOPERAGE CASE

The Justice Department Cooperage Case file, number 60-72-0, was reviewed by SA ALECK G. KARIS and the following was noted:

The files contain a memorandum dated April 19, 1949, from C. HEYWARD BELSER to EDWARD P. HODGES entitled, "Tight Cooperage," which contains the following, a summary of this case:

"I have examined the Department's files with a view to ascertaining the Department's activities in the past relative to 'tight' or 'bourbon' cooperage as well as the current status of the matter.

"In 1935 the Department conducted a preliminary investigation of the cooperage unions upon complaints originating with foreign sellers of beer barrels and malt. No decisive action was taken. Between that date and World War II, various complaints were received which were ultimately referred to the Federal Trade Commission for action.

"After the war, the files reflected a reopening of the subject in a conference between the Antitrust Division and the Alcohol Tax Unit of the Bureau of Internal Revenue. Apparently as a result of the price ceilings imposed by the O. P. A., the curtailment of whiskey production and the diversion during the war to other uses of the output of the tight cooperage concerns, the major whiskey distilleries in the United States were encountering difficulty in securing the white oak barrels used for ageing whiskey. According to the applicable regulations of the Alcohol Tax Unit, whiskey, in order to be entitled to the use of the term 'Bourbon whiskey,' 'Straight whiskey' and 'Rye whiskey' must have been aged in new charred white oak barrels. The major distilleries began to purchase cooperage concerns and soon controlled a large proportion of the available cooperage capacity. This program had the effect of making it difficult or impossible for the small independent distilleries to secure the essential white oak barrels. The complaining distilleries also alleged that the major distilleries had bought up nearly all of the available standing white oak timber in the United States with the result that the independent (non-distillery owned) cooperage concerns were not able to secure the necessary white oak timber with which to make the barrels.

"In order to determine whether or not the purchase of the cooperage concerns and the available standing timber supply was

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the result of concerted action among the major distillers to drive out of business the independent distillers, this Division instituted a full scale investigation of the industry in November 1946. The investigation involved contact with the major distilleries, various cooperage concerns and certain of the small distilleries.

"In the course of the investigation, the suggestion was made to this Division from various sources that a change in the Alcohol Tax Unit regulations permitting the ageing of whiskey in used barrels would remedy the situation. Accordingly, under date of March 4, 1947 this Division contacted the Alcohol Tax Unit relative to the proposed changes. Under date of March 14, 1947, advice was received from Carroll E. Mealey, Deputy Commissioner, that he was in sympathy with this Division's investigation and that technical reasons which he discussed indicated the desirability of referring the matter to an industry conference then scheduled. Subsequently, on May 16, 1947, further advice was received from Mr. Mealey that the matter was still under consideration and that the Alcohol Tax Unit had not yet decided whether or not it would hold industry-wide public hearings on the question. Mr. Mealey enclosed a letter from Mr. F. P. Handerson, Executive Secretary of the Associated Cooperage Industries of America, in which Mr. Handerson indicated that an adequate supply of barrels was available to any distillery desiring the same, that it was impossible to purchase all the available supplies of standing timber, that any manufacturer of 'tight' cooperage could turn to the production of whiskey barrels without delay, and that the elimination of restrictions on the employment of used barrels for ageing whiskey would completely destroy the cooperage industry and other related industries depending upon used whiskey barrels.

"The F. B. I. investigation apparently did not reveal evidence of joint action on the part of the major distilleries to eliminate competition from the smaller distilleries. The files do not reflect any further action until the latter part of 1948.

"In September 1948, information received from the Conference of American Small Business Organizations, Chicago, Illinois indicated that the major distilleries had come to control a very large proportion of the cooperage capacity in this country. The need of the distilleries for the products of their cooperage subsidiaries apparently was not constant throughout the year. During the period of slack need the cooperage products were thrown upon the market in competition with the products of the independent cooperage concerns for the general trade. It was alleged that the accounting

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practices of the distillery-owned cooperage concerns made it possible for them to sell barrels at a price much lower than that possible for the competing coopers. The independent coopers regarded this practice as unfair and dangerous competition.

"The files further reflected that on November 15, 1948 a letter was addressed to the Alcohol Tax Unit calling attention to the labeling regulation discussed above and urging that such action as is possible be taken by the Alcohol Tax Unit to remedy the situation."

By memorandum dated November 18, 1948, from ERNEST L. BRANHAM to HERBERT BORKLAND, MR. BRANHAM set forth various statements regarding this case and concluded by stating:

"It is my recommendation that the 'Big Four' and possibly Continental Distilleries and Brown Forman be investigated by a grand jury to determine whether violations warranting an indictment have occurred."

There is no notation on this memorandum or in the file reflecting action taken on MR. BRANHAM's recommendation.

By memorandum dated February 20, 1950, from LEONARD M. BERKE to ALLEN A. DOBEY entitled, "Distillers in the Cooperage Industry," there is set out the results of investigation in this case regarding the distillers entering into the cooperage field and purchasing cooperage barrels and standing timber. This memorandum has been photostated and is being made Exhibit DJ 1300.

By memorandum dated May 7, 1952, from ERNEST L. BRANHAM to EDWARD P. HODGES, entitled "Liquor Industry," MR. BRANHAM states in part the following:

"I received a telephone call from your office on Wednesday, May 7, 1952, from Mrs. Menefee in which she stated that you would like for me to meet with you in your office on that date at 10:00 A.M. She did not state, and I did not ask, for what purpose you wished to see me. When I arrived, I found Mr. Elmo Flynt, Investigator, Mr. George Comer, Chief of the Economic Section and Miss Margaret Brass, Attorney, awaiting also to see you at the suggested hour.

"When we entered your office and took our seats, you stated that the conference was relative to an investigation by the Congressional Committee, and that certain members of the staff, other than myself, had prepared a memorandum covering the 1944 Liquor Investigation. You suggested that we remain and read the memorandum, and if we approved to initial same, and

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if we disapprove to see Mr. Baldridge, who was in charge of the General Litigation Section of the Antitrust Division at the time of the 1944 Investigation. After others had stated their views concerning the substance of the memorandum, I stated to you that I did not feel disposed to initial it, for the reason that I did not agree with the substance or the conclusions.

"I regret that you took occasion, in the presence of the people above-mentioned to criticize me by saying 'You have done a great deal of talking about there being a case, but you have never stated that in writing. I suggest that you put your views in writing for Mr. Baldridge.' I attempted to emphasize that I had written a great deal of memoranda in the past, including the period which I worked under Mr. Baldridge and also under you. I should like to say now that the memoranda I have written have either not been read or are not in the files.

"In conformity with your directive this memorandum is written to confirm all of my memoranda of record regarding the Investigation of 1944 up-to-date.

"After the group meeting in your office on Wednesday, May 7th, I showed you a memorandum prepared by me to Mr. Borkland, dated November 18, 1948, which clearly expressed my views. This summary contains my conclusions at the end of the 1944 Investigation, and also, my experiences with the liquor industry up until a recent date. Apparently, there are those who are not aware of some of the matters that I have handled in recent years. I quote my memorandum of November 18, 1948."

The memorandum contains the text of MR. BRANHAM's memorandum of November 18, 1948, which was described above.

This memorandum has been photostated and is being made Exhibit DJ 1301.

By memorandum dated May 9, 1952, from ERNEST L. BRANHAM to HOLMES BALDRIDGE entitled "Liquor Industry," MR. BRANHAM in reference to his memorandum dated May 7, 1952, sets forth in detail his differences with the substance of the memorandum of LEONARD M. BERKE and ALLEN A. DOBEY dated February 20, 1950, described above as DJ 1300.

By memorandum dated May 2, 1952, from ERNEST L. BRANHAM addressed to The Files, MR. BRANHAM sets forth details regarding the suit filed against the Middle American Distributors, Incorporated, by the Federal Trade Commission, and states in part as follows:

"It is my feeling at the time, and I so recommended in a memorandum dated November 18, 1948, that the Antitrust Division should attempt



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to breakup these prior maintenance agreements, but I never heard anything from the matter except in a conversation with MR. BORKLAND, Second Assistant to MR. BERGSON, in which he expressed regret that the Antitrust Division would not attempt to have a grand ruling on the Colgate theory.

"When the Antitrust Division failed to pursue the matter, the same complainants took the matter to the Federal Trade Commission, and on January 18, 1949, Federal Trade Commission filed a complaint regarding the aforesaid defendants."

The file contains the following memorandums wherein the subjects are mentioned. The memorandum dated October 21, 1940, prepared by ERNEST L. BRANHAM under the signature of HERBERT A. BERGSON, Assistant Attorney General, and initialed "H.B.," addressed to MR. FRED A. VIRKUS, Chairman, Conference of American Small Business Organizations, Chicago, Illinois, in which he requested information from MR. VIRKUS.

By memorandum dated November 5, 1948, from MR. HAMILL to MR. BORKLAND entitled "Cooperage Industry," in which MR. HAMILL sets forth various complaints received by the Department regarding the six big liquor companies and concludes this memorandum by inquiry if the Small Business Unit should proceed in this regard. This memorandum contains no notation of any action taken.

By memorandum dated November 15, 1948, from HERBERT A. BERGSON, Assistant Attorney General, to Honorable CARRELL E. MEALEY, Deputy Commissioner, Alcohol Tax Unit, Washington, D. C., in which MR. BERGSON sets forth briefly complaints in this case and states in part as follows:

"We are seriously concerned over this exclusion and with the resultant temporary, and perhaps permanent, increase in concentration of market control. Equal access to the market is a basic principle of the antitrust laws and of our economy. As you know, this principle also underlies some of the prohibitions of Section 5 of the Federal Alcohol Administration Act.

"Accordingly, we urge that you take such action as may be within your power to remedy this situation as promptly as possible."

Other than the above the file reflects no opinions, concurrences, overrulings, or recommendations by any of the subjects in this case.

The file further reflects that EDWARD P. HODGES conducted the general supervision of this case.

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WILLIE CARL ~~GARMON~~ CASE

On August 20, 1952, the Department of Justice file concerning the above captioned individual was reviewed by SA ALPHONSE F. CALABRESE and the following information was obtained therefrom:

This case relates to an alleged evasion of income tax by the above named individual who operates the ~~CARL GARMON~~ Motors, 263 Spring Street, N. W., Atlanta, Georgia. The file reflected that GARMON'S Attorney was, W. G. MC CULLOUGH, 601-3 Volunteer Building, Atlanta, Georgia. By memorandum for the file dated June 3, 1952, the Department of Justice Attorney, JULES H. SIGAL, who was handling this case, advised that SUMNER M. REDSTONE, Washington, D.C., had been in to see him relative to the WILLIE CARL GARMON Case on that day, June 3, 1952. SIGAL advised that Mr. REDSTONE stated that his firm had been requested to come in on the case and that they were considering it. In addition, he asked that the Department of Justice grant him a conference on June 23, 1952. SIGAL stated that a conference was arranged for this date and that Mr. REDSTONE would call that office in the event it was decided not to represent the taxpayer.

In a memorandum for the file dated June 25, 1952, Mr. SIGAL stated that Mr. REDSTONE called him late in the afternoon on June 23, 1952, and advised him that a tentative conference which had been set for that day, would not be necessary inasmuch as his firm had decided not to represent the taxpayer in this matter. Mr. SIGAL advised that he was, therefore, forwarding the case for processing.

By letter dated June 27, 1952, Mr. ELLIS N. SLACK, Acting Assistant Attorney General, wrote to Mr. J. ELLIS MUNDY, United States Attorney, at Atlanta, Georgia, recommending that criminal proceedings be instituted against GARMON on charges of wilfully attempting to evade and defeat his individual income tax for the year 1946, in violation of Section 145 (b) of the Internal Revenue Code.

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~~WILLIAMS RESTAURANT~~ (a partnership),  
~~BILL WILLIAMS~~ (Partner) aka  
~~Vasillos Vasilades~~; ~~PAUL MASTERS~~  
(Partner) Case

The Department of Justice file in connection with the above captioned subjects was reviewed by SA CHARLES H. SCHAFER. This file reflects that the above captioned matter related to the alleged evasion of income taxes of BILL WILLIAMS and PAUL MASTERS, both of Upper Darby, Pennsylvania. This case was assigned to Department of Justice Attorney, A. F. CALLAHAN, and the Attorney for WILLIAMS and MASTERS was indicated as, FRANCIS J. MYERS, 2023-27 Land Title Building, Broad and Chestnut Streets, Philadelphia, Pennsylvania.

By letter dated July 2, 1951, the firm of BERGSON, ADAMS and BORKLAND, Washington, D. C., under the signature of SUMNER M. REDSTONE, wrote to the Assistant Attorney General of the Tax Division of the Department of Justice, Mr. THERON L. CAUDLE, as follows:

"Re: Mr. BILL WILLIAMS, Etal

"Dear Mr. CAUDLE,

"This is to inform your office that we have been retained as Counsel in connection with the above proceedings. We understand that a preliminary conference has already been held at which time it was agreed that the matter would require more development and that a memorandum would be presented on behalf of the taxpayer.

"It is desired to avoid any imposition on your office resulting from the change of Counsel. We would like to present a detailed memorandum covering the critical phases of the matter and would desire a period of sixty days within which to make such presentation. It would be very much appreciated if an opportunity were granted to discuss the problems existing in this matter, either at the time of presenting the memorandum or

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sometime thereafter, which ever would be more desirable to your office."

On this letter was the following notation:

"7/3

"ARTHUR - new Counsel in case who will make investigation on their own for the first time - wish to submit memorandum. Under circumstances, if you have no objection, please allow until 9/1."

This notation was signed with initials which were not legible.

On August 1, 1951, BILL WILLIAMS wrote Mr. CALLAHAN and stated that he wished to confirm that he had retained BERGSON, ADAMS and BORKLAND, of Washington, D. C., to represent him in a tax matter presently before the Department of Justice. Further, that FRANCIS J. MYERS, was no longer acting as his Counsel. Attached to the letter from BILL WILLIAMS dated August 1, 1951, was an undated typewritten memorandum by A. F. CALLAHAN which read as follows:

"In re:  
BILL WILLIAMS  
Upper Darby, Pennsylvania

"Mr. REDSTONE left the attached letter in this office this afternoon."

File further reflects a letter from the firm of BERGSON, ADAMS and BORKLAND, Washington, D. C., dated August 31, 1951, under the signature of SUMNER M. REDSTONE in regard to BILL WILLIAMS and PAUL MASTERS addressed to Assistant Attorney General, THERON LAMAR CAUDLE, Tax Division, Department of Justice, which read as follows:

"Dear Mr. CAUDLE,

"We are enclosing herewith a memorandum setting forth our reasons for believing that the Department of Justice should decline prosecution in the above entitled

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matter. We would appreciate an opportunity for discussion of the case at your convenience."

On this letter was a handwritten notation which read as follows:

"Received by hand at 3:30 P. M., 9/4/51.

A. F. C."

An examination of the file failed to reveal the memorandum mentioned in REDSTONE'S letter of August 31, 1951.

By letter dated January 11, 1952, ELLIS N. SLACK, Acting Assistant Attorney General, wrote Mr. REDSTONE concerning BILL WILLIAMS and PAUL MASTERS as follows:

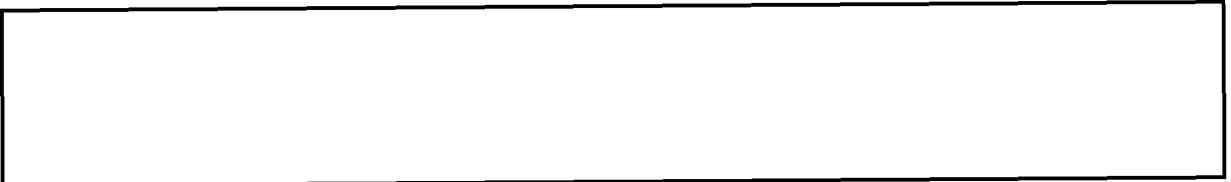
"This is to advise you that the above named case has this day been transmitted to the United States Attorney, Philadelphia, Pennsylvania, with instructions to institute criminal proceedings as to the years 1945 - 1947, inclusive."

According to a memorandum in file dated November 16, 1951, this case was assigned to Department of Justice Attorney, FRED G. FOLSOM, due to the fact that Mr. CALLAHAN stated that he did not believe he could handle the case along with his present duties in the Deputy Attorney General's Office. On this memorandum was a penciled notation dated December 15, which read as follows:

"Returned by F. G. F. and reassigned to SIGAL.

M. R."

Note: It is believed that the initials M. R. refer to MEYER ROTWACKS.



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PARAMOUNT PICTURES INTERSTATE CIRCUIT CASE

INTERVIEW WITH MR. PHILIP MARCUS

The following interview was conducted on August 20, 1952, by Special Agents CHARLES H. SCHAFER and LESLIE B. CHISHOLM, JR.:

It is to be noted that in an interview with Mr. MAURICE SILVERMAN, Departmental Attorney, concerning the proposed merger between the American Broadcasting Company and the United Paramount Theaters, Incorporated, that he pointed out that Mr. BERGSON sided more often with the position taken by Paramount in the Antitrust Case than he had with the position assumed by his staff. He related the United Paramount Theaters, Incorporated-Interstate Circuit and Texas Theaters, Incorporated Case as an illustration of a case in which BERGSON took a position opposite from that of his staff and in favor of Paramount.

Mr. PHILIP MARCUS, Special Assistant to the Attorney General, General Litigation Section, Antitrust Division, Department of Justice, related he has been in charge of the motion picture work in the Department, and was the principal attorney engaged in the United Paramount Theaters, Incorporated, Interstate Circuit and Texas Theaters, Incorporated Case. Mr. MARCUS stated Paramount jointly owned with Interstate 178 Texas theaters, each of them having an approximate fifty per cent (50%) interest in the venture. He said that under a consent decree which Paramount had entered with the Department they were required to divest their interests in all but forty of these theaters. Mr. MARCUS related Paramount advised the Department that they were unable to get together with Interstate on a sales agreement under which they could sell their interest in the theaters to be divested to Interstate.

According to Mr. MARCUS the Interstate Circuit had a monopoly in the theater business throughout most of the cities in Texas, and under the Paramount consent decree the Department could not reach the Interstate monopoly, but would have been required to take a separate legal action against

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Interstate. MARCUS stated Paramount told the Department they would buy out Interstate's interest in the 178 theaters if the Department would agree to amend the consent decree by doubling the number of theaters they could own in Texas. In return for amending the decree, Paramount agreed to sit down with the Department and negotiate as to which theaters Paramount would be required to divest themselves of in various cities in Texas in order to break up the Interstate monopoly.

Mr. MARCUS said he opposed the plan because United Paramount Theaters would have enjoyed a much stronger position than it had formerly under the initial decree. He said Mr. BERGSON overruled him and took the position that the decree would be amended to permit Paramount to double the number of theaters it was permitted to have in Texas inasmuch as it would afford the Department the opportunity to break up the Interstate Monopoly and still control Paramount. He said the decree was amended and Paramount was permitted to approximately double the number of theaters it operated in Texas.

He stated he personally handled the negotiations with Paramount as to which theaters it would be required to divest itself of in Texas after the ceiling was increased and Paramount bought out Interstate's interest. He stated that while Paramount was permitted to have approximately ninety theaters in Texas, it was not permitted to increase the original ceiling of approximately 600 theaters throughout the United States, which number was set in the initial decree, and therefore, they were required to divest themselves of theaters in other areas of the country to compensate for the increased number of theaters they were permitted to have in Texas.

He related he does not believe any improper influence or pressure was exerted by Mr. BERGSON in this matter, but that it was merely a question of judgment, and that he, MARCUS, differed from the position taken by BERGSON with regard to this case. He stated, however, that Mr. GOLDENSON, President of United Paramount Theaters, Incorporated, was a very persuasive talker and always went directly to Mr. BERGSON when he visited the Department. Mr. MARCUS added BERGSON took a more personal interest in the motion picture cases than did any of his predecessors.

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NEWBOLD MORRIS CASE

(Department of Justice File Entitled  
NORTH AMERICAN SHIPPING AND TRADING COMPANY;  
UNITED TANKER CORPORATION;  
UNITED STATES PETROLEUM CARRIERS, INC.;  
AMERICAN OVERSEAS TANKER CORPORATION;  
SIMPSON, SPENCE AND YOUNG  
FRAUD AGAINST THE GOVERNMENT)

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(Department of Justice File Entitled  
TANKER MEACHAM - MEACHAM CORPORATION,  
NATIONAL TANKER CORPORATION, AMERICAN  
OVERSEAS TANKER CORPORATION, JOSEPH E.  
CASEY, JULIUS C. HOLMES, STANLEY KLINE,  
CHINA TRADING AND INDUSTRIAL DEVELOPMENT  
CORPORATION, CHINA PETROLEUM CORPORATION,  
O. G. WEI, C. Y. CHEN, C. D. SHISH, D. N. TIJIN  
FORFEITURE OF TANKER MEACHAM FOR VIOLATION OF  
46 USC, 19, 21, 41, 60, 808 -- E.D. VA. --  
ADMIRALTY NUMBER 7477

On August 21, 1952, the Department of Justice files concerning the above matter were reviewed by Special Agents ALFONSE F. CALABRESE and CHARLES H. SCHAFER.

The Department of Justice files revealed that in connection with the above matter there are two main files, one case relating to the Admiralty Suit filed in the United States District Court November 9, 1951, at Norfolk, Virginia, seeking forfeiture of the Tanker MEACHAM and charging that the vessel was falsely registered as to citizenship by its owners in violation of Maritime Law. The file further reflects that the preparation of the litigation in respect to the Admiralty Suit is being handled by Departmental Attorneys in Washington, D. C., by J. FRANK STALEY, Head of the Admiralty Section in the Department, THOMAS F. MCGOVERN and PATRICK F. COONEY.

Noted in the file was a letter from STEPHEN A. MITCHELL, Chief Counsel of the Subcommittee to Investigate the Department of Justice, dated May 1, 1952, to PHILIP B. PERLMAN, Acting Attorney General, Department of Justice, which is as follows:

"In Mr. ROBERT COLLIER's telephone call to you this afternoon, this Subcommittee requested the attendance of Messrs. J. FRANK STALEY, THOMAS MCGOVERN, and PATRICK COONEY, of the Claims Division of the Department of Justice, at an executive session of this Subcommittee to be held at 9:00 A.M. on May 5, at the office of the Subcommittee in the George Washington Inn, New Jersey Avenue and C Street, S. E.



"You have advised us of your refusal to permit these men to testify concerning the United Tanker and Newbold Morris cases on the ground that one of the several cases involved is pending and is set for trial in early June, 1952. In order to avoid an impasse and at the same time to discharge this Subcommittee's obligations, we repeat our request for the attendance of the witnesses named and will restrict our questions at that hearing to asking whether Mr. NEWBOLD MORRIS or Mr. PEYTON FORD ever talked to any of them about the United Tanker or Newbold Morris cases and, if so, when and where."

There was also a letter addressed to Mr. MITCHELL from Mr. PERLMAN dated May 1, 1952, which is as follows:

"I have your letter of May 1st advising me that you desire to have the attendance of Messrs. J. FRANK STALEY, THOMAS McGOVERN, and PATRICK COONEY, of the Claims Division of the Department of Justice at an executive session May 5th, at the office of the Subcommittee in the George Washington Inn, New Jersey Avenue and C Street, S. E.

"I have discussed this matter with Mr. HOLMES BALDRIDGE, Assistant Attorney General in charge of the Claims Division, and am advised that he will arrange to have Messrs. McGOVERN and COONEY appear at the time and place designated, with the understanding that the Committee's questions will be restricted to inquiries as to whether Mr. NEWBOLD MORRIS or Mr. PEYTON FORD ever talked to any of them about the United Tankers and Newbold Morris cases, and if so, when and where. Mr. STALEY will be in court on Monday, May 5th, but will appear at your convenience thereafter."

It was further noted from an examination of the file that a Motion For An Order Of Discovery filed in the United States District Court, Eastern District of Virginia, sometime in June, 1952, by THOMAS F. McGOVERN wherein he sought the court to order to direct the production of the diary of NEWBOLD MORRIS for the period 1947 through 1949, as well as the diary of HOUSTON WASSON, relative to the Chinese, the tanker companies and the China International Foundation involved in the suit for the period 1947 through 1949. The file indicates that the libel for the forfeiture of the Tanker MEACHAM is still pending.

The other case in the Department in connection with the above matter is a criminal investigation concerning certain alleged violations by the subjects, North American Shipping and Trading Company; United Tanker Corporation; United States Petroleum Carriers, Incorporated; American Overseas Tanker Corporation; Simpson; Spence and Young. This case was initiated by a letter dated June 15, 1951, from Secretary of Commerce CHARLES SAWYER to the Attorney General, Department of Justice. In this letter to the Attorney General, Mr. SAWYER states as follows:

"On the recommendation of Admiral COCHRANE, the Maritime Administrator, I am transmitting herewith a series of reports prepared by the Maritime Administration with reference to possible violation of several criminal statutes of the United States and the possibility that certain of the transactions involve civil fraud on the United States. The transactions described relate to sales of vessels to various purchasers under the provisions of the Merchant Ship Sales Act of 1946.

"These reports are the result of an investigation made by the Maritime Administration commencing in late 1950, when circumstances aroused the suspicion of the officials of the Maritime Administration. Several attorneys and investigators of the Maritime Administration were assigned to the task and have worked upon it for a number of months. The aid of the General Accounting Office was requested, and employees of that office participated effectively in what became an exhaustive investigation.

"The reports are as follows:

- "1. Inv. File 704 - The China International Foundation, Inc., United Tanker Corporation, and affiliated and subsidiary corporations - with a separate volume of exhibits.
- "2. Inv. File 707 - United States Petroleum Carriers, Inc. with a separate volume of exhibits.
- "3. Inv. File 708 - North American Shipping and Trading Co., Inc. - with attached exhibits.
- "4. Inv. File 709 - American Overseas Tanker Corporation - National Tanker Corporation - with attached exhibits.

"All these cases involve the requirement imposed by the former Maritime Commission as a condition of sale, pursuant to the Merchant Ship Sales Act of 1946, U.S.C. Title 50 App. Sections 1735-1746, that the buyer be a citizen of the United States within the meaning of Section 2, Shipping Act, 1916, 46 U.S.C. Sections 801, 802, 803.

"It is my request that these reports be studied by your Department with a view of determining whether or not any of the following statutes, among others, have been violated by any of the persons or corporations mentioned therein:

- "1. 18 U.S.C. Sec. 1001, relating to false representations in matters within the jurisdiction of Government agencies.
- "2. Section 9, Shipping Act, 1916, 46 U.S.C. Sec. 808, prohibiting the transfer of any interest in an American vessel to aliens without the prior approval of the Maritime Commission or its successors.

- "3. Section 37, Shipping Act, 1916, 46 U.S.C. Sec. 835, relating to such transfers in time of emergency as proclaimed by the President.
- "4. Section 40, Shipping Act, 1916, 46 U.S.C. Sec. 838, relating to false declarations to customs collectors in respect of citizenship.
- "5. Section 41, Shipping Act, 1916, 46 U.S.C. Sec. 839, relating to the violation of conditions imposed by the Commission in granting its approval to vessel transfers under Section 9, supra.

"The several remedies which may be available, if you conclude that these statutes have been violated, would include forfeiture of the vessels, criminal prosecution, rescission of vessel sales for fraud, and other remedies for breach of contract. Courses of administrative action available to the Maritime Administration appear to include mortgage foreclosure in some instances and ordering certain of the vessels returned to United States registry pursuant to specific contract provisions. However, I believe that such administrative action should be taken only after prior consultation with your Department.

"Memoranda pointing out the remedies available in each case and the facts upon which they would be based are now in preparation by the General Counsel of the Maritime Administration and will be transmitted to you as soon as they are completed.

"I invite your attention to the fact that a subcommittee of the Executive Expenditures Committee of the United States Senate is conducting an investigation into these matters and it may be that you will wish to have members of your staff confer with the Committee's counsel."

The file also contains an undated memorandum from FRANCIS T. GREENE, Deputy General Counsel of the Maritime Administration, concerning a conference on August 22, 1951, between Mr. NEWBOLD MORRIS, representing the China International Foundation, Incorporated, and Messrs. STAKEM and GREENE of the Maritime Administration. The first paragraph of this memorandum is being quoted, which is as follows:

"Mr. MORRIS stated that he was interested in trying to clear up the clouded situation affecting the SS MEACHAM, which is now under contract of sale to CHAS. KURZ. Mr. MORRIS pointed out that prior to acquisition of the vessel he had gotten an opinion from GOERTNER that United Tankers was a citizen within the meaning of section 2 of the Shipping Act, 1916. He further stated that although he had not discussed the problem with Judge STALEY, he had had a meeting with JUDSON BOWLES of the Department of Justice."

There was also contained in the file a memorandum from ALLEN J. KROUSE to the files dated December 6, 1951, wherein it is stated it was the consensus of all present at a conference held on December 5, 1951, in the office of Mr. STRINE attended by Messrs. STRINE, JUDSON BOWLES, JOHN T. GRIGSBY, KROUSE and THOMAS E. STAKEM, Assistant to the Deputy Administrator, Maritime Administration, that the reports reflected evidence of a conspiracy to defraud the United States as well as evidence of conspiracy to violate Section 1001, Title 18, United States Code, and that these matters should be laid before a Grand Jury for investigation.

There was also contained a communication from JAMES M. MCINERNEY, Assistant Attorney General, Criminal Division, to the Director, Federal Bureau of Investigation, dated December 26, 1951, wherein sets forth background information concerning this matter which is as follows:

"The Criminal Division has before it for consideration the matter of the purchase, from the United States Maritime Commission and its successor the Maritime Administration, of approximately 60 vessels by the above subjects, either directly or through some 30 affiliated and subsidiary corporations which the subjects created or utilized for the purpose. The method of acquisition of vessels was generally similar so far as the subjects were concerned.

"In purchasing a ship from Maritime, or in securing mortgage aid from Maritime in connection with such a purchase, a corporate applicant must, under §802, Title 46 USC, establish that the controlling interest in the corporation is owned by United States citizens free from any control by non-citizens whether by contract, understanding or otherwise. One of the principal purposes of the Shipping Act and other maritime statutes is to prevent vessels of the American Merchant Marine from coming under the control of aliens. It appears evident in this matter that in order to circumvent the citizenship requirements of the statute and to make a colorable showing of United States ownership, the corporations involved in these transactions deceived Maritime by means of false applications and affidavits as to ownership and financial control which concealed the fact that they were in substantial part if not wholly financed by and under the economic control of foreign interests. It also appears that in some instances false financial statements and affidavits, designed to cover up the true picture respecting transfer of funds between the corporations, were submitted to Maritime in order to obtain mortgage aid and to conceal the true picture after such aid had been granted.

"The over-all picture indicated the existence of one or more conspiracies to defraud the United States, in violation of §371, Title 18 USC, by making false and misleading representations to government officials and by impairing governmental functions and rights, particularly the rights of the United States to administer the Merchant Ship Sales Act and other statutes applicable to the governmental program administered by Maritime. The false representations as to ownership, control, and financial status of the corporations concerned also appear to be violations of §1001, Title 18."

There was also in the file a memorandum from ALLEN J. KROUSE to JAMES M. McINERNEY dated April 14, 1952, relating to the above matter which is as follows:

"Under date of March 28, 1952, I submitted a memorandum relative to the above subject. The purpose of this memorandum was to call attention to the possibility of criminal prosecution of subject and others for violation of certain statutes cited therein. In connection with the acquisition of tankers from the Maritime Commission. The theory for such a prosecution was based on a conspiracy to defraud the United States by the concealment of material facts. This theory resulted from and was stimulated by a study of testimony given before the Hoey Committee of the Senate.

"On Friday, April 11, 1952, I received a telephone call from Mr. THOMAS E. STAKEM, Assistant to the Deputy Administrator, Maritime Administration, in which he advised me he had found a letter which he thought should be called to my attention. He gave me the substance of the letter and indicated I would be furnished a copy.

"On Monday, April 14, 1952, Mr. STAKEM called at my office and handed me the attached photostat copy of the letter to which he had previously referred. He explained the sudden appearance of this letter by saying it was not in the regular files of the Commission, that an employee by the name of MORSE had read about the hearings in connection with the tanker sales and had just brought it to his attention.

"This letter dated January 29, 1948, is from Honorable WILLIS W. BRADLEY, former Chairman, House Merchant Marine & Fisheries Committee, to Admiral W. W. SMITH, former Chairman, New Jersey Maritime Commission. Although the contract for the sale of the vessels was signed the same day as Mr. BRADLEY's letter, it is significant that the Commission was put on notice of the speculative character of the transaction prior to delivery, and of the fact that the vessels would be turned over to Chinese. This goes to the very crux of the theory upon which I predicated my memorandum of March 28th, viz, a concealment of the speculative character of American Overseas' acquisition and a concealment of the true purchaser without opportunity to the Commission to pass upon the qualifications of that purchaser. If the victim of a fraud is apprised of the scheme against him before it is consummated, but permits himself to be defrauded after notice, then there is no offense."

Also contained in the file was a memorandum from FRED STRINE to JAMES M. McINERNEY dated April 23, 1952, which relates that it was concluded that the subject cases in the above matter should be made the subject of a full time assignment and that Mr. ALLEN KROUSE received that assignment at which time the files were turned over to him. This memorandum states it appeared that no memoranda were prepared in the Criminal Division prior to the assignment of these cases to Mr. KROUSE.

Contained in the files was also a memorandum from JUDSON W. BOWLES to JAMES M. McINERNEY dated May 1, 1952, wherein he sets forth a chronology of his actions in connection with the instant matter, pertinent parts which are being set forth as follows:

"July 24. I received a telephone call from Mr. GRIGSBY to come right over to Mr. STRINE's office. Messrs. NEWBOLD MORRIS, HOUSTON WASSON, and HAROLD LENFEST were there. Mr. GRIGSBY and I listened to what they had to say, and we suggested that they write us a letter setting forth any information they might wish us to give consideration. Such a letter, signed by Mr. WASSON and dated July 25, 1951, was received a few days later.

"During the early part of August as I recall, Deputy Attorney General PEYTON FORD's secretary telephoned me and said that Mr. FORD wanted to see me right away. Mr. FORD had before him what appeared to me to be a letter. At his request I explained generally what the subject cases were all about. He asked me how Mr. MORRIS fitted into the picture, and I told him all I knew at that time in that regard. Before I left, Mr. FORD wrote something in longhand on the paper (letter?) he had before him.

"Early in September these cases were assigned fulltime to Mr. ALLEN KROUSE, and I had nothing further to do with the matter except to sit in on occasional conferences up to the time when the Federal Bureau of Investigation was requested to conduct an investigation.

There was nothing additional in this file which was pertinent in connection with the investigation of this matter.

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WCH:agg

The following investigation was conducted by Special Agent WILLIAM C. HIGGINS, and consists of a review of the Department of Justice file #60-9-104, Sections 1 and 2, dated January 15, 1946 to July 21, 1952, entitled "Street Lighting Equipment," also "U.S. vs General Electric Company, et al."

A careful perusal of instant file discloses that following the receipt of complaints by the Department of Justice, charging "collusion among the principal manufacturers of street lighting equipment on prices, and attempts by these companies to exclude other concerns from the field," as reflected in letter dated July 29, 1948 from HERBERT A. BERGSON, Assistant Attorney General, to the Attorney General (TOM C. CLARK), the former requested the Attorney General in instant letter "that authority be granted to present this matter to the Federal Grand Jury at either Cleveland, Ohio or Milwaukee, Wisconsin." Instant letter bears a notation on the routing slip transmitting this letter as follows:

"8-10-48 -- Authorized. TCC."

Subsequently, by memorandum to the Attorney General, dated November 8, 1948, BERGSON presented for the Attorney General's approval and signature a "Proposed Complaint Against General Electric Company, et al," and inasmuch as this letter presents a background summary of this case, it is quoted in full as follows:

"Attached for your approval and signature is a proposed complaint under the Sherman Act against General Electric Company, ~~Westinghouse Electric Corporation~~, ~~Line Material Company~~, ~~Union Metal Manufacturing Company~~, ~~Pacific Union Metal Company~~, and ~~Holophane Company, Inc.~~ charging them with engaging in compensations and conspiracies to restrain and monopolize and with having monopolized trade and commerce in the manufacture and distribution of street lighting equipment. It is proposed that this complaint be filed in the Northern District of Ohio at Cleveland.

"The complaint charges that under the terms of the conspiracies the defendants (a) gave Union Metal a monopolistic position in the manufacture of street lighting standards by assisting it in acquiring its competitors and by agreeing on prices at which its products would be sold, (b) gave Holophane a monopolistic position in the manufacture and distribution of refractors for street lighting, (c) fixed prices, and (d) allocated territories.

"The following relief is sought: (a) termination of price-fixing contracts, some of which were in writing; (b) divestiture by Union Metal of competing companies whose stock or assets it acquired; (c) an order requiring Union Metal and

Holophane to sell on equal terms to all prospective customers; (d) injunctions against using delivered price systems; (e) miscellaneous injunctions.

"If you approve, it is planned to recommend to the Grand Jury that an indictment be returned charging the same offenses against the same corporate defendants and seven of their officers before filing the complaint.

"The evidence in this case is very strong and includes documents written by defendants manifesting consciousness of guilt, resulting in destruction of incriminating evidence. There is also direct testimony by General Electric principal employees in which price-fixing activities are admitted."

It was noted that this letter bore the following authorization:

"Authorized as of 11-9-48."

No name or signature appeared on this authorization.

Section 2 of instant file contains a Department of Justice press release dated May 27, 1952 which, inasmuch as it presents further background information, is quoted in part as follows:

"The Department of Justice announced today that EMERICH B. FREED of the Federal District Court at Cleveland, Ohio, accepted pleas of nolo-contendere, and imposed fines in a criminal antitrust case against four leading manufacturers of street lighting equipment, and six of their officers and directors."

It was noted that this press release reflected that a Consent Judgment was entered by Judge FREED in a companion civil antitrust case against General Electric, and its co-defendants, thereby terminating the illegal practices and containing safeguards against the renewal of such practices.

The final paragraph of instant press release disclosed:

"The Government's cases were handled by DONALD P. McHUGH, Assistant Chief of the Trials Section of the Antitrust Division, assisted by WILLIAM H. McMANUS of that section. The judgment was prepared by WILLIAM D. KILGORE, JR., Acting Assistant Chief of the Judgments and Judgment Enforcement Section of the Antitrust Division, under the general supervision of EDWIN H. PEWETT, Acting Chief of that section."



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WCH:agg

It was also noted that BERGSON was not mentioned in the second section, and that he neither represented the Government, nor had anything to do with defendants.

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GENERAL ELECTRIC LAMP CASE

On August 21, 1952 SA's BERNARD E. BUSCHER and WILLIAM T. FORSYTH interviewed HARRY N. BURGESS, Attorney, Anti-Trust Division, United States Department of Justice, Room 3315, regarding his connection with the General Electric Lamp Case. Mr. BURGESS advised that he had attended numerous conferences with Attorneys and Representatives of the General Electric Company and stated that at these conferences some of the other participants were SIGMUND TIMBERG and JOHN N. JAMES. He advised that some of the names he recalled as having represented General Electric were QUINCY BALDWIN, General Counselor for the Lamp Department of General Electric and RAY LEUBBE, Vice-President and General Counselor for the General Electric Company. He stated that these conferences followed an extensive trial in this case in New Jersey after which Judge FORMAN had written a long opinion in favor of the Justice Department. In the fall of 1950 General Electric approached the Department of Justice to negotiate regarding a settlement of the General Electric Lamp Case. He pointed out that at the time the Department also had under consideration a case regarding Fluorescent Lamps which had not as yet gone to trial. Mr. BURGESS pointed out that it was generally known in the Department that they could "wrap up both cases at once" inasmuch as the facts of both cases were the same, and that if they reached a settlement in the Incandescent Lamp Case they would be able to use the same agreement for the Fluorescent Lamp Case. He stated that there was a meeting of minds on gathering issues involved in the settlement, and that they had at least fifteen separate negotiating sessions. Mr. BURGESS stated that the negotiation finally broke down and no settlement could be reached because of at least two issues where there could be no compromise reached.

1. General Electric had used patent licensed agreements with foreign companies in which General Electric would give them exclusive license on patents and in return get exclusive rights to the foreign companies' patents and any patents subsequently developed and acquired by the foreign companies. In this connection, General Electric traded key personnel who had the "no-how" in the production of incandescent lamps with these foreign companies. Thus they funneled all the

world technology in lamp production to themselves. The Department took the position that General Electric should not go into these reciprocal agreements on patents and "no-how".

2. Mr. BURGESS stated that the Department took the position that General Electric should be required to issue licenses for all of their patents and thus make them available to their small competitors.

Mr. BURGESS pointed out that previous to this discussion, Westinghouse, in 1942, had entered into a consent judgment with the Department of Justice, which in the light of events taking place during these negotiating sessions, appeared to be entirely inadequate inasmuch as they were involved in the Incandescent and Fluorescent Lamp Cases. Mr. BURGESS stated that the Department of Justice wanted Westinghouse to agree to the same terms as would be made with General Electric. He pointed out that Westinghouse was not a party in the negotiations which were taking place with General Electric.

Mr. BURGESS stated that it appeared that the Justice Department would get a settlement with General Electric over the issues involved. Westinghouse came into the Department and advised that they would not sign any agreement or agree with terms set up for General Electric if General Electric was the patented licensing agency for the industry. They held that this would allow General Electric to have knowledge of the identity and production and capacities of their competitors and further they held that General Electric should be compelled to dedicate its licenses, which would in effect make the patent licenses and rights of General Electric available for the use of the public.

Mr. BURGESS stated that the Department considered the position of Westinghouse and did not want to conclude negotiations with General Electric unless it included Westinghouse and both the Fluorescent and Incandescent Lamp Cases.

Mr. BURGESS stated that in early 1951 RAY LEUBBE, Counsel for General Electric, accompanied by several other representatives of General Electric, came to the Department of Justice and contacted HERBERT A. BERGSON to appeal to BERGSON to modify the Department's position. Mr. BURGESS advised that Mr. BERGSON backed up the staff's position and would not modify in any way the points of issue in the settlement negotiations. He stated Mr. BERGSON attempted to rephrase the agreement and "sugar coat it" but General Electric "wouldn't buy it". Mr. BURGESS pointed out that to the best of his recollection, BERGSON had had no part in the discussions prior to that with the General Electric Company.

Mr. BURGESS advised that to the best of his recollection there was a general agreement among the members of the staff involved in the negotiations with the exception of R. HORACE ROBBINS, who felt that the proposed judgment did not go far enough in opening up distribution channels. Mr. ROBBINS felt that the agreement was inadequate in rights to distribution but could offer no better solution. Mr. BURGESS stated that at no time did BERGSON show any indication to favor General Electric in this matter.

Mr. BURGESS advised that the staff put forth a plan to have General Electric set up a "going concern" including a plant for production of light bulbs, distribution, sales, and personnel for the operation of this concern. This concern was to be operated by General Electric for a certain period of time in order that the concern could build up a reputation and good-will by use of the Company name, and that eventually this concern would be sold to other investors, possibly to the highest bidder.

It is to be noted that he stated that this was not a suggestion of the General Electric Company but was initiated by the members of the Department of Justice.

Mr. BURGESS stated that to the best of his recollection there had never been any question of irregularities in handling of any cases in the Department of Justice. He stated that there has been disagreement on occasions on matters of judgment as there would naturally be, but no indication of irregularity has, however, come to his attention.

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GS/WAR:fd

PETER THOMPSON ET AL CASE

The following investigation was conducted by SA's GUSTAVE SARIDAKIS and WILLIAM A. ROYER:

Mr. M. L. REESE, Director, Office of Administration, Renegotiation Board, with offices located in the McShane Building, 333 C Street, Northwest, made available the file pertaining to the Revell, Thompson and Company--1945 case, which contained a letter dated November 16, 1951, typed on stationery of the Ford, Bergson, Adams, and Borkland Law Firm, with offices in the World Center Building, 918 16th Street, Northwest, Washington, 6, D. C. to Mr. RICHARD B. CROSS, Chairman, Navy Renegotiation Division, Renegotiation Policy and Review Board, Washington, 25, D. C. which reads as follows:

"Dear Mr. CROSS:

"On behalf of Mr. PETER THOMPSON, whom we represent, we would appreciate the opportunity to examine the renegotiation correspondence between the Navy and Revell-Thompson and particularly to examine the letter initiating the audit, the letter of clearance, and the financial statement filed by the company.

"Very truly yours,

FORD, BERGSON, ADAMS, AND BORKLAND

By: SUMNER M. REDSTONE"

The letter contained a pencil notation reading:

"File stripped of all unauthorized matter and shown to Mr.  
REDSTONE 11-16-51."

Initials following the pencil notation were illegible.

Mr. REESE advised that Mr. RICHARD B. CROSS is presently a member of the Washington Regional Renegotiation Board and a Navy Appointee, with offices located in the Rizik Building, 1737 L Street, Northwest. REESE advised CROSS is presently out of town on vacation and he suggested that the Washington Regional Renegotiation Board be contacted to learn his present whereabouts.

Miss DOROTHY CHATTAWAY, Administrative Assistant, Washington Regional Renegotiation Board, 1737 L Street, Northwest, advised that CROSS

can be reached in care of A. W. MOFFAT, 100 Pine Street, Manchester, Massachusetts.

Mr. SUMNER MARCUS, Assistant General Counsel, Renegotiation Board, advised that none of the members of the law firm of Ford, Bergson, Adams, and Borkland have contacted him in instant matter. He went on further to relate that the case, at the present time, is being supervised by PATRICK KILDEA.

Mr. PATRICK KILDEA, Attorney, Office of the General Counsel, Renegotiation Board, advised that he is handling the case at the present time and is the liaison between the Renegotiation Board and the Department of Justice. He informed that this case has been assigned to him for approximately the last three months and, during this period, no attorneys for the defendants, that is, PETER THOMPSON et al, have contacted him in this case.

GERRIT CONGER, Attorney, Office of General Counsel, Renegotiation Board, advised that he handled the case before it was transferred to KILDEA. However, no outside attorneys have contacted him in this matter.

WILLIAM F. DELANEY, Attorney, Fraud Unit, Criminal Division, Department of Justice, advised that the PETER THOMPSON et al case was assigned to him in approximately June, 1952 and he is, at the present time, supervising the case. He stated that no one from the law firm of Ford, Bergson, Adams, and Borkland has contacted him in the case. However, he went on further to relate that FRANK WALKER of the General Crimes Unit, Criminal Division, had told him that FORD had called him about this case and that FORD had requested Mr. WALKER to have the Federal Bureau of Investigation interview his client, PETER THOMPSON, before the case was closed. He knew of no irregularities or mishandling of any cases within the department.

Mr. FRANCIS X. WALKER, Chief of the General Crimes Section, Criminal Division, Department of Justice, advised that on approximately September 25, 1951, Mr. PEYTON FORD had called him and asked if an investigation was being made of his client, PETER THOMPSON. WALKER stated that he advised FORD that an investigation had been initiated in New Orleans pertaining to the PETER THOMPSON firm.

WALKER also stated that on December 10, 1951 PEYTON FORD came to his office and requested that his client, PETER THOMPSON, be interviewed by the agents of the FBI before completion of the investigation. WALKER stated that, in his opinion, this was not an unusual request of an attorney

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in regards to a client.

He also stated that FORD called him shortly after that to inform him that his client was going to take a trip to Europe and he wondered if the FBI was going to look for him while he was away inasmuch as he had not been interviewed as yet by agents of the FBI. Subsequently, WALKER received another phone call from FORD at which time he stated that his client had returned from Europe and was interviewed by the Bureau. He also made available the following memorandum, dated December 10, 1951, that is set out as follows:

"TO: DIRECTOR, FBI December 10, 1951

FROM: JAMES M. MC INERNEY, Assistant Attorney General

SUBJECT: PETER THOMPSON, ~~P. Thompson and Company~~ et al  
FRAUD AGAINST THE GOVERNMENT 46-32-60

"The Department has been informed that PETER THOMPSON, subject in the above entitled matter, has requested that he be interviewed so that he may submit certain statements on his own behalf in this matter. In connection with this interview it is suggested that Mr. THOMPSON be exhaustively questioned. A copy of this memo is being made available to the USA at New Orleans, Louisiana."

WALKER also advised that he had never been contacted by anyone from the Ford, Bergson, Adams, Borkland Law Firm concerning any case he had ever handled since being assigned to the Department of Justice, with the exception of the PETER THOMPSON case as set forth above.

Mr. ANTHONY A. FLEGER, Attorney in the Racket Section, Criminal Division, Department of Justice, with offices in the Old Post Office Building, advised that he did not recall the PETER THOMPSON case, and that to his knowledge no one from the law firm of Ford, Bergson, Adams, and Borkland had ever contacted him regarding any case he had handled while employed by the Department of Justice.

Mr. FRANK DE NUNZIO, Attorney in the Trial Section, Criminal Division, Department of Justice, with offices in the Old Post Office Building, advised that he had formerly been assigned to the Fraud Section of the Criminal Division but stated that he could not recall ever handling the case pertaining to PETER THOMPSON et al. DE NUNZIO further stated he had never been contacted by any member or representative of the Ford, Bergson, Adams, and Borkland Law Firm regarding any case he had handled since being employed by the Department of Justice.

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AMERICAN PETROLEUM INSTITUTE

It is to be noted that during an interview in connection with the Standard Oil Company (Indiana) matter, GEORGE B. HADDOCK, Attorney, Department of Justice, advised that when the Department of Justice posted a notice of dismissal with the United States District Court for the District of Columbia against the defendants in the American Petroleum Institute case, it was ascertained the Court had previously dismissed the case for want of prosecution.

A review of the Docket, Civil Division, United States District Court for the District of Columbia, concerning civil suit filed by the Justice Department against the American Petroleum Institute (368 oil companies), Docket Number 8524, Volume 18, reflects that on January 10, 1951, the Clerk of the Court made entry dated October 21, 1948, as follows: "Dismissed under Rule 13."

ROBERT STEARNS, Deputy Clerk, United States District Court, advised the above entry was made by the Clerk in accordance with regular procedure, and that there was no particular significance as to when the entry was made, as far as the case was concerned. STEARNS merely stated, "It was just not recorded" by the Clerk until January 10, 1951. He pointed out an additional notation on the Docket dated June 6, 1951, reflecting a notice of dismissal by the Department of Justice. He stated this entry also had no bearing on the case inasmuch as stated above, it was previously dismissed by the Court on October 21, 1948. Mr. STEARNS was unable to furnish a reason as to why the Department of Justice made the above entry.

Review of the Rules of Federal Procedure for the District Court of the United States for the District of Columbia, under Rule 13, reflected the following:

"RULE 13:

"(a) Clerk to Warn Dilatory Party; Dismissal Without Prejudice;  
Notice of:

"If a party seeking affirmative relief fails for 5 months, from time action may be taken, to comply with any law, rule or order requisite to the prosecution of his claim, or to avail of



any right arising through the default or failure of an adverse party, the clerk shall warn the dilatory party by mail that his claim will stand dismissed if he fails to comply with this rule, making a note in the docket of the mailing; and if the delinquency continues for 6 months the complaint, counter-claim, cross-claim or third party complaint of said party, as the case may be, shall stand dismissed without prejudice, whereupon the clerk shall make entry of that fact and serve notice thereof by mail upon every party not in default for failure to appear, of which mailing he shall make an entry.

"(b) Failure to Warn; Effect:

"A failure of the clerk to give the warning, as above provided, will not affect the running of the 6 months period, or otherwise relieve a party from operation of this rule."

On August 20, 1952, W. B. WATSON SNYDER advised the American Petroleum Institute Case involved violations of the SHERMAN, CLAYTON, and Interstate Commerce Commission Acts, and violations of all activities of the oil industry. He furnished the following four reasons which he stated was the consensus of opinion of the Staff of the Justice Department for the dismissal of the case.

1. The case had so many defendants it was unwieldy to present to the Court and, further, that experience with that type of case before the Court has been unsuccessful in the past;
2. The evidence collected, which was the basis for the claim filed, embodied the years 1940 and 1941. Therefore, a terrific expense and use of manpower would be necessary in order to bring the evidence up to date;
3. A spot check disclosed at least fifty percent of the witnesses had died or taken positions with the defendant companies;
4. A program was adopted in 1946, approved by the Attorney General, to substitute segment suits in lieu of the over-all big case activity. In addition, during 1949 segment cases had already been filed, and on one occasion a case actually won by the Government.

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SNYDER furnished the names of a few defendant oil companies involved in the American Petroleum Institute Case:

\* Continental Oil Company,  
Headquarters - Houston, Texas,  
JAMES J. COSGROVE, Chairman of the Board in 1950.

\* Gulf Oil Company,  
Gulf Building,  
Pittsburgh, Pennsylvania,  
SIDNEY SWENSRUD, President; ARCHIE GRAY, Counsel.

\* Atlantic Refining Company,  
260 South Broad Street,  
Philadelphia, Pennsylvania,  
ROBERT H. COLLEY, President; CHARLES I. THOMPSON, Counsel - With  
firm of Ballard, Spahr, Andrews and Ingersoll; 1035 Sand Title  
Building; Philadelphia, Pennsylvania.

\* Cities Service Company,  
New York, New York,  
W. ALTON JONES, President.

\* Consolidated Oil Corporation (later the ~~+~~ Sinclair Oil Corporation),  
630 Fifth Avenue,  
New York City, New York,  
HARRY F. SINCLAIR, President; PATRICK HURLEY, Attorney, in 1950.

\* Ohio Oil Company,  
Findlay, Ohio.

\* The Phillips Petroleum Company,  
Bartlesville, Oklahoma,  
DON EMERY, General Counsel, or RAYBURN C. FOSTER, Bartlesville, Oklahoma.

Standard Oil of Indiana,  
910 South Michigan Avenue,  
Chicago, Illinois,  
ROBERT E. WILSON, President; HAMMOND CHAFFETZ, Counsel.

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~~COMPANY~~  
\* Standard Oil of New Jersey,  
30 Rockefeller Plaza,  
New York, New York,  
ROBERT HASLAM, Executive. (SNYDER pointed out that this individual  
was for a short time President of the Service Oil Company, which  
has been discussed in a previous report.)

\* Sun Oil Company,  
ROBERT DUNLOP, President,  
1608 Walnut Street,  
Philadelphia, Pennsylvania.

\* The Texas Company,  
HARRY T. KLINE,  
135 East Forty-Second Street,  
New York City, New York.

Mr. SNYDER advised he personally had examined the Court Docket in  
connection with the American Petroleum Institute Case, and observed the entries  
as previously described. He attempted to ascertain why the entries had been  
so made and why the Department of Justice had not been notified of the Court's  
intention to dismiss, with negative results.

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On August 20, 1952, Confidential Informant T-1, of known reliability, made available the following copy of an office memorandum dated August 16, 1950, concerning the American Petroleum Institute suit, from HOLMES BALDRIDGE to Assistant Attorney General BERGSON:

"Attached is a suggested rough draft of a press release announcing dismissal of the A.P.I. suit.

"I think the suit should be dismissed because it is impracticable to try it due to the number of defendants involved, the nature of the practices peculiar to the oil industry which raise problems under the antitrust laws, and the sheer mechanics of courtroom procedure. It would take years to complete the trial. The record would be so complex and bulky that even the trial court would necessarily become confused.

"I think we should pursue vigorously our policy of filing segment suits on a regional or business-practice basis. Such suits will test all problems raised by the A.P.I. suit and they will be manageable from a trial point of view. We already have on file the West Coast suit and exclusive dealer suits against ~~Standard Oil of California~~, ~~Richfield Oil Corporation~~, and the Sun Oil Company. We have in process of investigation suits involving the misuse of pipelines (both crude oil and refined petroleum products), monopolization of modern processes of refining through patent pools, and cases involving price-fixing agreements on the purchase and sale of crude oil and refined petroleum products. These suits need additional staff.

"The timing of the dismissal is important. As to this I make no recommendation since it is a policy matter."

T-1 also made available the following copies of correspondence dated October 27, 1950, and December 6, 1950, between the Continental Oil Company, Houston, Texas, and the Department of Justice:

"CONTINENTAL OIL COMPANY

"P.O. Box 2197  
Houston 1, Texas  
October 27, 1950

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"The Honorable James Howard McGrath  
Attorney General, United States  
Washington, D. C.

"Dear General McGrath:

"As suggested at the time of our recent meeting in Washington, this letter will confirm the understanding which Dan Moody and I had with you that if and when the case of United States v. ~~A.P.I.~~, et al, Civil Docket No. 8524, now pending in the United States District Court for the District of Columbia and commonly referred to as the "Mother Hubbard Case", should be dismissed, and if any further anti-trust action against Continental Oil Company under Federal law is contemplated, then before suit is instituted, an opportunity will be given to representatives of the Company to discuss with members of the Department of Justice the situation and circumstances which in its opinion might be the basis for such an action.

"Governor Moody and I both appreciate the courtesy which you extended in giving us the appointment to discuss the present status of the anti-trust litigation.

"Sincerely yours,

"(Sgd) James J. Cosgrove  
James J. Cosgrove  
Chairman of the Board  
of Directors"

"December 6, 1950

"Mr. James J. Cosgrove  
Chairman of the Board of Directors  
Continental Oil Company  
P. O. Box 2197  
Houston 1, Texas

"Dear Mr. Cosgrove:

"This will acknowledge your letter of October 27, addressed to Attorney General James Howard McGrath. Your letter confirms an understanding with the Attorney General that

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"if the case of United States v. American Petroleum Institute is dismissed without prejudice, representatives of the Continental Oil Company will be given an opportunity to discuss the conduct involved with representatives of the Department of Justice before any further suits under the Sherman Antitrust Act are instituted against the Continental Oil Company.

"Sincerely yours,

"WM. AMORY UNDERHILL  
Acting Assistant Attorney General"

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AGK:bms

E. LEITZ CASE

The following investigation was conducted by SA ALEK G. KARIS and SA EDGAR L. CARTER.

HARRY LEROY JONES, Attorney, Office of Alien Property, who was interviewed in his office, Room 255, HOLC Building, First and Indiana Avenue, N.W., on August 19, 1952, informed that he was in charge of the Alien Property Unit in 1945 and 1946; and that the E. LEITZ case was assigned to him. He said that he came back from Germany in 1946 and that this case was on his list for investigation in Germany. JONES said that he recalls very little about the case and that the case was worked mostly by Mrs. LORETTA GOLDMAN, formerly LORETTA MARTONE. JONES said that in about 1946, it was contemplated that HERBERT BERGSON would be assigned as Assistant Attorney General in charge of Alien Property and that in anticipation of this assignment, a few memos in this case were routed to Mr. BERGSON.

JONES said that he recalls no action, decisions, opinions, overrulings, or concurrences by Mr. BERGSON and believes that BERGSON had nothing to do with this case. JONES said that he does not recall that any of the other subjects had anything, whatsoever, to do with this case. JONES related that no evidence or indication of irregularities or mishandling in this case or any other case that he knows of, ever came to his attention. JONES added that Mrs. GOLDMAN would be the person that would know the facts of this case.

The following investigation was conducted by SA ALEK G. KARIS and SA WILLIAM C. HIGGINS.

Mrs. LORETTA GOLDMAN, Attorney, Office of Alien Property, Litigation Unit, Room 242, HOLC Building, was interviewed on August 20, 1952, and stated that she was assigned the E. LEITZ case which was the case where the plaintiffs sued to get back stock which the Government took over and which the plaintiffs originally paid \$5000 for and was worth \$250,000. She said this case was an air-tight case for the Government and that the Government got all it wanted or could hope for in this case. Mrs. GOLDMAN said that the plaintiffs, through their attorney, after realizing they would lose the case, made a phone call to DAVID BAZELON, offering

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to drop the suit and buy the stock from the Government for \$5000, but that this compromise was turned down by Mr. BAZELON in Mrs. GOLDMAN's presence. She said that the plaintiffs then dropped their suit with prejudice and received nothing and thus the results were completely satisfactory for the Government. She said that she never heard of any of the subjects having any connection or interest in this case in any way whatsoever.

Mrs. GOLDMAN added that in this case, or any other case, she knows of no evidence or indication of irregularities or mishandling ever coming to her attention.



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E. LEITZ CASE:

The following investigation was conducted by SA ALECK G. KARIS:

The following information set out herein was obtained in an investigation conducted in December, 1951, and January, 1952, of E. LEITZ, Inc. in regard to the Office of Alien Property:

HAROLD I. ~~BAYNTON~~ was interviewed by SA GASTON C. THOMPSON and advised as follows:

He said he first met Mr. HOROWITZ in 1941 through then Assistant Attorney General HERBERT A. BERGSON, in charge of the Anti-Trust Division of the Department of Justice, at which time HOROWITZ was making frequent trips from New York City to Washington, D. C. BAYNTON advised that this friendship developed and eventually Mrs. HOROWITZ and Mrs. BAYNTON became close friends and the two families visited in New York City and Washington D. C.

Mr. BAYNTON further advised that his memory is rather vague as to the exact person that suggested the name of HOROWITZ but that HOROWITZ was elected to the Board as a result of a discussion between HERBERT BERGSON, PEYTON FORD, former Deputy Attorney General, and himself. He advised that he believes to the best of his knowledge the name of HOROWITZ was first suggested either by BERGSON or FORD and that he, BAYNTON, was in full agreement.

DAVID L. BAZELON was interviewed by SA GASTON C. THOMPSON and stated that he could not recall the exact circumstances relating to the election of HAROLD ERNEST ~~HOROWITZ~~ to the Board of Directors of ~~E. Leitz~~, Inc. He stated that HOROWITZ was a personal friend of HERBERT BERGSON, HAROLD BAYNTON, and PEYTON FORD, and that all of this group were very much in favor of HOROWITZ being elected to the Board of Directors of E. Leitz, Inc. He advised that while he personally was not too impressed with HOROWITZ, when he first met him, he had no objection to the election of HOROWITZ in view of the attitude of others in the Department and therefore agreed to the election of HOROWITZ.

SAs WALTER B. HOLMES and CARL L. BENNETT reviewed the E. Leitz, Inc. Corporate Minute Book and the following was noted:

The minutes of the postponed Annual Meeting of Stockholders of E. Leitz, Inc., held on March 1, 1948, reflected that DONALD U. EMMERT, as proxy for DAVID L. BAZELON, Assistant Attorney General and Director of the Office of Alien Property, nominated HAROLD E. HOROWITZ a Director of this company for the ensuing year. He was duly elected a Director of the corporation.

The postponed Annual Meeting of Directors of E. Leitz, Inc. was held on March 1, 1948, at which time there was a quorum of members of the Board of Directors consisting of HAROLD E. HOROWITZ, DONALD U. EMMERT, JOHN C. KELLY and JOHN W. SLACKS. It was moved by EMMERT and seconded by HOROWITZ that an Executive Committee of the Board of Directors to consist of EDWARD J. CHAPMAN, HOROWITZ and SLACKS, meet weekly at the corporation's office for the purpose of conferring regularly with the President and other officers of the corporation with respect to current operations of the company and, in general, to exercise all powers of the Board between the regular meetings of the Board and, further, that a fee of \$25 per meeting attended be paid to members of the Executive Committee other than SLACKS.

A special meeting of the Board of Directors of E. Leitz, Inc., was held on May 3, 1948 at the office of the corporation. Upon a motion made by EMMERT and seconded by CHAPMAN, and unanimously carried, HAROLD E. HOROWITZ was nominated to the office of Chairman of the Board. During the course of the meeting, EMMERT requested HOROWITZ to leave the meeting, and in his absence, upon motion of EMMERT and seconded by CHAPMAN, it was voted that HOROWITZ receive as a fee \$25 an hour when he attends to the company's business. The Directors present were EMMERT, CHAPMAN, and SLACKS.

From a review of the books, records and vouchers of the E. Leitz Company, it was determined by SAs HOLMES and BENNETT that the law firm of Ford, Bergson, Adams and Borkland received legal fees from E. Leitz, Inc. of \$11,171.12 for the year 1951.

PHILIP H. DEUTCHMAN was interviewed by SAs HOLMES and BENNETT and informed that the firm of Ford, Bergson, Adams and Borkland was engaged as attorneys for the company, effective January 1, 1951, by resolution of the Board of Directors.

The Directors voted to pay this firm a retainer of \$1,000.00 per month. The total payments made to the firm during the year 1951 amounted to \$11,171.12, including fees of \$11,000.00 and expenses of \$171.12. DEUTCHMAN explained that the invoices submitted by the firm covered services for the preceding month. Consequently, the invoice for the month of December, 1951 will not be received and paid until January, 1952.

DEUTCHMAN said that it was the opinion of the Directors that the company needed an attorney in Washington to advise the company on wage and hour regulations, OPS Regulations, and similar government regulations.

In this connection, it was noted that one of the checks issued in payment of an expense voucher submitted by HAROLD E. HOROWITZ in 1949 was actually made payable to HERBERT A. BERGSON. The voucher in the amount of \$391.35 covered expenses incurred by HOROWITZ on a trip to the West Coast. Check Number 5480 of E. Leitz, Incorporated, dated June 6, 1949, in the amount of \$391.35, was issued in payment of this voucher. This check was made payable to HERBERT A. BERGSON, 7908 16th Street, N.W., Washington, D. C. It was endorsed by BERGSON and bore the bank stamp of The City Bank, Washington, D. C., dated June 13, 1949.

Mr. DEUTCHMAN said that this expense voucher covered expenses incurred by HOROWITZ on a trip made by him to the West Coast in connection with company business. DEUTCHMAN said that HOROWITZ and BERGSON had made the trip together and BERGSON had paid certain of the expenses of HOROWITZ. This check was therefore issued to reimburse BERGSON for expenses which he incurred on behalf of HOROWITZ.

A review of the Department of Justice records concerning the expense voucher of HERBERT A. BERGSON was made by SAs HOLMES and BENNETT and the following was noted:

It is noted information is set forth in the records of E. Leitz, Inc., indicating that a check in the amount of \$391.35 was paid by E. Leitz, Inc. to HERBERT BERGSON and this expense item reflected that it was paid in connection with a trip to the west coast.

A check of the Department records was made relative to the expense voucher of HERBERT BERGSON for May of 1949. This expense voucher reflects that a Government Transportation Request was used by BERGSON for transportation on American Airlines on May 21, 1949, and United Airlines on May 25, 1949.

Travel is reflected from Washington, D. C. to Los Angeles and to Seattle, Washington.

Another Government Transportation Request is shown in the expense voucher for May 21, 1949, showing travel by American Airlines from New York, New York, to Los Angeles, California, Seattle, Washington, and return.

Accompanying the expense voucher was a personal check from BERGSON to the Department to cover the cost of the transportation by

American Airlines from New York. This cost was reflected as \$340.30 for the round trip ticket and \$51.05 as 15% tax, making a total of \$391.35."

A review of the files of the Office of Alien Property, New York City, was made by SA CARL L. BENNETT on January 7, 1952, and it was noted the files contained a typed memorandum reflecting that a change was made after it had originally been prepared. The name of HAROLD HOROWITZ, Attorney-at-Law, New York, was inserted in ink in place of STEPHAN J. ANGLAND and the handwritten initials "HIB" appeared on the left margin near the change. The name of ANGLAND was crossed out in pen and ink.

No reference was made to the introduction of HOROWITZ's name in this memorandum or in the file, and the file does not reflect the identity of his sponsor.

HAROLD I. BAYNTON was interviewed under oath on December 13, 1951, at Washington, D. C., by THOMAS J. DONEGAN, Special Assistant to the Attorney General, and SAs JAMES R. MALLEY and WAYNE S. MURPHY.

In answer to a question regarding his first meeting with Mr. HOROWITZ, Mr. BAYNTON answered as follows:

"I met Mr. HOROWITZ through HERBERT A. BERGSON, who, at the time, was my superior in the Deputy Attorney General's Office. Mr. BERGSON and Mr. HOROWITZ had been classmates at Harvard Law School, had roomed together, and had been, and still are, very close friends. It was in 1941 that Mr. BERGSON first introduced me to Mr. HOROWITZ when Mr. HOROWITZ made a trip to Washington. Mr. HOROWITZ was, and still is, a private practitioner of law, with an office in New York City at 1270 Sixth Avenue (Radio City). He made, as I recall, fairly frequent trips to Washington during the early days of the war with respect to the various wartime regulations that attorneys were concerned with at that time. To my memory, I am sure that he saw both Mr. BERGSON and myself practically every time he came into town. I should say that the two families, the BERGSONs and the HOROWITZ family, are also close friends and Mr. HOROWITZ was looked upon by HERBERT BERGSON's father as sort of another son in that family.

In answer to a question regarding when Mr. HOROWITZ first became associated with the Office of Alien Property, Mr. BAYNTON answered that Mr. HOROWITZ became associated or connected with the firm of E. Leitz, Inc. in March of 1948.

Mr. BAYNTON was questioned as follows regarding Mr. HOROWITZ and subjects in this case:

"QUESTION: (Mr. DONEGAN)

"Can you furnish us information as to how Mr. HOROWITZ became associated with the Office of Alien Property?

"ANSWER: The Office of Alien Property, as a stockholder of the various vested business enterprises, constantly is faced with the problem of finding capable and willing personnel to serve us as Directors of these corporations. The Office of Alien Property is not an operating office in the sense that it actually operates the various businesses that have been seized, but rather it is a stockholding office. It is an office that votes its stock to elect Directors who, in turn, elect officers of the corporations and operate the company. E. LEITZ and Company was the New York branch of the German E. Leitz and Company in Wetzlar, Germany. It was vested August 24, 1942, by the Alien Property Custodian and has remained in the hands of the Alien Property Office since that date. We hold 100% of the outstanding stock of the company. The vesting was challenged in the courts and the office was sued on its seizure. This case remained on the courts until some time in the latter part of 1948. In 1948 our Office's Business Management Section became quite concerning about the corporation in that it was heavily in debt, its profits were disappearing, and there was a decided danger of bankruptcy. We were looking for able men to take over this corporation. I had discussions with Judge BAZELON, then Assistant Attorney General, and Head of the Office of Alien Property, Deputy Attorney General FORD, and his then Assistant, HERBERT BERGSON; concerning the necessity of changes in the management of this company. I had, of course, discussions with the staff of the Office of Alien Property who are concerned with these matters. Mr. HOROWITZ' name was mentioned, discussed, and approved and he was elected to the Board of the Corporation in March of 1948.

"QUESTION: (Mr. DONEGAN)

"In connection with the selection of qualified people to administer the activities of these corporations which are vested in the Office of Alien Property, are recommendations made in memorandum form or orally?

"ANSWER: I have made it a practice to make all recommendations in writing.

"QUESTION: (Mr. DONEGAN)

"With reference to the recommendation of Mr. HOROWITZ, have you any recollection as to whether you submitted a recommendation in writing concerning him?

"ANSWER: My recollection is that his name was added to a written recommendation then under consideration.

"QUESTION: (Mr. DONEGAN)

"At the time Mr. HOROWITZ' name was added to a written memorandum, were other candidates being considered?

"ANSWER: Yes.

"QUESTION: (Mr. DONEGAN)

"Were discussions held by the interested officials of the Justice Department concerning the final selection of those considered qualified candidates for these positions?

"ANSWER: Yes.

"QUESTION: (Mr. DONEGAN)

"Is it your recollection that you participated in such discussions?

"ANSWER: Yes.

"QUESTION: (Mr. DONEGAN)

"Who has the responsibility for making the recommendation to the Attorney General for the appointment of persons to these positions?

"ANSWER: The Head of the Office of Alien Property who, at that time, was Mr. DAVID L. BASELON, has the responsibility of making recommendations to the Attorney General.

"QUESTION: (Mr. DONEGAN)

"Mr. BAYNTON, with reference to the memorandum you referred to previously concerning suggested names of qualified persons for appointment to the Board of Directors of the E. Leitz Company, can you furnish us with copies of any written records that you have in your files here at the Office of Alien Property in connection with this matter?

"ANSWER: Yes. I will be glad to supply a copy of the memorandum on this matter. The memorandum itself is dated February 25, 1948, from me as Deputy Director of Judge BASELON, then Director of the office. The memorandum pointed out that the working capital of the company had deteriorated materially, that this condition was apparently due to the over-

optimism of management and lack of active supervision of the company. The Board had only held one meeting during all the calendar year of 1947, and had no meetings during 1948 up to the date of this memorandum, and that it was obvious we would have to take immediate steps to correct a bad situation.

"The memorandum recommended six persons to be elected as Directors of the Board. Mr. JOHN W. SLACKS, who was then President of the company, Mr. JOHN C. KELLY, Mr. EDWARD J. CHAPMAN, Mr. STEPHEN J. ANGLAND, and Mr. D. U. EMMERT, the latter being an employee of the Office of Alien Property. My recollection is that there were discussions in the Office of Alien Property between myself, the Director, Mr. RUBIN, Head of the Business Management Unit in the office, with Mr. BERGSON, and Mr. FORD, in the Deputy Attorney General's Office. It was during those discussions that it was decided to substitute HAROLD HOROWITZ for STEPHEN ANGLAND. That substitution was made on the memorandum in my hand writing with a notation indicating that Mr. BAZELON okayed the matter, provided Mr. FORD would do so, and the memorandum further indicates that Mr. FORD and Mr. BERGSON okayed the change. The change had my full approval.

"QUESTION: (Mr. MALLEY)

"Mr. BAYNTON, can you tell us whether the above-named individuals you have mentioned to be elected as Directors of the Board were serving in this capacity prior to the preparation of your memorandum to the Attorney General suggesting their names to be elected to the positions of Directors of the Board of the corporation?

"ANSWER: Of the five names mentioned, Mr. SLACKS, Mr. KELLY, and Mr. CHAPMAN were on the Board. Mr. HOROWITZ and Mr. EMMERT would be new on the Board.

"QUESTION: (Mr. MALLEY)

"Mr. BAYNTON, up to this time, we have not obtained a specific answer regarding the identity of the person who actually selected the name of HAROLD HOROWITZ for a position on the Board and I would like to know whether you or someone connected with the Office of Alien Property or someone in the Department specifically recommended the name of HOROWITZ to be placed as a Director of the corporation.

"ANSWER: To the best of my recollection, his name was first suggested to me either by Mr. FORD or Mr. BERGSON. It was discussed, as I mentioned earlier, both in Mr. FORD's Office and in Judge BAZELON's Office.

"QUESTION: (Mr. MALLEY)

"Were you given specific instructions by Mr. FORD or anyone else to substitute the name of HOROWITZ for Mr. ANGLAND?

"ANSWER: I believe it was more of a suggestion rather than specific instructions. By that I mean that we were discussing names for this Board of Directors and all of us were seeking a list of names that would be satisfactory to all of us.

"QUESTION: (Mr. MURPHY)

"Mr. BAYNTON, could you explain the circumstances under which Mr. HOROWITZ' name was first mentioned as a prospective Director of this corporation?

"ANSWER: I believe it was first mentioned when I was checking with the Deputy Attorney General's Office for approval of the course of action planned in the next stockholders meeting. You remember earlier I stated in discussing the memorandum of February 25, 1948, that the company was losing its position financially and business-wise, and that we had to take some drastic action and of course, you only can act in these companies through a Board of Directors.

"Mr. HOROWITZ is a New York Attorney, Mr. ANGLAND is a Washington attorney, and one of the reasons that a replacement was suggested for Mr. ANGLAND was the fact that we wanted someone whose normal place of business was close or in the same city as the company itself. I might also say that after the new Board was elected, two vice presidents drawing \$9,000 a year each were dropped and a little later the president of the company, Mr. SLACKS, drawing, as I recall, \$15,000 a year, was also dropped.

"What I am trying to show is that the situation was so bad that the people who had become responsible for the company to us by their election as Directors had to be active and close to the problem they faced. The action in dropping the two vice presidents was initiated in the Board by Mr. HOROWITZ. Mr. HOROWITZ took a very active interest in the company which led, in a short while, to his election by the Board as Chairman of the Board. It was his activities, interest and work, and he was backed by the other Directors, that pulled the company out of the hole it had gotten into.



"QUESTION: (Mr. DONEGAN)

"Mr. BAYNTON, have you any knowledge of Mr. BERGSON or Mr. FORD, who were formerly in the Justice Department, or any of their associates in the practice of law receiving any fees from E. Leitz, Inc., and Ferd. Muhlen or any other company with which Mr. HOROWITZ is connected that is vested in OAP, or any company vested in OAP with which Mr. HOROWITZ is not connected?

"ANSWER: Yes. The law firm of which Mr. BERGSON and Mr. FORD are partners is receiving a retainer of \$1,000 a month from E. Leitz and Company.

"QUESTION: (Mr. DONEGAN)

"Do you know when this retainer became effective?

"ANSWER: It was early this year, but I cannot give the dates without a record before me. Mr. BERGSON was one of the few attorneys that I know of that anticipated the Supreme Court opinion in connection with fair trade practices. The E. Leitz Company could have been very seriously hurt by that opinion if their dealers had not been signed to contracts in connection with fair trade practices. It was Mr. BERGSON's law firm's advice, guidance, and work that has resulted today in E. Leitz, Inc., being the only camera company in that United States that was not injured by that decision.

"QUESTION: (Mr. DONEGAN)

"Mr. BAYNTON, can you give the date when this arrangement was effected?

"ANSWER: I cannot without checking records. It was in the early part of the year of 1951.

"QUESTION: (Mr. DONEGAN)

"Did you have any knowledge as to the circumstances which led to the selection by E. Leitz, Inc., of Mr. BERGSON's law firm as their attorneys?

"ANSWER: My general understanding is that Mr. HOROWITZ had some conversations with Mr. BERGSON concerning the general fair trade situation and that Mr. BERGSON gave him some advice, they discussed it, and Mr. HOROWITZ asked Mr. BERGSON if he would take a retainer.

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"QUESTION: (Mr. DONEGAN)

"Is it the procedure to have the approval of OAP when law firms or attorneys are retained by companies which are vested in OAP?

"ANSWER: Not generally. By that I mean if there is a very large problem, then approval is sought. The normal practice is for these corporations to hire or employ their own counsel, insurance people, employees, et cetera. This matter was brought to my attention because of the fact that Mr. BERGSON was recently of the Department of Justice. Because of the peculiar nature of the problem, that is, a fair trade problem which is closely allied to anti-trust problems, a field in which Mr. BERGSON is considered an expert, the office okayed the employment.

"QUESTION: (Mr. DONEGAN)

"Is this approval reflected in any written record in the Office of Alien Property, Mr. BAYNTON?

"ANSWER: I believe it was entirely oral.

"QUESTION: (Mr. DONEGAN)

"In your opinion was there anything irregular involved in the retaining of Mr. BERGSON's firm by E. Leitz and Company?

"ANSWER: Not at all. I believe it was very fortunate employment for the E. Leitz and Company's future."

The following investigation was conducted by SA WILLIAM A. ROYER on August 21, 1952:

The following information was obtained from a question and answer signed statement under oath furnished by HAROLD ERNEST HOROWITZ on December 20, 1951, to THOMAS J. DONEGAN, Special Assistant to the Attorney General, and SAs WAYNE S. MURPHY and JAMES R. MALLEY, pertinent parts of which are set forth as follows:

"QUESTION: (Mr. MALLEY)

Mr. HOROWITZ, will you please furnish us with information concerning your background. I would like you to include a brief reference to your legal training and experience and a chronological brief resume of your association with the Office of Alien Property and the Department of Justice or any other Government Agency with which you might have had associations.

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"ANSWER: I was graduated from the University of Virginia with a degree of Bachelor of Science and from the Harvard Law School with a degree of Bachelor of Laws. I graduated from Virginia in 1930 and from Harvard in 1933. My first legal training was as an assistant to W. BARTON LEACH who was then a professor at Harvard Law School and who also had the right to practice law privately in Boston. I then came to New York and took my bar exams, passed, and was admitted to practice law in 1934.

"I was first associated with the law firm of Brill and Bergenfeld law firm in 1935, and I formed my law firm called Sulken and Horowitz, located at 1270 6th Avenue, which partnership went on, I think, for one year, and since then I have been practicing my profession as a lawyer without any partners.-- (s/HEH)

"At Harvard Law School I was the roommate of HERBERT A. BERGSON and from that day to this day we are very, very close friends. It was through Mr. BERGSON that I met Mr. HAROLD I. BAYNTON, some ten years ago in Washington, D. C. That introduction ripened into a very good friendship. I have never had any legal matters with either Mr. BERGSON or Mr. BAYNTON in the Department of Justice.

"QUESTION: (Mr. DONEGAN)

"Mr. HOROWITZ, there have been allegations to the effect that you have profited as a private attorney as a result of your relationships with the Office of Alien Property and with certain individuals in the Department of Justice such as Mr. BERGSON, Mr. FORD, and Mr. BAYNTON. We would like to know in as complete a form as possible activities on your part as a private attorney which would have any bearing upon these allegations.

"ANSWER: In my way of thinking, by disqualifying myself from appearing before Mr. FORD, Mr. BERGSON, and Mr. BAYNTON, which is a fact, I believe I did not gain by my knowing these gentlemen as intimately as I did know them. The disqualification was a mutual understanding with the three gentlemen named.

"QUESTION: (Mr. DONEGAN)

"What do you mean by disqualifying yourself as far as Mr. BERGSON, Mr. FORD, and Mr. BAYNTON are concerned?

"ANSWER: Not to practice before them for remuneration. Representing people who either had claims against the Government or people against whom the Government had claims.

"QUESTION: (Mr. DONEGAN)

"Would you say, Mr. HOROWITZ, that as a result of this so-called mutual agreement of disqualification, you represented no clients in any matters involving the United States Government as a party in interest?

"ANSWER: As I said before, I had cases in the Tax Division, Criminal Division, Immigration Division and what I meant was that I disqualified myself from Anti-Trust cases and cases against the Office of Alien Property.

"QUESTION: (Mr. DONEGAN)

"With reference to the cases which were concerned with Divisions of the Department of Justice, excluding the OAP and Anti-Trust, did you have any conversation or any association with Mr. FORD, Mr. BERGSON, or Mr. BAYNTON which in any way concerned disposition of these cases as far as the Government is concerned?

"ANSWER: No.

"QUESTION: (Mr. DONEGAN)

"Would you say, Mr. HOROWITZ, that you did not discuss these cases with either Mr. BERGSON, Mr. FORD, or Mr. BAYNTON?

"ANSWER: In a general way as friends would discuss anything, but not for the purpose of receiving help from them or to have them help me in the matter.

"QUESTION: (Mr. DONEGAN)

"Did Mr. FORD, Mr. BERGSON, or Mr. BAYNTON or any other official or employee of the Department of Justice who was not directly concerned with these cases in his official capacity offer, say, indicate, or in fact, assist you in any way concerning these cases?

"ANSWER: No.

"QUESTION: (Mr. DONEGAN)

"Did you at any time seek the help of any persons in the Department of Justice who were not directly concerned in their official capacity with the disposition of cases in which you were interested?

"ANSWER: No.

"QUESTION: (Mr. DONEGAN)

"Mr. HOROWITZ, have you at any time solicited the assistance of Mr. FORD, Mr. BERGSON or Mr. BAYNTON in any of your private cases wherein the Government was a party in interest?

"ANSWER: No, with the exception of cases that I handled or matters that I handled on behalf of the Government, or on behalf of companies in which I was a Director or companies where either they were owned or controlled by the Office of Alien Property.

"QUESTION: (Mr. DONEGAN)

"Since you were elected a Director of E. Leitz, Inc., on 3/1/48 have you in your private practice represented any clients involving matters in which the Government was a party in interest?

"ANSWER: If there were any matters, they involved the Taxes or Criminal Division or Immigration in the Department of Justice and with the Pardon Attorney.

"QUESTION: (Mr. DONEGAN)

"With reference to these cases, have you had any conversations with Mr. BERGSON, Mr. BAYNTON or Mr. FORD?

"ANSWER: I may have had conversations merely to indicate why I was in Washington at that particular time. Knowing that the conversations did not involve discussing the matters and merits, and I dare say, the names of my clients were not revealed or discussed.

"QUESTION:

"Mr. HOROWITZ, have any private cases been referred to you or your law office by Mr. FORD, Mr. BERGSON, or Mr. BAYNTON while these gentlemen were in the employ of the Department of Justice?

"ANSWER: Never.

"QUESTION: (Mr. MALLEY)

"You have previously advised Mr. HOROWITZ, that you were in school with Mr. HERBERT A. BERGSON at Harvard Law School and that you

have maintained an acquaintance with him for a number of years. You also stated that you met HAROLD I. BAYNTON, Director of the Office of Alien Property on various occasions while in Washington, D. C. and that you were originally introduced to Mr. BAYNTON by Mr. BERGSON. Will you advise, as you recall, any conversation that may have taken place between you and Mr. BERGSON with respect to the possibility of being employed or being placed in any corporations or companies under the control of the Office of Alien Property?

"ANSWER: I never had any conversations with reference to being employed or being placed on the Board of Directors of any of their companies.

"QUESTION: (Mr. MALLEY)

"With reference to the North American Rayon Company and the American Bemberg Company, do you recall having been in Washington, D. C. at which time you met with any representatives of the Department of Justice, including Mr. BAYNTON, Mr. FORD, and/or Mr. BERGSON, and possibly others, who were employees at that time of the Department of Justice?

"ANSWER: I would dare say yes. I don't remember who was at the meeting but I remember coming down.

"QUESTION: (Mr. MALLEY)

"Did Mr. BAYNTON or anyone else suggest to you that you might be elected to the Board of Directors of either the E. Leitz, In., or Ferd, Mulhens Company?

"ANSWER: Yes. It was when I was asked whether I would serve on the Board of either of those companies and I said yes, I would.

"QUESTION: (Mr. MALLEY)

"Do you recall the name of the individual that asked if you would serve on the Board?

"ANSWER: It may well have been Mr. BAYNTON.

"QUESTION: (Mr. MALLEY)

"Subsequent to this, were you actually requested to serve on the Board of Directors of either of these companies?

"ANSWER: No.

"QUESTION: (Mr. MALLEY)

"Do you recall any conversations with Mr. BERGSON, Mr. FORD, or Mr. BAYNTON, stating that they would like to have you take an active part in one of the above-mentioned companies?

"ANSWER: I remember something being said about that.

"QUESTION: (Mr. MALLEY)

"Do you recall any reasons given as to why you were not asked to become affiliated with either of these companies at that time?

"ANSWER: No, it was never told to me.

"QUESTION: (Mr. DONEGAN)

"Am I correct, Mr. HOROWITZ, in my understanding of the information you have furnished us, that at the time your name was suggested as a Director for E. Leitz, Inc., in the Office of Alien Property, on or about February 25, 1948, there had been no discussion with you regarding your being considered for this position?

"ANSWER: That's true.

"QUESTION: (Mr. DONEGAN)

"Am I also correct in my understanding that you had no discussion with anyone, and in fact, no knowledge that you were being considered as a candidate for a Directorship in E. Leitz, Inc up to the time you received the telephone call from Mr. BAYNTON instructing you to proceed to the Office of Alien Property on lower Broadway for the purpose of attending a Directors' meeting with Mr. DON U. EMMERT?

"ANSWER: That's true.

"QUESTION: (Mr. DONEGAN)

"Mr. HOROWITZ, have you at any time ever paid and charged to your expense account the hotel bill, transportation, or any gifts for any officials of the Office of Alien Property or the Department of Justice?

"ANSWER: No.

"QUESTION: (Mr. DONEGAN)

"Since you have been a Director or official of the companies vested with OAP, have you given any gifts to any individuals connected with OAP or with the Department of Justice? This also applies to any individuals connected with any other Government agency.

"ANSWER: As I said before, I gave those gifts prior to my being with E. Leitz, Inc., and the gifts I mean are the ordinary Christmas gifts that I give every year to friends and these are friends of mine.

"QUESTION: (Mr. DONEGAN)

"Were the funds used for the purchase of these gifts taken out of your personal funds or were they at any time charged to your expense account with E. Leitz, Inc., or Ferd. Mulhens Company?

"ANSWER: No. The answer is, any gifts were personal gifts, not gifts charged to E. Leitz or to Ferd. Mulhens.

"QUESTION: (Mr. MURPHY)

"Mr. HOROWITZ, does your expense account include the cost of any Leica cameras given to members of the Board, executive officers, employees or any officials of the Department of Justice, including the Office of Alien Property?

"ANSWER: No. It has been a rule, long before I arrived on the Board of Directors, that when a man was elected to the Board of Directors, he was given a camera by the Board of Directors. The Board of Directors vote the new member of the Board a Leica camera. I have never charged to my expense account any camera given to a Government official.

"QUESTION: (Mr. MALLEY)

"Do you recall any instances where you have been requested by anyone connected with the Office of Alien Property or the Department of Justice or any other Government official to make available as a gift or a loan, a Leica camera to any individual connected with the United States Government or otherwise?

"ANSWER: I don't recall. I know nobody has ever asked me for a gift. I know that.



"QUESTION: (Mr. MALLEY)

"Do you recall any instances where any official of the Office of Alien Property or the Department of Justice has requested you to make available a Leica Camera at a discount price to any employee of the U. S. Government?

"ANSWER: I don't recall. It may well have happened. I don't recall it but it is the same courtesies we would give to anybody who comes and says 'Can I get it wholesale?' and that would be a price equal to the dealers prices. I don't recall the happening as a request to me.

"QUESTION: (Mr. MURPHY)

"Mr. HOROWITZ, can you give us from your best recollection, the general nature of the expenses you charged in 1949 to the Ferd. Mulhens Company.

"ANSWER: In 1949, to the best of my recollection, I had one trip to Europe that I made that the Board of Directors directed me to make. They allowed me a flat amount for expenses which was to include fares, et cetera, and everything else. One trip that I made in conjunction with both E. Leitz, Inc., and Ferd. Mulhens as far out as California and back, I think that was \$500.

"QUESTION: (Mr. DONEGAN)

"Did you make any trips in the company of any official of the United States Government?

"ANSWER: I have met them in crossing and we have spent days together.

"QUESTION: (Mr. DONEGAN)

"Could you identify these officials?

"ANSWER: Well, I know I have met Mr. BAYNTON while I have been on trips. I have met Mr. BERGSON while on trips. I dare say our roads have crossed with Mr. BAYNTON two or three times, not that I have left with him or I may well have met him in the city and we have come back together. The same with Mr. BERGSON. I may have made a trip and known that he was going to be in the city and be with him and maybe come back with him. I would say a couple of times, I don't know. I could not say off-hand.

"QUESTION: (Mr. DONEGAN)

"You previously advised that in connection with your business trips you came in contact with Mr. BERGSON. I would like to ask you whether at any time you made any expenditures, for the benefit of Mr. BERGSON, that is, in the way of gifts or the payment of hotel bills or otherwise, which you charged to your expense account at E. Leitz, Inc.?

"ANSWER: I again would say no.

"QUESTION: (Mr. DONEGAN)

"You mentioned Mr. BAYNTON and Mr. BERGSON. Have you run into any other officials of the Office of Alien Property, and the Department of Justice, or of any other part of the United States Government on your trips wherein, for their benefit, you made expenditures and charged such expenditures to the expense account of E. Leitz, Inc., and/or Ferd. Muhlenz?

"ANSWER: No, definitely no.

"QUESTION: (Mr. DONEGAN)

"Mr. HOROWITZ, would you be able to recall the law firms which represented E. Leitz, Inc. and Ferd. Muhlenz during the time you were connected with these corporations?

"ANSWER: I could not give all the names off hand, that is, the names I could give at this time, I am sure would not be all-inclusive of all the firms that represented E. Leitz, in different matters while I was there.

"QUESTION: (Mr. DONEGAN)

"Could you at this time give us the names of those firms that you can recall and later furnish us with a complete listing of the firms?

"ANSWER: I will give you the names that I recall and any names that I have failed to recall, I will furnish those names to you. HERMAN G. SCHWARZ, New York City; Bergson, Adams, and Borkland, Washington, D. C.; Mason, Fenwick, and Lawrence, Washington, D. C.; they handle trade mark and patents; Campbell, Brumbaugh, Free, and Graves, New York City; Jordan and Klingaman, New York City; Chapman and Keane, That is all I can remember at this time.

"QUESTION: (Mr. DONEGAN)

"Were any of the members of these firms ever connected with the Department of Justice to your knowledge?

"ANSWER: Mr. BERGSON and Mr. BORKLAND.

"QUESTION: (Mr. DONEGAN)

"When was this firm retained by E. Leitz, Inc.

"ANSWER: To the best of my knowledge January 1, 1951.

"QUESTION: (Mr. DONEGAN)

"Will you furnish us with information concerning the circumstances under which this firm was retained as attorney for E. Leitz, Inc.?

"ANSWER: Towards the end of 1950, my particular activities with E. Leitz had assumed, or had consumed so much of my private time that it was impossible for me personally to undertake the direction of the new problems created by government regulations and wage stabilization problems. We had also a very serious problem that involved fair trade throughout the United States. I am sure that in the photographic industry as well as in the scientific industry the firm of E. Leitz is held out as an example of strict compliance with fair trade contracts. Towards the end of 1949 1950 (s/HEH) it was well known, certainly in the legal profession that there may or may not be a serious problem on the question of fair trade in view of a case pending before the Supreme Court of the United States involving the whole fair trade problem. Every time that we took a franchise away from a dealer the threat of a law suit was always forth coming. With all of this in mind and with the added duties that were imposed upon me personally at E. Leitz and for the protection of the company, I asked Mr. BERGSON if his firm would not represent us and give us the benefit of their counsel on all problems that might arise either before any of the agencies in Washington or pursuant to any of the laws and regulations promulgated by any of the agencies in Washington as well as undertaking to direct us and counsel us in fair trade.

"QUESTION: (Mr. DONEGAN)

"What was the agreement as to payment for these services?

"ANSWER: One thousand dollars per month.

"QUESTION: (Mr. DONEGAN)

"Was this in the nature of a retainer with additional charges to be made according to the volume of business handled?

"ANSWER: No, a retainer that had no possibility of any further charges to E. Leitz whether they appeared in court in our behalf or not.

"QUESTION: (Mr. DONEGAN)

"Were BERGSON, ADAMS, and BORKLAND regarded by you as General Counsel for E. Leitz, Inc. under this arrangement.

"ANSWER: On certain matters. I would dare to say all our legal matters were discussed with them other than specialized matters as patent and trade mark or collection cases, employment agreements pertaining to the State of New York, and purely local corporate procedures in the State of New York.

"QUESTION: (Mr. DONEGAN)

"Prior to the time you retained the law firm of Bergson, Adams, and Borkland, on or about January 1, 1951, what was the name of the law firm that represented E. Leitz, Inc. in a similar capacity?

"ANSWER: <sup>Here</sup> That was no firm prior to that date other than myself who did not receive attorney's fees. I mean I had undertaken it although I had not been appointed as the attorney for the firm, but I had undertaken to answer all the so-called general legal problems which became impossible by the end of 1950. For the record, I would like to state that I am the only executive officer at this firm and that, prior to my regime, there were never less than three executive officers. They had, prior to my becoming head of Leitz, two men of the old German firm who were executives as well as a President and at one time a Chairman of the Board. However, since my being elected to the Board, the two German executive officers are no longer with the firm and the President is no longer with the firm. The business of our firm rose from approximately \$1,600,000.00 to approximately \$3,900,000.00 for the year 1951. It was just impossible for me to continue to do both jobs of being counsel, for which I never was paid, and being the chief executive officer.

"QUESTION: (Mr. DONEGAN)

"Did you have any conversation with Mr. BERGSON while he was in the employ of the Department of Justice concerning the employment of him or his law firm to represent E. Leitz, Inc. when and if he should cease his connections with the Department of Justice?

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"ANSWER: No.

"QUESTION: (Mr. DONEGAN)

"Did you have any discussions with any persons employed by the Department of Justice concerning the employment of Mr. BERGSON's law firm as counsel for E. Leitz, Inc.?"

"ANSWER: No.

"QUESTION: (Mr. DONEGAN)

"At any time, did you have any discussion with any persons connected with OAP as to the employment of Mr. BERGSON or his law firm as counsel for E. Leitz, Inc.?"

"ANSWER: Yes.

"QUESTION: (Mr. DONEGAN)

"Will you furnish us with information concerning these discussions and the time?"

"ANSWER: I discussed with Mr. LAMUDE, who was with the Office of Alien Property and who was also a member of the Board of Directors at the time that I brought this to the attention of my Board of Directors for their approval. That was at a Board of Directors meeting when the Board approved the employment of Bergson, Adams, and Borkland as counsel to the company.

"QUESTION: (Mr. DONEGAN)

"Can you give, from your recollection, the approximate date of this Board of Directors meeting?"

"ANSWER: I believe it was at the January meeting of 1951.

"QUESTION: (Mr. DONEGAN)

"Mr. HOROWITZ, will you identify Mr. LAMUDE's position with OAP and his position with E. Leitz, Inc.?"

"ANSWER: I know he is on the Board of Directors of E. Leitz, Inc., and I believe, and that is hearsay, that he is Office manager -- I don't know his real title -- Head of the New York Office of Alien Property.

"QUESTION: (Mr. DONEGAN)

"Was Mr. LAMUDE the only person in the employ of the Office of Alien Property with whom you discussed the employment of the law firm of Bergson, Adams, and Borkland as counsel?

"ANSWER: I believe so.

"QUESTION: (Mr. DONEGAN)

"Did you ever have any discussion with Mr. DAVID BAZELON while he was Director of the Office of Alien Property concerning the possibility of employing Mr. BERGSON at any future date as counsel for E. Leitz, Inc.?

"ANSWER: No.

"QUESTION: (Mr. DONEGAN)

"Have you ever had any discussion with the present Director of OAP, Mr. HAROLD BAYNTON, concerning the employment of Mr. BERGSON or his law firm as attorneys for E. Leitz, Inc.?

"ANSWER: I do not believe so

"QUESTION: (Mr. DONEGAN)

"Have you ever had any discussion with Mr. BAYNTON concerning the advisability or the purpose of employing Mr. BERGSON or his law firm to represent E. Leitz, Inc. prior to January, 1951?

"ANSWER: I do not believe so. I would say, no. The other question, I assume you asked was you mean a discussion with Mr. BAYNTON prior to the employment or prior to the Board of Directors acting. I dare say that I have discussed with him this problem since then.

"QUESTION: (Mr. DONEGAN)

"In order that the record may be cleared and that there may be no misunderstanding, did you have any discussion with Mr. BAYNTON concerning the advisability of employing Mr. BERGSON or his law firm as counsel for E. Leitz, Inc. prior to the time that this employment was approved by the Board of Directors of E. Leitz, Inc. in January, 1951?

"ANSWER: I do not believe so

"QUESTION: (Mr. DONEGAN)

"Did you have any discussion with Mr. BAYNTON concerning this employment of the law firm of Bergson, Adams, and Borkland after the employment was approved by the Board of Directors in January, 1951?

"ANSWER: I must have.

"QUESTION: (Mr. DONEGAN)

"Will you furnish to us, to the best of your recollection, the discussions you had with Mr. BAYNTON, that is, what you said and what he said?

"ANSWER: I believe I told him exactly why E. Leitz, Inc. needed counsel, that it was impossible for me to do the job myself; that the job had to be done; that a very important part of our policy, which part I attribute to the success of our company, may well be jeopardized without able counsel and advice on fair trade and its many ramifications, and to the best of my recollection, he told me it is a matter for the Board of Directors to determine and that if they felt as I did and they voted for it, it is our job to determine.

"QUESTION: (Mr. DONEGAN)

"Did you ever have any discussion with Mr. BAYNTON concerning the employment of the law firm of Bergson, Adams, and Borkland by E. Leitz, Inc. and the possibility that this employment might be criticized inasmuch as Mr. BERGSON was concerned and had to do with the submission of your name as a candidate to be elected to a Directorship in E. Leitz, Inc. during the period of time he was in the employ of the Department of Justice?

"ANSWER: I never discussed it, certainly from the point of view of criticism, because I do not believe that there is any grounds for criticism. I did not know until recently that he submitted my name to be a member of this Board, so I certainly did not know it when I employed him as counsel. I certainly feel that they have given us value received for every dollar they have received from us and at no time until just this moment or maybe a few weeks before this did I ever think I would be criticized for employing special counsel.

"QUESTION: (Mr. DONEGAN)

"Mr. HOROWITZ, when did you first learn that Mr. BERGSON had submitted your name as a candidate for Directorship in E. Leitz, Inc.?"

"ANSWER: That he had submitted my name, I do not know as a fact until this moment and it has only been since I think yesterday that I realized that he may have submitted my name. He never told me that he submitted my name and still has not told me, but I shall ask him very shortly to find out if he did.

"QUESTION: (Mr. DONEGAN)

"The reason I ask you that question is because you just stated it was not until after the Board of Directors had approved the firm of Bergson, Adams, and Borkland being retained as counsel for E. Leitz, Inc., that you learned he had submitted your name. In asking this question, I think the record would be incomplete if we did not clarify when this first came to your attention.

"ANSWER: Again, I say it has come to my attention since this examination has begun and I gather from the questions asked of me that he or the records reveal that he submitted my name. I do not know it as a fact other than what has been told me in these last two days.

"QUESTION: (Mr. DONEGAN)

"In order that there may be no misunderstanding, Mr. HOROWITZ, and to avoid any possibility that my question might be misleading, when I refer to Mr. BERGSON having to do with the submission of your name, I am only referring to the fact that he was an official of the Department of Justice at the time your name was submitted as a candidate for a Directorship in E. Leitz, Inc. The possibility exists that the records of the Department of Justice might indicate he had some official connection with this submission of your name. What I would like to know is whether Mr. BERGSON had any connection whatsoever either official or unofficial, with the submission of your name as a candidate for a Directorship of E. Leitz, Inc. in February, 1948?"

"ANSWER: I had no such information.



"QUESTION: (Mr. DONEGAN).

"In your conversation with Mr. BAYNTON concerning the employment of the firm of Bergson, Adams, and Borkland as counsel for E. Leitz, Inc., which you state occurred after this employment had been approved by the Board of Directors of E. Leitz, Inc., did Mr. BAYNTON indicate that Mr. BERGSON had any connection whatsoever with the submission of your name as a candidate for a Directorship in E. Leitz, Inc., in 1948?

"ANSWER: No.

"QUESTION: (Mr. DONEGAN)

"Have you had any conversation at any time with any other officials of the Department of Justice with the exception of those referred to herein concerning the employment of BERGSON and the law firm of Bergson, Adams, and Borkland as counsel for E. Leitz, Inc.?

"ANSWER: No.

"QUESTION: (Mr. MALLEY)

"Mr. HOROWITZ, at the time you were elected to the Board of Directors of E. Leitz, Inc., what arrangement was made between OAP and you insofar as commission and salary you were to draw for your work with E. Leitz, Inc. were concerned?

"ANSWER: Originally I was elected to the Board on March 1, 1948, at which time I was to receive just the ordinary Director's fees. Subsequently thereto, when it was determined that a reorganization had to take place, I was employed at \$25.00 an hour.

"QUESTION: (Mr. MALLEY)

"Mr. HOROWITZ, do you recall a conversation between you and any official of OAP to the effect that you were not to draw a salary that would be in excess of the salary paid to Assistants to the Attorney General?

"ANSWER: No.

"QUESTION: (Mr. MALLEY)

"Was there any conversation between you and anyone, to the best of your recollection, limiting the amount of salary that you should draw?

"ANSWER: Pertaining to the \$25.00 an hour, there never has been a limit other than this particular employment which I have never followed.

"QUESTION: (Mr. MALLEY)

"Mr. HOROWITZ, if I understand your answers correctly, you have been authorized since the date of your election as Chairman of the Board of Directors, May 3, 1948, to receive a salary of \$25.00 per hour when you are attending to the business of E. Leitz, Inc., and no set sum has ever been named concerning the total amount of salary that you could or could not receive?

"ANSWER: That is true.

"QUESTION: (Mr. MALLEY)

"Mr. HOROWITZ, information has been furnished to the effect that when you first became active as Chairman of the Board, instructions were given to you that you were not to draw a salary in excess of that being given to an Assistant to the Attorney General. In view of this information, is it still your recollection that no such instructions were ever received by you?

"ANSWER: Definitely, for the simple reason that at that time I do not believe I knew what an Assistant Attorney General received and I never heard that limitation placed on my \$25 an hour and, if it had been questioned, or anyone alleges that was the understanding, I think it would have been in the Minutes and the person or persons who so stated would have had an opportunity to correct the Minutes.

"QUESTION: (Mr. MALLEY)

"As I told you, an allegation has been made to that effect and I wanted to give you an opportunity to answer.

"ANSWER: I did not write the Minutes.

"QUESTION: (Mr. DONEGAN)

"Mr. HOROWITZ, was it unusual for you to discuss with Mr. BAYNTON the employment of the law firm of Bergson, Adams, and Borkland as counsel for E. Leitz, Inc., and was it customary for you to take up the question of the employment of counsel with the Director of other representatives of OAP?

"ANSWER: It was not unusual for me to discuss problems with Mr. BAYNTON as far as E. Leitz, Inc., is concerned and I do not know how the discussion, specifically, on this arose as to whether or not someone in his organization saw it in the Minutes and he asked me about it or whether I informed him about it, but there are many things that occurred in E. Leitz, Inc., that I informed him about and I told him about.

"QUESTION: (Mr. DONEGAN)

"I think you answered this question previously, but, in order to make sure there is no misunderstanding, is your statement that this matter was not discussed with Mr. BAYNTON because of the fact that Mr. BERGSON had recently been with the Department of Justice.

"ANSWER: That is right.

"QUESTION: (Mr. MURPHY)

"Mr. HOROWITZ, are there any items included in your expense accounts submitted during the years 1949, 1950, 1951, representing presents, gifts, or amounts paid to any official of the Office of Alien Property or the Department of Justice.

"ANSWER: No.

"QUESTION: (Mr. DONEGAN)

"Mr. HOROWITZ, in the course of this question and answer statement, you advised us that you gave gifts to officials of the Department of Justice prior to the time that you became connected with companies vested in the Office of Alien Property. You stated these gifts were paid out of your personal funds. I would like to have you advise us, to the best of your recollection, as to the identity of the persons to whom you gave these gifts and the value of the gifts.

"ANSWER: I could not give you an all-inclusive list. I do know that they would include Mr. BAYNTON and Mrs. BAYNTON, Mr. BERGSON and Mrs. BERGSON, Mr. FORD and Mrs. FORD as well as their children at Christmas time. I am sure that it must include some of their secretaries. I would say the value of the gifts ranged from \$5.00 to no more than \$50.00.

"QUESTION: (Mr. DONEGAN)

"I understand from what you have told us that you continued to give such gifts after you became connected with companies vested in OAP, but that you paid for such gifts out of your personal funds. Is that correct?

"ANSWER: That's true.

"QUESTION: (Mr. DONEGAN)

"At no time did you pay for any such gifts out of money charged to the corporation's expense?

"ANSWER: That's true.

"QUESTION: (Mr. MALLEY)

"Previously a question was asked in connection with your operation of E. Leitz, Inc., as to whether or not any official of the Office of Alien Property of the Department of Justice has requested you to make available a Leica camera at a discount price to them or to any employee of the United States Government. At that time you made the reply that you do not recall that such a request could have been made. You further advised that the same courtesies you would give to anybody who requests a camera at wholesale price would be extended, and that would be a price equal to the dealer's price. Will you state at this time whether you recall any employees of the United States Government or individuals not employed by the Government who have received cameras at wholesale price?

"ANSWER: We have a policy that persons working for a photographic dealer can purchase a camera from us at a special discount price. We also extend this courtesy to people who handle our microscopes. If one of their executives desire a camera or any other equipment that we may have for their personal use, we extend the courtesies of a dealer's price to them. I am sure there are instances where certain important suppliers of merchandise to us have asked us for the courtesy of a dealer's price and we have extended it to them. I would venture to guess that the special price to people who have no connection with the Government far exceed any sale made to a person associated with the Government.

"QUESTION: (Mr. MALLEY)

"Mr. HOROWITZ, do you have knowledge of any Government employees who have received special discounts on any Leica cameras where an individual camera was purchased from E. Leitz?

"ANSWER: Not to my knowledge.

"QUESTION: (Mr. DONEGAN)

"Mr. HOROWITZ, have you any knowledge of any individuals or any personal contacts with individuals, who are associated with or who have been associated with companies vested in OAP or who are in the employ of OAP, the Department of Justice, or any other Division of the Government, who are presently or who have been in the past engaged in questionable activities or who have questionable associations?

"ANSWER: No."

The following information was obtained from a supplementary question and answer signed statement under oath furnished by HAROLD ERNEST HOROWITZ on January 4, 1952, to SAs CARL L. BENNETT and HARRY KIEFFER, both of the New York Office, and THOMAS J. DONEGAN, Special Assistant to the Attorney General, pertinent parts of which are set forth as follows:

"QUESTION: (Mr. DONEGAN)

"Mr. HOROWITZ, you were previously asked to furnish us with a list of the names of the clients whom you represented in matters before various divisions of the Department of Justice. You stated that you desired to obtain an outside opinion as to whether you would be violating the ethics of your profession if you revealed these names. Have you reached a decision on this matter?

"ANSWER: I have. I have been advised not to reveal the names of my clients. I can state further, though, that I never represented anyone before the Office of Alien Property at any time, or before the Antitrust Division while Mr. BERGSON was at the head of the Antitrust. I have appeared before the Antitrust Division subsequent to Mr. BERGSON's departure from the Department of Justice.

"QUESTION: (Mr. DONEGAN)

"Could you reveal the names of the clients you represented before the Antitrust Division in these instances?

"ANSWER: I would rather not, based on the advice given to me.

"QUESTION: (Mr. DONEGAN)

"With reference to your statement that you have been advised not to furnish the names of these clients that you represented before the Department of Justice, can you furnish the source of this advice? I have in mind, have you been so advised by a Bar Association?

"ANSWER: I have not been advised by a Bar Association. I have been advised by an attorney, whose identity I do not wish to reveal.

"QUESTION: (Mr. DONEGAN)

"Mr. HOROWITZ, do you recall who in the office of Alien Property first suggested to you that you represent the ~~Greenpoint Coal Docks Company~~?

"ANSWER: I do not recall.

"QUESTION: (Mr. DONEGAN)

"Did any of the following individuals have any conversation with you concerning your representation in a private legal capacity of the Greenpoint Coal Docks Company: Mr. BAZELON, Mr. BAYNTON, Mr. BERGSON, Mr. FORD, or any other officials connected with the Department of Justice.

"ANSWER: I'm sure it wasn't Mr. BERGSON or Mr. FORD, and I don't think it was Mr. BAZELON. It may have been Mr. BAYNTON or someone in their litigation branch. I know that the only person I spoke to about fees for this matter was Mr. LAMUDE at the time of my retainer. I'm trying to recall who spoke to me about it originally, and I can only say that I'm sure it wasn't Mr. BAZELON and it wasn't Mr. BERGSON, and it wasn't Mr. FORD who spoke to me about it.

"QUESTION: (Mr. DONEGAN)

\* "I would like to ask you the same question with reference to the ~~Schering Corporation~~; that is, will you furnish us with the names of any individuals in the Department of Justice with whom you had a discussion concerning your representation of this corporation, and in this listing of names I would also like to refer to Mr. BAZELON, Mr. BAYNTON, Mr. BERGSON and Mr. FORD.

"ANSWER: As I stated before, the first person to speak to me about the matter I'm sure, was Mr. BROWN, President of Schering. I never discussed the case with Mr. FORD or Mr. BAZELON. Mr. BAZELON, I don't think, was with the Department of Justice any longer. And I didn't discuss it with Mr. BERGSON. I may well have discussed it subsequent to my retainer with Mr. BAYNTON, but the retainer in that matter was discussed only at the time of making it with Mr. BROWN, and as I remember, Mr. BROWN wrote me a letter setting forth the retainer, after our discussion, which I immediately filed with the Committee on Practice of the Bureau of Internal Revenue - not his letter, but excerpts from his letter on my stationery to reveal the retainer, but I never discussed the retainer with any member of the Department of Justice prior to making the retainer. I may well have mentioned it to Mr. BAYNTON subsequent to making the retainer, or to Mr. LAMUDE. I don't know. I don't recall that.

"QUESTION: (Mr. DONEGAN)

"Mr. HOROWITZ, I would like to refer to the question and answer statement that you made on December 18, 19, and 20, 1951. At that time I asked you this question: 'You previously advised that in connection with your business trips you came in contact with Mr. BERGSON. I would like to ask you whether at any time you made any expenditures for the benefit of Mr. BERGSON, that is, in the way of gifts or the payment of hotel bills or otherwise, which you charged to your expense account at E. Leitz, Inc.' You answered this question as follows: 'I again would say no.' The FBI developed information from an examination of the records of the E. Leitz Company that a check was drawn in favor of HERBERT A. BERGSON in the amount of \$391.00 and was charged to your expense account in the company's records. Can you furnish an explanation as to this charge?.

"ANSWER: That was in re-payment to him for my own fares from here to the Coast and back that he had secured the reservations paid for out of his own money. That was his money for my own fare.

"QUESTION: (Mr. DONEGAN)

"Was Mr. BERGSON in the employ of the Department of Justice at this time.

"ANSWER: Yes. He was Assistant Attorney General in charge of Anti-Trust Division at that time.

"QUESTION: (Mr. DONEGAN)

"Will you give us, to the best of your recollection, the circumstances of the purchase of these transportation tickets-- specifically, if you can, as to whether Mr. BERGSON traveled on a GTR in connection with official business?

"ANSWER: I know that Mr. BERGSON traveled on a GTR. The \$391 is the re-payment to him for my transportation to California and back to New York, which amount he advanced for me. I know that he made a reservation and picked up the tickets and I re-paid him for my own transportation. This amount does not include any expenses incurred by Mr. BERGSON other than his payment of my own transportation.

"QUESTION: (Mr. DONEGAN)

"Did you both travel to the Coast together?

"ANSWER: I believe so.

"QUESTION: (Mr. DONEGAN)

"Were you both engaged in the same business activity.

"ANSWER: Mr. BERGSON was on government business and I was on E. Leitz business. It just made it more pleasant for me to travel with someone I knew."

The following information was obtained from a question and answer signed statement under oath furnished by HAROLD ERNEST HOROWITZ on January 11, 1952, to THOMAS J. DONEGAN, Special Assistant to the Attorney General, and SAs CARL L. BENNETT and JAMES R. MALLEY of the New York Office, pertinent parts of which are set forth as follows:

"QUESTION: (Mr. MALLEY)

"Mr. HOROWITZ, the records of Ferd. Mulhens, Inc. reflect an expense item dated July 7, 1949, showing an advance of \$500.00 for expenses for a trip to California. This item specifically shows plane fare to Los Angeles, San Francisco, Seattle, and return -- hotels, entertainment, etc. The records of E. Leitz, Inc. for July show an expense item in the amount of \$515.00 broken down as trip to California, \$395.00 and three staff dinners. In addition, the June, 1949, records of E. Leitz reflect an expense item for a trip to Seattle, Los Angeles, and San Francisco in the amount of \$391.35. This item shows that a



check was paid to HERBERT A. BERGSON, Washington, D. C. After examining these expense items, will you advise whether or not you made separate trips to the West Coast, one in June, 1949, and the other in July, 1949, and whether or not any of these expense items are duplications?

"ANSWER: To the best of my recollection, the expenses are for a trip in July made for both companies and there is no duplications of items although the voucher submitted to Ferd. Mulhens would be all-inclusive up to \$500.00 and the excess was charged to E. Leitz. I do not know which trip the voucher or the check to HERBERT A. BERGSON covers. I do know that the July vouchers cover the same trip made in July for both companies.

"QUESTION: (Mr. MALLEY)

"Mr. HOROWITZ, from the information available in the company records of E. Leitz, Inc. and Ferd. Mulhens, Inc., it is extremely difficult to determine exactly how the charges were divided between the two companies. It is noted that you did submit one expense item to Ferd. Mulhens, Inc., May 20, 1949, in the amount of \$500.00 to cover expenses to California. Is it possible that the item charged to E. Leitz, Inc. in June, 1949, in the amount of \$391.35 is in connection with the trip to California to which I have just referred, where you charged \$500.00 to Ferd. Mulhens, Inc.?

"ANSWER: It could very well be. On all trips that were made in the United States, I handled or spent time for both corporations. I may have gone out specifically for a purpose for one, but would always spend time on the other corporation's business. If I received a certain amount from one corporation, the excess was charged to the other corporation. I have never charged a duplicate bill to either corporation. If the records are confusing, I am afraid they are confusing because I was trying to do too much at one time. However, at the time that the vouchers were submitted, I know the money was spent on behalf of both corporations and that the sum total received from both corporations did not exceed my expenses on these trips. It is unfortunate that more time was not spent by me on setting up these vouchers. However, it must be borne in mind that I was the only executive officer at E. Leitz where previously they had a Chairman of the Board, an active president, two active vice presidents, and a general manager. Though at that time I do not think I had the title of president, the man who did have the title spent no time whatsoever at the corporation. I, in fact, was the Chairman of the Board, the president, vice presidents, general manager. I also undertook the added responsibility of Ferd. Mulhens. At the same time, I was trying to maintain a law practice. It seemed most important to me

to put these companies in good shape and the keeping of minute records as to expenditures, unfortunately, as I see today, was not the most important of my duties. I do know, though, that I never received a sum total from both corporations for a trip made that exceeded my expenditures. I dare say, in most cases, my actual expenses exceeded the sum total charged to these companies although I never on any of these trips did any activity other than on behalf of the corporations.

"QUESTION: (Mr. DONEGAN)

"Mr. HOROWITZ, in order that the record may be clear, I would like to refer to the photostatic copies of the vouchers which were exhibited to you by Mr. MALLEY in the course of the aforementioned questioning and ask you whether or not, in your opinion, these vouchers, on their face, indicate that duplicate charges might have been made for expenses incurred by you on your trips to Europe and to California on behalf of E. Leitz, Inc. and Ferd. Mulhens, Inc.?

"ANSWER: Only because of phraseology used to cover items of expense, but as to amounts received, there was no duplication.

"QUESTION: (Mr. DONEGAN)

"I would like to point out to you that the reason we are questioning you on the possibility of such duplication of charges is because of the wording of these vouchers and in the course of examination made by the FBI of the vouchers, it is entirely reasonable to assume that such duplicate charges might have been made. I now understand you to state that, in spite of the wording of these vouchers, you did not at any time while representing either Ferd. Mulhens, Inc. or E. Leitz, Inc. charge more than the amount expended by you for expenses of making these trips and, where it appears on these vouchers that duplicate charges were made for transportation, this was not the fact. Am I correct in this understanding?

"ANSWER: You are correct, Mr. DONEGAN. I would like to state at this time that if we bear in mind that I was retained at \$25.00 an hour, all I had to do on any trip was to submit hours spent on my trip and receive compensation at the rate of \$25.00 an hour. This rate would far exceed any amounts charged at any time for any trip for any type of expenses. If I were to charge E. Leitz for time spent at the hourly rate that I am authorized to charge, my drawing would be no less than \$50,000.00 a year from the date that I assumed the office of Chairman of the Board. My sole concern was for the benefit of the corporation. It seems unfortunate at this stage to find that phraseology of vouchers

would indicate that I was charging duplicate bills to both corporations, especially when at those times, I could have legitimately submitted an hourly voucher that would far exceed any total expenses received throughout the year from both corporations. In 1948, I remember, the sume total of \$9,000.00 was drawn by me from E. Leitz for six months of that year when I was the only executive officer. In 1949, I believe I drew the total sum of approximately sixteen thousand dollars. My hourly rate charges would exceed \$50,000.00. In 1950, including a bonus of \$5,000.00, I received the sum total of \$27,600.00. My hourly rate would have exceeded \$50,000.00; and in 1951, my drawings totalled \$26,100.00; and again, my hourly rate would be far in excess of \$50,000.00. I did not have to resort to duplication of expenses to receive more money, all I had to do was to submit an hourly weekly bill to my comptroller and pursuant to my Board of Directors, he would have to pay me at the rate of \$25.00 an hour. Again, I say it is unfortunate that the phraseology of the vouchers would indicate a duplication of charges made on particular trips. The phraseology of vouchers at that particular time was the most unimportant thing in my life. The most important thing was the job of making E. Leitz the corporation that it is today.

"QUESTION: (Mr. DONEGAN)

"You will recall, Mr. HOROWITZ, that the records of OAP reflect that former Assistant Attorney General BAZELON raised a question with you as to your expense vouchers, expressing dissatisfaction with the explanations contained in the expense vouchers. Did he/or any other representative of OAP or the Department of Justice ever discuss with you those vouchers which, on their face, would indicate a duplication of charges?

"ANSWER: Never. They had the opportunity to check these vouchers, I believe, as I stated before, and, after checking them, apologized to me for the embarrassment and inconvenience cause me and told me at that time everything checked out correctly.

"QUESTION: (Mr. DONEGAN)

"I do not desire to labor the point, but the question is raised, in view of your clear-cut, definite statement that you made no duplication of charges for expenses, as to why it was not suggested to you that vouchers be submitted which would not, on their face, appear to indicate that you were making duplicate charges. Would you care to comment on this?

"ANSWER: I do not remember any comment made to me at that time by Mr. BAZELON or any other person in OAP. I do know though that I have never charged any expenses to Ferd. Mulhens subsequent to July of 1941.

"QUESTION: (Mr. MALLEY)

"Mr. HOROWITZ, information has been received that former Director of OAP BAZELON instructed you telephonically not to draw any further salary from E. Leitz, Inc. until a check was made of the expense items being submitted by you. Will you advise at this time whether or not you continued to draw your regular salary or whether you did for a period omit taking your regular weekly salary?

"ANSWER: I followed his instructions and for a short period of time until two of his representatives arrived and checked the figures. I did not draw my weekly salary although I attended to the business of the corporation as usual and, when his representatives told me everything was all right, I drew my salary, including the time that I had not drawn the salary."

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#### OTHER KNOWN CLIENTS OF SUBJECTS

A list of clients of the subjects of this investigation was furnished to the Department of Justice by the Chelf Committee. The names of these clients were checked through the indices of the Department by Mr. AMANDO DI GIRALAMO, Records Section of the Department of Justice, and pertinent references to instant clients were furnished to SA's LESLIE B. CHISHOLM, JR. and EDGAR L. CARTER.

It is noted that the Department of Justice files pertaining to some of these clients had been previously reviewed by Agents of the Washington Field Office and the results of the reviews were set forth in previous reports submitted in instant case.

The following is a list of the clients furnished by the Chelf Committee and in those instances where the Department had material, the same was reviewed and comments are noted under the names of the clients as set forth below:

THE ANDERSON COMPANY, Gary, Indiana; client acquired October, 1951. A record check of the Department reflected no record with regard to this client.

BRAUN AND COMPANY, 601 West Fifth Street, Los Angeles, California; client acquired April, 1952. The record check of the Department reflected no record with regard to this client.

COTY'S PRODUCTS CORPORATION, 730 Fifth Avenue, New York, New York; client acquired March, 1951. The record check of the Department reflected no record with regard to this client.

COHEN'S, 1227 G Street, Northwest, Washington, D. C.; client acquired December, 1951. The record check of the Department reflected no record with regard to this client.

DICTOGRAPH PRODUCTS, Incorporated, 6 West 49th Street, New York, New York; client acquired March, 1951. There were two Departmental files in instant case, and both were reviewed by SA EDGAR L. CARTER. Department file Number 82-0, section 9, contains miscellaneous communications to the Department of Justice concerning complaints against radio stations and other Interstate Commerce Commission violations.

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involving telegraph companies and cable companies, which were subsequently forwarded by the Department to the Interstate Commerce Commission.

File number 60-235-14 entitled DICTOGRAPH PRODUCTS, INC. concerns the refusal of DICTOGRAPH PRODUCTS, INC. to sell repair-parts to other companies repairing their equipment and other alleged monopolistic practices, including alleged attempts on the part of the company to monopolize the field of servicing dictograph equipment owned by the Federal Government.

It is noted that neither of the two above mentioned files contained any reference to the subjects in instant case, and that there is nothing contained in either file of pertinence to instant investigation.

\* FREEPORT SULPHUR COMPANY, 161 East 42nd Street, New York, New York; client acquired January, 1952. It is to be noted that this case was previously reviewed by Agents of the Washington Field Office and the result of the review has been previously reported.

\* HADACOL, Lafayette, Louisiana; client acquired February, 1951. The record check of the Department reflected no record with regard to this client.

LAWRENCE G. \* LASKY, 260 Tremont Street, Boston, Massachusetts; client acquired March, 1951. The record check of the Department reflected no record with regard to this client.

\* LEHMAN BROTHERS, 1 William Street, New York, New York; client acquired February, 1951. There were two Departmental files in connection with LEHMAN BROTHERS: 60-391-7, entitled Investment Securities Industry - Anti-Trust, contains a detailed memorandum regarding the financial structure, officers, and holdings of LEHMAN BROTHERS, the LEHMAN CORPORATION and other investment trusts sponsored by them.

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office*

Department of Justice file number 88-53 entitled, LEHMAN BROTHERS, Interlocking Relationship Case, Civil Aeronautics Board, Docket Number 3605. It is noted this case is closed and there is a memorandum in the same reflecting that nothing was developed indicating an Anti-Trust violation. The correspondence in instant file refers to LEHMAN BROTHERS and Directors in both air-carriers and common-carriers, and appears to reflect there has been a violation of Civil Aeronautics Board's regulations and that the Civil Aeronautics Board was holding hearings in connection with the possible violation of its regulations. It is noted that no mention of the subjects is made in either of the above cases and that there is nothing contained in either file of pertinence to instant investigation.

E. LEITZ, INCORPORATED, 304 Hudson Street, New York, New York; client acquired January, 1951. It is to be noted that the files with regard to this case were previously reviewed by Agents of the Washington Field Office and the result of the review has been previously reported.

\* METAL TRADING COMPANY, 272 West 90th Street, New York, New York; client acquired October, 1951. It is noted that after a search of the indices of this company, the Department furnished the following three files: 156-11-3, 146-18-16-7, and 61-10054.

3 File 156-11-3 contains one short inter-office memorandum dated February 21, 1948 regarding Labor Management Relations Act of 1947; does not mention names of subjects in instant case; and has no pertinency to the same.

File 146-18-16-7 relates to METAL TRADERS, INC., 67 Wall Street, New York City, and not to subjects clients, the METAL TRADING COMPANY, 272 West 90th Street. It is further noted that none of the subjects' names appeared in instant file.

File number 61-10054 entitled, S.S. MORMACREY vs. - 23 - S from New York - April, 1944, METAL TRADERS, INC., vs. USA. Instant case relates to the settlement of a claim against the MCCORMICK COMPANY and the METAL TRADERS, INC. for an amount of \$425,

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which was subsequently settled at a \$90 figure. There was no mention of the subjects' names in instant case and nothing contained therein of pertinence to this investigation.

~~NATIONAL BULK CARRIERS, INCORPORATED~~, 600 Fifth Avenue, New York, New York; acquired July, 1951. The search of the records of the Department disclosed nine files pertaining to this company, which are set forth below together with the name of the case:

61-74-24: This file relates to the case of HJALMER M. SANDERS, Libellant vs, NATIONAL BULK CARRIERS, INCORPORATED;

61-79-37, MATELINE MOORE, Administratrix of the estate of KENNETH MOORE vs. USA, AMERICAN TANKER CORPORATION, et al;

61-16155, USA as owner of S.S. CHARLESTOWN vs. the NATIONAL BULK CARRIERS, INC., as owner of the S.S. VIRGINIA;

61-18075, CONRAD O. NELSON, Libellant against USA and NATIONAL BULK CARRIERS, INCORPORATED, respondents;

61-18423, S.S. SAN JUAN HILL - S.S. BULKLUKE Collision, January 30, 1946;

145-121-11, NATIONAL BULK CARRIERS INCORPORATED, Plaintiff against LINDSAY C. WARREN, Controller General of the USA, Defendant;

150-97, regarding M. V. PETROFUEL - British Naval Vessel J - 866 Collision, March 1, 1943;

154-48655, NATIONAL BULK CARRIERS, INCORPORATED, Plaintiff against USA, Defendant; Court of Claims Docket Number 48566;

154-48656, NATIONAL BULK CARRIERS, INCORPORATED vs. USA. Court of Claims Docket Number 48565.



The aforementioned files were reviewed by SA LESLIE B. CHISHOLM, JR., and the review disclosed these cases were mostly admiralty matters handled by the Claims Division of the Department through United States Attorney offices throughout the country. The review disclosed no pertinent information with regard to any of the subjects in this investigation.

\* WILLIAM H. PLUMMER AND COMPANY, LIMITED, 734 Fifth Avenue, New York, New York; client acquired November, 1951. The files of the record section of the Department advised they had no record with regard to this client.

\* STALEY MILLING COMPANY, Kansas City, Missouri; client acquired February, 1952. The record section of the Department advised they had no record with regard to this client.

\* SYLVANIA ELECTRICAL PRODUCTS, INC., 1740 Broadway, New York, New York; client acquired December, 1950. The files with regard to this case were previously reviewed by Agents of the Washington Field Office and the results of the review have been previously reported.

\* P. THOMPSON AND COMPANY, New Orleans, Louisiana; client acquired September, 1951. The files with regard to this case were previously reviewed by Agents of the Washington Field Office and the results of the review have been previously reported.

\* THRIFT DRUG COMPANY, Pittsburgh, Pennsylvania; client acquired November, 1951. The record section of the Department advised they had no record with regard to the THRIFT DRUG COMPANY, however, they did advise they had a file concerning the THRIFT CUT RATE DRUG COMPANY, File 146-51-2-1354.

The aforementioned file was reviewed and disclosed the THRIFT CUT RATE DRUG COMPANY, 9 West Portal Avenue, San Francisco, California was a subject in an investigation concerning a possible violation of the Surplus Property Act and Fraud Against the Government. The file disclosed no information indicating any of the subjects of this investigation had participated in this case and there was no indication that the THRIFT DRUG COMPANY, Pittsburgh, Pennsylvania was identical with the THRIFT CUT RATE DRUG COMPANY of San Francisco, California, which latter

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store appeared to be a one-unit organization.

UNITED PARAMOUNT THEATERS, INC., 1501 Broadway, New York, New York; client acquired February, 1951. The files with regard to this case were previously reviewed by Agents of the Washington Field Office and the result of the review has been previously reported.

AUGUST PEREZ AND ASSOCIATION, New Orleans, Louisiana; client acquired February, 1952. the Records Section of the Department advised they had no record concerning this client.

PUBLICKER INDUSTRIES of Philadelphia. There were two Departmental files dealing with instant organization. File number 59-30-2954 and 146-51-2-562.

59-30-2954 is a single volume and contains nothing in addition to a copy of the "information filed in the case of USA vs. PUBLICKER INDUSTRIES, INC., Number 16763."

File number 146-51-2-562 is also a single volume file and deals with the proposal of PUBLICKER INDUSTRIES, INC. to purchase certain land and equipment from the War Assets Corporation.

It is noted that the names of the subjects are not mentioned in either of the above captioned cases, and that there is nothing contained in the same of pertinence to instant investigation.

RARE EARTHS, INC.; Patterson, New Jersey. The Department advised that they have no material pertaining to this client.

AMERICAN FAIR TRADE COUNCIL; Department of Justice file number 102-0, supplied to Agents in connection with this case, was reviewed and the same was noted to contain numerous letters to the Department, complaining of false and misleading advertising and difficulties experienced by purchasers of various brand-name merchandise. These matters were largely referred by the Department of Justice to the Fair Trade Council and there is but a single reference to the above named American Fair Trade Council, Inc., of Gary, Indiana. Instant reference refers to a notation that there appears to be no violation if the Council

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is what it proports to be, a "national association of fair trading manufacturers", and is a non-profit, educational organization. It is noted that no investigation had been made by the Department of this client and that instant reference to the client does not contain the names of any of the subjects in this case or is there anything contained in the file of pertinence to instant investigation.

REINTERVIEW WITH ERNEST L. BRANHAM

The following investigation was conducted by Special Agents WILLIAM A. ROYER and GUSTAVE SARADAKIS on August 19, 1952:

Mr. BRANHAM was recontacted to obtain additional information regarding the statement that LANDA made to him shortly after he, LANDA, had testified before the Chelf Committee on June 27, 1952, at which time LANDA informed BRANHAM, "after this is all over, I would like to see you and tell you what BERGSON tried to get us to do." BRANHAM informed that he could not elaborate on the statement as set forth above inasmuch as he had not discussed this matter with LANDA since that time.

He further related that it was his opinion that the "crowd" was out to get him. When questioned specifically as to whom he meant by the "crowd," he named ~~CLAPP~~, ~~HODGES~~, ~~RASHID~~, ~~KENNEY~~, BERGSON and MORISON. He stated that since May, 1952, his work load had been curtailed by the front office and at the present time he is "just sitting it out" until the results of the Chelf Committee hearing are made public. He further related that he had never been contacted by any members of the law firm of FORD, BERGSON, and BORKLAND concerning any cases pending in the Antitrust Division with the exception of the Sylvania Electrical Products, Inc., and the Hamilton Manufacturing Company.

In concluding, he advised that he received his last grade raise in 1946; however, he has definite knowledge that he had been recommended at least twice by Mr. HAMILL, his immediate superior, for a grade raise, but this grade raise did not materialize. In late 1950 or 1951 when BORKLAND called him about another complaint against the Sylvania Electrical Products, Inc., case, BORKLAND asked BRANHAM if he had ever received his grade raise. Mr. BRANHAM said he had not. He recalled that BORKLAND stated that "we know Mr. MORISON very well and we think we can help you." Mr. BRANHAM stated that this phase of the conversation stopped at that point and they went on to discuss the Sylvania case. Mr. BRANHAM stated that he did not know what BORKLAND meant by the above-mentioned statement concerning his raise. He did not know whether it could be classified as a persuasion, inducement or what! He concluded that he has not received his raise as yet.

INTERVIEW OF JOSEPH C. DUGGAN

JOSEPH C. DUGGAN, Assistant Attorney General, was interviewed on August 18, 1952 by Special Agents WILLIAM T. FORSYTH and BERNARD E. BUSCHER at the Department of Justice Building. Mr. DUGGAN advised he has been employed in the Department of Justice from 1935 to 1945 in Washington, D. C., and from 1945 to 1947 was employed by the Department of Justice in Boston, Massachusetts. He entered private practice in 1947 and returned to the Department of Justice in his present position in November, 1951.

He stated he was very well acquainted with HERBERT A. BERGSON inasmuch as they had worked very closely under Judge HOLTZOFF during the period of his first employment with the Department of Justice. He added, however, he had never handled any actual case with BERGSON or any other member of his law firm, nor has he had any contact with them regarding any official matter of the Department of Justice either pending or closed. He further stated he has not had any official contact with any member of the firm since he assumed his present position as Assistant Attorney General.

He added, however, that he had social contact with BERGSON, having been a guest at his home, and on occasion had a few telephone calls of a social nature since his return to the Department of Justice in 1951. DUGGAN remarked his wife was a close friend of Mrs. BERGSON and shortly after his return to the Justice Department he and his wife had paid a social call on Mrs. BERGSON.

He advised that in his present position as Assistant Attorney General he has had no occasion to discuss any departmental case with any attorney or member of the department staff, inasmuch as his work embodies problems of a policy nature. He further advised that his office does not handle cases on an operational level unless specifically advised to do so by the Attorney General. Thus he would not ordinarily be contacted by any attorney, either staff or private practice, concerning a matter pending before the Department of Justice. He stated his office has a rule of long standing that in the event a request for interview is received from an outside source, such request is immediately referred to that section of the Department of Justice from which the case emanated.

DUGGAN specifically stated that neither BERGSON, FORD, or any member of their law firm has ever contacted him relevant to any matter of an official nature. Concerning PEYTON FORD, DUGGAN advised he met FORD

casually in 1947 and has never had any personal or official contact with him. He added he had never handled any case, either as a Department of Justice employee or as a private attorney, with Mr. FORD and further he had no official dealings with any known client of BERGSON, FORD, or their firm. He added he personally has no knowledge of any member of the above firm contacting the Department of Justice officially or any employee of the Department of Justice regarding their clients.

DUGGAN related he was invited to testify before the Chelf Committee and had sat in on hearings before that committee. He stated he was surprised to learn that allegations were made indicating possible irregularities in connection with dealings of BERGSON and FORD with the Anti Trust Division, Department of Justice. Mr. DUGGAN advised that on the day he was invited to testify, Mr. FORD during the hearings challenged the Chelf Committee and requested he be allowed to answer the allegations. According to Mr. DUGGAN he, DUGGAN, was not requested to testify.

Summarizing, Mr. DUGGAN stated that during his employment with the Department of Justice he could not specifically recall any case in which there appeared to be any indication of irregularities.

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JAMES R. BROWNING, Executive Assistant to the Attorney General, was interviewed by SA's ROBERT K. LEWIS and ROBERT N. WINGARD on August 18, 1952.

Mr. BROWNING advised that he had formerly been the Assistant Chief of the Litigation Section in the Anti-Trust Division and in this position had very frequent contact with subjects, BERGSON and BORKLAND, while these individuals were employed as Attorneys by the Justice Department.

Mr. BROWNING advised that he has seen Mr. BERGSON on several occasions since BERGSON left the Department, once at a Chelf Committee hearing and once when Mr. BERGSON dropped into his office to say hello. He commented on this occasion BERGSON advised that he was in the Department on Anti-Trust business. Mr. BROWNING commented he did not recall if BERGSON mentioned whom he had visited in the Department and was positive that BERGSON had not mentioned the nature of his business. Mr. BROWNING mentioned that he had not had any contact with any of the other subjects in this case and had no knowledge of anyone in the Department whom they had contacted since they resigned.

Mr. BROWNING continued adding that during the entire time he has been employed as an Attorney by the Justice Department no one, either inside or outside the Department, has ever attempted to influence his decisions in any shape or form. Further, he has never seen any evidence of anyone in the Department either being influenced or attempting to influence another person. He commented he was not acquainted with any contacts the subjects might have made, as Department Attorneys through cases which they handled, and did not know if any contacts which they had made ultimately became clients of the subjects. He added that he was not acquainted with whom the subjects have as clients.

Mr. BROWNING concluded by stating he did not know of any mishandling of cases by anyone in the Justice Department and that every case with which he had had any direct contact had been handled by all personnel involved on merit alone.

Mr. ELLIS N. SLACK, Acting Assistant Attorney General, was interviewed at the Department of Justice on August 18, 1952 by SA's ROBERT N. WINGARD and ROBERT K. LEWIS.

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Mr. SLACK advised he has had no contact with any of the subjects regarding any cases since they left the Department of Justice. He advised he is not aware that any of the subjects have attempted to influence any matters in the Department and stated he knew of no irregularities in any cases by the subjects or by anyone else. He stated he has no knowledge of any clients secured by the subjects as a result of their former positions in the Department of Justice.

He added that SUMNER REDSTONE has had at least one conference with Attorneys in the Criminal Section, Tax Division, in behalf of BILL WILLIAMS, Upper Darby, Pennsylvania, Department of Justice file number 5-62-1247. He said he believed Mr. REDSTONE started to handle the Tax Case of WILLIE CARL GARMON, Stone Mountain, Georgia, Department of Justice file number 5-19-254, but withdrew from this case before any action was taken. Mr. SLACK added that Mr. REDSTONE had been employed in the Appellate Section, Tax Division, while with the Department of Justice and was never employed on criminal work. He stated that due to Mr. REDSTONE's position in the Appellate Section, he had few contacts with outside counsel or possible clients.

Mr. SLACK concluded by saying Mr. REDSTONE had been employed in the same division of the Tax Section as had VIRGINIA ADAMS, wife of ALBERT ADAMS, and that it was his understanding that through this contact ALBERT ADAMS had been admitted into the law firm of the subjects. He stated that during the two years that Mr. REDSTONE had been employed by the Department, his work was entirely satisfactory and that no irregularities have occurred in any cases on which he was assigned.



INTERVIEW WITH JOHN F. BAECHER

JOHN F. BAECHER, Attorney, Antitrust Section, Department of Justice, was interviewed on August 19, 1952 by SA'S WILLIAM T. FORSYTH and BERNARD E. BUSCHER, at the Department of Justice Building. BAECHER stated he was First Assistant in the Claims Division during 1946 and 1947, and the First Acting Assistant of the Antitrust Division in 1947 and 1948. For a short period in 1948, he was also the Acting Head of the Antitrust Division.

BAECHER related that he and HERBERT A. BERGSON were candidates for the position as Head of the Antitrust Division, and that BERGSON eventually gained this promotion. He added BERGSON was a good friend of PEYTON FORD, and naturally was FORD's candidate for the position. He remarked that FORD himself did not designate the man for the position, but had made recommendations to Attorney General CLARK. He advised that after BERGSON's appointment, he was given a "lower rank" and did not actively participate in any large cases in the Division.

BAECHER related that during the course of his normal employment, he had numerous contacts with PEYTON FORD and HERBERT BORKLAND, but had not been closely associated with either individual. He was unable to recall any case in which there had been any significant disagreement of his recommendations by BERGSON or FORD. BAECHER remarked that he has a high opinion of BORKLAND's technical ability, having requested his assistance in cases which he, BAECHER, had handled. He advised that neither BERGSON, FORD, BORKLAND, nor any member of that firm, have contacted him since they left the Department. In conclusion, BAECHER stated he knows of no irregularities in connection with any case handled by any of the above individuals, nor any irregularities in connection with any case handled by any attorney in the Justice Department. He added, he is unable to furnish any information relative to clients they have acquired because of their contacts in the Justice Department.

On August 19, 1952, W. B. WATSON SNYDER advised that he did not believe BAECHER was ever seriously considered for the position as Head of the Antitrust Division, inasmuch as it was the general opinion that he was not capable of handling such a position.

INTERVIEW WITH CURTIS SHEARS

CURTIS ~~X~~SHEARS was interviewed by SAs WILLIAM E. FENIMORE and EDWARD J. HAYES, on August 18, 19, and 20, 1952, in his office.

CURTIS SHEARS advised that he is presently employed as an Attorney in the Lands Division, having been transferred to that Division on December 10, 1951, from the Antitrust Division. He informed that he had been contacted by representatives of the CEEIF Committee, investigating the Department of Justice, and advised them that he did not care to testify before the Committee inasmuch as he was a temporary classified employee, and felt that he would be placing his job in jeopardy should he divulge any information which might hurt some of his superiors or associates in the Department of Justice.

SHEARS advised Reporting Agents that inasmuch as this investigation was at the specific request of Attorney General McGRANERY, he would be willing to divulge any information he had relating to this matter. He stated, however, that he did not care to sign any statement setting out his views, but would make corrections on the statement which would indicate that he had read the statement and that it was true and correct.

When SHEARS was subsequently tendered the following signed statement to read and correct, he informed that he had changed his mind and would sign this statement. There appears below the signed statement taken under oath from CURTIS SHEARS:

"Washington, D. C.  
"August 20, 1952

"I, CURTIS SHEARS, having been duly sworn and placed under oath, make the following voluntary statement to WILLIAM E. FENIMORE and EDWARD J. HAYES who have identified themselves to me as Special Agents of the Federal Bureau of Investigation. I have been advised that I do not have to make this statement and that it may be used in a court of law. No threats or promises have been made to me in order to obtain this statement.

"I have been in Government service for approximately twenty-three years. I entered on duty as an Attorney in the Anti Trust Division, U. S. Department of Justice, on October 1, 1944, and remained assigned to that Division until December 10, 1951, when, at the instigation of GRAHAM MORISON, I was transferred to the Lands Division of the Department. I am presently so employed. I am classified as a temporary employee although I have personal permanent status, receiving an annual salary of \$11,800. I wish further to state that I am a graduate of the U. S. Naval Academy at Annapolis and at present hold the rank of Captain in the U. S. Naval Reserve.

"I would like to state I have been contacted by the Chelf Committee investigating the Department of Justice. I advised representatives of this Committee that I did not care to testify before the Committee inasmuch as I am a temporary classified employee and felt I would be placing my job in jeopardy if I should divulge information which might hurt some of my superiors or associates in the Department of Justice. I was not pressed for information by the Committee representatives.

"I would like to state that since I have now been advised by the afore-mentioned FBI Agents that this investigation is being conducted at the specific request of Attorney General McGRANERY, I am willing to divulge any information I have relating to this matter.

"The first case I was given when I entered on duty in the Anti Trust Division in 1944 was the Flat Glass Case, a case which had been kicked around the Anti Trust Division since 1938. I recall the original allegation was that a number of glass producers, among whom were the two largest, Libby-Owens-Ford and the Pittsburgh Plate Glass Company, were trying to monopolize the flat glass field. I handled this case from 1944 until the trial which ended with my concluding the Government's case in June of 1948.

"From my investigation of the Flat Glass Case, and from my association with it, I am of the opinion and always have been that it is one of the finest anti trust cases the Department has ever had and certainly a most aggravated one.

"By way of background information in this case, the Department issued subpoenas in 1940 or 1941 to representatives of the different glass companies to make arrangements for a search of their files. About this time or just after the issuance of the subpoenas JACK BIGGERS sensing that he and his company would become defendants in this case obtained a dollar a year job in Government service from President FRANKLIN D. ROOSEVELT so as to forestall any Government prosecution of the glass company. Later, I understand, BIGGERS was placed on a regular payroll.

"HOLMES BALDRIDGE informed me that acting upon instructions from the White House and because BIGGERS was a Government employee, THURMOND ARNOLD, the Assistant Attorney General, decided to withhold prosecution of the matter until after the war. After BIGGERS had left Government service, the White House instructed ARNOLD to proceed with the investigation of the Flat Glass Industry. In 1945 a complaint was filed by the Department in this case just before TOM CLARK became Attorney General. The trial after many delaying motions was begun in March of 1948 and concluded in June of 1948 with the Government resting its case.

"The first day HERBERT BERGSON came into the Department of Justice as an Assistant Attorney General in charge of the Anti Trust Division, I learned he wanted the Flat Glass Case settled. As a matter of fact, HOLMES BALDRIDGE came to me, told me the case was about to be

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"settled and asked I do everything I could with Attorney General TOM CLARK to stop the settlement because of the aggravated nature of the case and the sound basis upon which the Government's case was built.

"I went over BERGSON's head and discussed this case with TOM CLARK. I told him that it was an excellent case and should not be settled. CLARK advised me he would look into the case, but I gather it was a rather non-committal answer.

"After this conference with CLARK I was taken off the Flat Glass Case and sent to Philadelphia to handle a case for the Criminal Division under the HOBBS Act. As I mentioned previously, the Flat Glass Case came to a conclusion in June, 1948, with the Government's presentation of its case. I submitted a brief in this matter to the court. Negotiations for a consent decree ensued shortly thereafter. However, inasmuch as I was in Philadelphia trying a case for the Criminal Division I took no part in these negotiations. However, upon my return to Washington HERBERT BERGSON handed me a consent decree to sign. After a review of it I refused to sign, as did all members of my staff. I felt the Government, having an excellent case against the Flat Glass Industry, should not undertake to settle such a case. I was directly opposed in these views by HERBERT BERGSON who advised me he wished the case settled. About this same time, HERBERT BORKLAND, who was in the Anti Trust Division, called me in and asked that I sign the consent decree. I refused to do so. During our discussion about the consent decree, BORKLAND

telephonically contacted PEYTON FORD and asked FORD to come down to his office. FORD came in. He asked me to sign the consent decree which I again refused to do. FORD pointed out his wife and my wife were good friends and that I was creating trouble in the Department by refusing to sign this consent decree. To the best of my recollection HERBERT BERGSON was on vacation at the time BORKLAND and FORD had this conference with me. FORD called BERGSON off of his vacation relative to this matter. Upon his return BERGSON asked me to change my viewpoint and sign the decree. Again I refused. BERGSON then asked me, 'Do you think this settlement is 'immoral'? If you do so, then it will be unnecessary for you to sign it.' If you do not think it is an immoral settlement then you should sign the decree or he intimated that I should resign my job with the Department of Justice. Inasmuch as I desired to keep my job I agreed to sign the decree provided I was so directed by memorandum from BERGSON. This was done and I have a copy of this memorandum, but believe the original has been deleted from the official files of the Department of Justice. In addition I also argued that a stipulation had to be placed in the decree that if the Flat Glass Industry did not become more competitive after a three year period the Department could re-open its investigation.

"I do not know why HERBERT BERGSON wanted this case settled nor have I any knowledge that he presently represents any of the defendants in the Flat Glass Case. I felt as did WALKER SMITH, my first assistant, that this case should not have been settled on the terms it was. As a matter of fact, while I was away in Philadelphia trying the HOBBS Act case for the Criminal Division, I learned of the nature and terms of the proposed settlement, where upon I telephonically communicated with WALKER SMITH and asked him to go to BERGSON and BORKLAND to forcibly state our objection and position regarding the proposal.

"With reference to PEYTON FORD, FORD was not in the Anti Trust Division at this time and had little or no connection with the Flat Glass Case. Although I was not

surprised at his intervention in the case at the time, I am now. In addition to WALKER SMITH, KENNETH LINDSAY and SIGMUND ~~TIMBERG~~ were also associated with this case. SIGMUND ~~TIMBERG~~ has told me on a number of occasions that he wrote a memorandum which I have seen setting forth the reasons why this case should not be settled. When HERBERT BERGSON came into the Anti Trust Division I noted that ~~TIMBERG~~'s stand on the Flat Glass Case changed. I discussed this change of policy with ~~TIMBERG~~ inquiring as to why he changed his view point. He told me that two people were forcing him to do so. I do not know who these two individuals were, but assume they were HERBERT BERGSON and later PEYTON FORD.

"Just prior to the trial of the Flat Glass Case and while he was still in the Claims Division HERBERT BERGSON telephonically contacted me and invited me to lunch. While at lunch BERGSON introduced me to an individual who was connected with the Pittsburgh Plate Glass Company. I am unable to recall the name of this man, but believe he was on the legal staff for the Pittsburgh Plate Glass Company. At this luncheon we discussed settlement of the Flat Glass Case. BERGSON asked some very pointed questions, including 'Why don't you want to settle the case?' I believe that this individual representing Pittsburgh Plate Glass had come to BERGSON to see if he would not intervene with me on his behalf so as to change my views and get me to settle the case. To the best of my knowledge the above-mentioned, unnamed individual formerly worked under BERGSON in the Claims Division, but left the Department to join Pittsburgh Plate Glass.

"I recall that the Flat Glass Case was rather embarrassing to JOHN ~~SONNETT~~, former Assistant Attorney General in charge of the Anti Trust Division. Prior to ~~SONNETT~~'s joining the Department of Justice he had been associated with the law firm of Cahill, Gordon, Zachery and Reindel of New York, who represented Libby-Owens-Ford, and other defendants. He stated he had worked on the Flat Glass Case in the interest of Libby-Owens-Ford and upon

joining the Division disqualified himself. SONNETT came to me and advised me of his previous connection with Libby-Owens-Ford and we discussed his removing himself from any association with the Flat Glass Case. I wrote a memorandum making it a matter of record that SONNETT had disqualified himself in this case. To the best of my knowledge SONNETT took no part in the case thereafter.

"However, it was common knowledge in the Department that SONNETT desired to leave and return to JOHN CAHILL's Firm. Furthermore, it was also known that CAHILL's law practice would be hurt if the Flat Glass Case were lost. I believe that HERBERT BERGSON was trying to help JOHN SONNETT by having the case settled by consent decree rather than have it come to trial and CAHILL's law firm defeated.

"From the time of my return from Philadelphia until the fall of 1950 I had little or no work assigned to me. I had been transferred from BALDRIDGE's supervision to the Appellate and Transportation Section, Anti Trust, and given the American Railroad case which everyone knew was dead. Every few weeks I went to Bergson or Correa asking for work but received none. I was then sent to Hawaii on a case by BERGSON which he and I knew would be settled prior to trial. I felt this case was given me to get me out of the way.

"In the fall of 1950, I was placed on detached duty working for Congressman EMANUEL CELLER and his Monopoly Subcommittee on Aluminum Industry Expansion. I held the position of Legal Counsel for the committee and as such did considerable liaison work with the Aluminum Section of the Anti-Trust Division.

"With reference to the Aluminum Expansion Program, it was the desire of the Anti-Trust Division of the Department of Justice to get new producers into the aluminum field but apparently, only the Big Three, namely, Aluminum Company of America, Kaiser and Reynolds were getting additional plant capacity. I knew that the Harvey Company, Spartan Aircraft and Olin Industries were new producers making attempts to get into the aluminum field. Alcoa opposed any new producers in the aluminum field. I know that HERBERT BERGSON visited the offices of GRAHAM MORISON around the first of August, 1951,



I later learned as a representative of Alcoa in an attempt to determine if restrictions could not be lifted on expansion of plant facilities for Alcoa. I believe they discussed the 85 thousand ton plant capacity that was later given to Alcoa. As a matter of fact, shortly after this visit, MORISON wrote a letter modifying his previous views which resulted in Alcoa receiving additional plant capacity.

"I know that HERBERT BERGSON contacted Congressman CELLER in an effort to get CELLER to call off the Aluminum hearing. I discussed this matter with Congressman CELLER during and shortly after BERGSON's visit and explained to him my position. I am not sure of the date of BERGSON's conference with Congressman CELLER but I believe it was in January, 1951.

"After my discussion with Congressman CELLER, he went along with my viewpoint on the matter. I have heard, although I do not know for a fact, that HERBERT BERGSON received a retainer of \$250,000 (two hundred and fifty thousand dollars) from Alcoa. I do not believe this figure to be correct. Relative to BERGSON's position while in the Department, he, BERGSON, I have been told agreed with LEONARD EMMERGLICK in opposing the expansion of Alcoa. About the time the Aluminum Expansion Program was in full swing, LEONARD EMMERGLICK told me that he no longer took part in some of the conferences relating to this matter and that PEYTON FORD represented the Department in most of such discussions. EMMERGLICK also indicated to me that PEYTON FORD had taken a position which would permit awarding further expansion to Alcoa. I remained with the CELLER committee until May 1, 1951 when I was called back. I would like to state that HERBERT BERGSON was directly responsible for my being sent to the CELLER committee. He called me in one day and told me he was sending me up to the CELLER committee and asked that I resign to take the job. I told him that if I resigned, my Civil Service status would be endangered and he commented that I should work this matter out with Congressman CELLER. My wife has told me that LAMAR CAUDLE interceded on my behalf with PEYTON FORD, so as to get me some more work. However, I have no direct knowledge that he did.

"When I returned to the Department in May of 1951, it was at the behest of GRAHAM MORISON, who advised Congressman CELLER in a letter that he wanted to have his key men around him. I was then assigned to the Republic Steel Case and on December 10, 1951, transferred to the Lands Division.

"As I stated above, the consent decree relating to the Flat Glass Case, bore a stipulation that this case would be reopened after three years if it was felt the Flat Glass Industry was not becoming more competitive. I wrote a memorandum to GRAHAM MORISON stating that the consent decree in the Flat Glass Case has been ineffective in restoring competition to this industry and recommended that this case be withdrawn from the Consent Degree Section where it had been dormant for nearly three years. I recommended also, that this case be re-assigned to me for preparation for presentation to the courts for further relief under the provisions of the decree. I pointed out to Mr. MORISON that I opposed the consent decree in this matter and felt that the case should be re-opened. When this matter was re-opened, GEORGE B. HADDOCK and SIGMUND TIMBERG were also of the same opinion as was I, but HADDOCK later changed his viewpoint and in a memorandum to GRAHAM MORISON told MORISON that he felt I should not be put in charge of any investigation of the glass industry because he believed that I had already formed the opinion that this case should be re-opened and he felt a decision on this point should await a full and disinterested investigation. I believe that this memorandum written by HADDOCK was at the instruction of GRAHAM MORISON, which represents a change of viewpoint on the part of HADDOCK.

"With respect to PEYTON FORD, Deputy Attorney General, I have no information that FORD had funneled any information to HERBERT BERGSON or HERBERT BORKLAND while he was still in the Department, and they were out practicing law. I recall that on one occasion, I saw HERBERT BERGSON in the hall of the Department of Justice in the corridor in the vicinity of LEONARD EMMERGLICK'S office. I ran into EMMERGLICK shortly thereafter and asked EMMERGLICK what BERGSON was doing in the Department. I said, 'Is he here on steel?' and

he said no, that BERGSON was here on aluminum. To the best of my knowledge, this visit of BERGSON'S took place on or about August 1, 1951.

"With respect to the merger of the Minnesota Mining and Manufacturing Company with CARBORONDUM, I know that HERBERT BERGSON represented Minnesota Mining and Manufacturing Company. I believe that I was the one directly responsible for stopping this merger by writing a letter for Mr. CELLER'S signature. It is my understanding that PEYTON FORD originally favored the merger of these two companies while he was still in the Department of Justice as Deputy Attorney General and when the merger went up to the Attorney General for approval, HOWARD McGRATH, then Attorney General, reversed FORD. I wish to state that neither BERGSON or FORD contacted me on this matter while I was with the CELLER Committee and I have no knowledge of any contacts by these men or members of their law firm with Congressman CELLER. I would like to state also that I have never been contacted by BERGSON, BORKLAND or FORD since they have left the Department of Justice and any knowledge of what has been going on in the Anti-Trust Division has ceased since my transfer to the Lands Division on December 10, 1951. I would like to state, also, that it is common knowledge in the Department of Justice, that PEYTON FORD actually ran the Department while TOM CLARK and HOWARD McGRATH were Attorney Generals. As a matter of fact, it was not the approval of the Attorney General that Attorneys and Section Heads sought, but rather the approval of PEYTON FORD. It was always PEYTON FORD who was taking a certain position on matters and not the Attorney General.

"I do not know of any investigations that were stopped by PEYTON FORD, BERGSON or BORKLAND, however, I have heard it rumored that this firm has approximately thirty-one clients who formerly had matters pending before the Department of Justice.

"I have been asked whether or not I have any knowledge of appointments made by PEYTON FORD in the Department of Justice and I wish to state that I believe that WILLIAM A. UNDERHILL was hand-picked by PEYTON FORD to follow HERBERT BERGSON into the Anti-Trust Division when BERGSON resigned. I believe PEYTON FORD once

told BERGSON that he would give him the job as Head of the Anti-Trust Division if he would take UNDERHILL into the Division with him. When BERGSON left, UNDERHILL was placed in charge of the Anti-Trust Division and PLYTON FORD tried to make this permanent. However, HOWARD McGRATH vetoed UNDERHILL'S appointment and put in GRAHAM MORISON to succeed BERGSON. I think McGRATH suspicioned that there was something wrong in UNDERHILL'S appointment. I have heard, also, that HAROLD BAYNTON was placed in charge of Alien Property by FORD but doubt very much whether HOLMES BALDRIDGE was an appointment of FORD.

"In addition, I wish to state that I know of no case in the Department of Justice that has been purposely mishandled by any attorney or employee nor do I know of an instance of misconduct in the office by any employee except as may have been mentioned above.

"I have read the above statement consisting of this page and 14 others. This statement is a portion of the answers given by me in reply to questions and state under oath that it is accurate to the best of my present recollection and belief.

"/s/ CURTIS SHEARS

"Subscribed and sworn to before me on August 20, 1952:

"/s/ SA EDWARD J. HAYES

"WITNESS:

WM. E. FENIMORE  
Special Agent, FBI"

In addition, CURTIS SHEARS stated that after he returned to the Department of Justice from the CELLER Committee, he had learned through the grapevine that GRAHAM MORISON had told GEORGE B. HADDOCK to watch him and to try to get something on him so that he, SHEARS, could be fired. He stated that he felt that inasmuch as he had been a thorn in the side of HERBERT BERGSON and PEYTON FORD while in the Department of Justice, and while Legal Counsel for the CELLER Committee, they had instructed MORISON to get him. SHEARS remarked that he learned that MORISON had gone to HOWARD McGRATH to try to have him fired, but that McGRATH advised MORISON that inasmuch as he, SHEARS, had been in Government Service for approximately twenty-three years, he would not be fired. Subsequently, he was transferred to the Lands Division.

He further advised that he has no knowledge of any activities on the part of BERGSON, FORD or BORKLAND with respect to small business complaints against the Hamilton Manufacturing Company or against Sylvania Electric Products, Inc. In addition, he informed that he has no knowledge that the above-mentioned individuals took any part in the merger or attempted merger of ~~ABC~~ and ~~Paramount Pictures~~. He also stated that he has no knowledge of subjects representing the ~~International Boxing Corporation~~, the ~~United States Pipeline Company~~, or that they had anything to do with the ~~B. F. Goodrich Foreign Agreements~~ investigation.

SHEARS furnished Reporting Agents with correspondence from his personal file which has been photostated. In a memorandum dated July 17, 1947, from CURTIS SHEARS to JOHN FORD BAECHER, which bears the title, "Preliminary Memorandum on the Necessity for Divestiture in the United States v. ~~Libbey-Owens-Ford Glass Company, Et Al.~~," the following excerpt is being set out verbatim:

"Coincident with receiving your request for this memorandum, I received a call from a representative of one of the smaller defendants in Pittsburgh to the effect that an officer of the Pittsburgh Plate Glass Company told said defendant that they have a firm commitment from the Attorney General to settle this case, and that unless the smaller companies continue to toe the line they would be faced with extinction. This conversation serves to illustrate eloquently the necessity for divestiture in this case. It is similar to the coercion used by Pittsburgh Plate Glass Company throughout the conspiracy. For example, it was by similar threats that the industry was organized into trade associations that not only standardized the products and trade practices but promoted agreement between all window glass manufacturers to limit production, allocate the national business and fix prices. The allocations and practices agreed upon in 1928 are substantially the same today.

"A careful review of the relief prayed for other than divestiture indicates that preventive relief does not have the remotest chance of being more successful than the Federal Trade Commission order of 1937. The foreign holdings and agreements of the defendants are no longer important to perpetuate the pattern of local monopoly. Compulsory licensing or even royalty-free licensing would encompass very minor improvements to patents long expired.

"The very fact that the industry is now concentrated in the hands of a small group of companies which are steeped in the methods of fixing prices and allocating production, familiar with each other's business operations, and accustomed to mutual cooperation in controlling the industry, guarantees that without divestiture the conspiracy could and would continue without causing so much as a ripple in the continuance of all of the illegal collusive activities which have been perfected over the past twenty years.

"In contrast to the ~~National Lead case~~ the little remaining competition in production is under the control of

~~X~~PPG, or ~~X~~LOF and is permitted by sufferance of these two companies. We are prepared to demonstrate by written admission that these two companies could eliminate all competition which did not agree to be satisfied with its allocated portion of the national business at the price fixed by agreement. To illustrate the dominance of these two companies, each of the smaller companies is permitted to sell its product at an agreed fixed differential in price below the agreed price of PPG and LOF. The elimination of this differential in 1934 and announcement that the big companies would meet all prices for a short period of time resulted in the elimination of two plate glass companies which would not join the ~~X~~Plate Glass Manufacturers Association. The differential was then restored. But for this price umbrella and the allocation agreement for the last 20 years the half dozen small companies remaining would have disappeared. So much for necessity. Practicality and fairness were discussed in reference (a). The Pittsburgh Plate Glass Company, rather than risk the antitrust laws by becoming a sole monopoly similar to Alcoa, has encouraged the acquisition of plants by LOF and Fourco and aided and abetted them in these efforts to reduce competition to a few easily policed companies who would do the bidding and follow the lead of PPG. This coercive price leadership would not come within the pure price leadership rule, even if it were not a continuation of the original conspiracy.

"PPG has not acquired any plants during the period of this conspiracy which would now be restored to 'a pro-existing separate status' and yet has shown a dominance and abuse of power unparalleled by any recorded case. Divestiture of plants illegally acquired by its co-conspirators without equal 'fission of units' which PPG had used to perpetuate the monopoly would promote monopoly, not restore competition. (See reference, (c)).

"This is an unusually strong case and I carefully drafted the complaint to provide a good vehicle for clarifying divestiture, dissolution and divorcement, royalty free and price leadership.

WFO 46-2715  
EJH:MCM

"I agree with Mr. WESTON that this case should be put to a court test rather than resolved in favor of the defendants by the Department."

The above memorandum bears the symbol DJ-1500.

In addition, there was obtained a memorandum which has been photostated, and bears the number DJ-1501, dated May 11, 1948, from CURTIS SHEARS, Special Assistant to the Attorney General, which has been directed to the Attorney General commenting upon the fact that the Government rested its case as of May 11, 1948. SHEARS has advised that this memorandum relates to the Flat Glass Case.

There was photostated a memorandum dated October 27, 1948, from CURTIS SHEARS to SIGMUND TIMBERG, which bears the title, "United States v. Libbey-Owens-Ford Glass Company, et al," where in the first paragraph of this memorandum SHEARS comments upon his return from trying the Dock Street Case in Philadelphia, Pennsylvania, and that he has had an opportunity to review TIMBERG's draft of a proposed consent decree dated October 23, 1948. SHEARS advises that he takes the position as of this date in opposing the consent decree in its present form, and his opinion in no way is intended to reflect upon efforts made by TIMBERG and the Flat Glass staff to retain some vestige of adequate relief in the proposed decree. He further stated that, in his opinion, the consent decree in the Flat Glass Case was extremely bad public relations due to the fact that the evidence in the case was clear that Fourco, one of the defendants, was a creature of Libbey-Owens-Ford and Pittsburgh Plate Glass Company. He states that it is common knowledge that Libbey-Owens-Ford and Pittsburgh Plate Glass Company created Fourco to eliminate small competitors, as well as thousands of persons not in the industry, and that a decree without some positive action with regard to Fourco will make the Department of Justice, in his opinion, the laughing stock of all those who know the facts. (This memorandum bears Symbol DJ-1502).

There is being set out below a memorandum written by HERBERT BERGSON, Assistant Attorney General, Antitrust Division, to CURTIS SHEARS, dated October 29, 1948. (DJ-1503):



"Mr. CURTIS SHEARS

October 29, 1948

"HERBERT A. BERGSON

File No. 60-14-37

Assistant Attorney General, Antitrust Division

"United States v. Libbey-Owens-Ford Glass  
Company, et al; Civil No. 5239"

"I have read your memorandum (copy attached) dated October 27, 1948, to SIGMUND TIMBERG, in which you set forth your views regarding the final draft of the proposed consent decree in this case, and your memorandum to me of even date (copy attached), requesting to be relieved from signing this decree and presenting it to the court in Toledo.

"As I stated to you today in our conference, if you do not consider the settlement immoral and it is merely your judgment that the decree will not serve to restore competition in this industry despite its severe injunctive provisions and the 'sword of Damocles' clause, which gives the Government the right to ask for divestiture, divorcement or dissolution at the end of three years if competition is not then restored, I believe that it would be in the best interests of the Government and of the Department if you would sign the decree. Since I advised you that I would present the decree to the court with Mr. TIMBERG, there appears to be no need to mention that aspect of the matter."

CURTIS SHEARS turned over to Reporting Agents a memorandum which bears Symbol Number DJ-1504, which is dated October 29, 1948, and bears the title, "Flat Glass Case." In this memorandum SHEARS states as follows:

"For the reasons set out in my memorandum to SIGMUND TIMBERG, dated October 27, 1948, I request that I be relieved from signing and presenting the consent decree in the above case to the court in Toledo."

WFO 46-2715  
EJH:MCM

There was also obtained a memorandum dated May 7, 1951, from CURTIS SHEARS to H. GRAHAM MORISON, in the above-mentioned matter, which hereinafter will be referred to as DJ-1505. In this memorandum, SHEARS advises MORISON that after examination of the Flat Glass Case as of this date, he finds that the consent decree has been ineffective in restoring competition to this industry, and makes the following observations. First, in this memorandum SHEARS advises that no new companies have entered the business although there is an artificial shortage of flat glass. Second, that prices are still fixed by formula with just sufficient change in the old formula to window dress the new arrangement; and, last, the percentage of business allocated by the conspiracy has not varied substantially indicating that the allocations are still being observed and that there is no real effort on the part of any of the dominant members to obtain new business.

SHEARS recommended to MORISON that this case be withdrawn from the consent decree section where it has been dormant for nearly three years, and reassigned to him for presentation to Judge KLOEB at the end of the three-year period for further relief under the provisions of the decree.

On September 20, 1951, GEORGE B. HADDOCK forwarded a memorandum to CURTIS SHEARS, and in this memorandum enclosed a copy of a memorandum dated August 27, 1951, that HADDOCK had written to MORISON relative to SHEARS' proposal to re-open a consent judgment in the Flat Glass Case. The August 27, 1951 memorandum has been photostated and bears exhibit number DJ-1506.

HADDOCK's memorandum to MORISON of August 27, 1951, sets forth the history of the Flat Glass Case, and discusses the necessity and feasibility of SHEARS' proposal. HADDOCK concludes there is no reason why the Division should not embark upon a re-appraisal of the industry, provided the necessary manpower is available. He concludes SHEARS is not the man to put in charge of the investigation because SHEARS has already formed an opinion that the case should be re-opened, whereas, HADDOCK points out, the decision should await a full and disinterested investigation. Previously in the memorandum, HADDOCK notes there is no one in the Trial Section who has any knowledge concerning the glass industry other than SHEARS.

Interview with HOWARD LOCKE

On August 20, 1952, Special Agents BERNARD E. BUSCHER and WILLIAM T. FORSYTH interviewed Mr. HOWARD LOCKE, Chief of the Administrative Section, Tax Division, with respect to allegation of T. LAMAR ~~CAUDLE~~ in statement made August 12, 1952. In this connection, CAUDLE related that PEYTON FORD as Deputy Attorney General was in a position to aid in the granting of positions to a number of persons in that Department. CAUDLE also made the statement that "I heard FORD was continuously trying to place his own people in vacancies in divisions in the Department of Justice. One of the placements made by FORD was that of VIRGINIA ~~ADAMS~~, who is the wife of ALBERT ~~ADAMS~~, a Washington Attorney." Mr. LOCKE advised that he had no recollection of any appointments having been made by Mr. FORD in the Tax Division. He said he could not recall Mr. FORD ever asking him to employ anyone in the Tax Division. *MRS.*

With reference to the employment of VIRGINIA ADAMS, Mr. LOCKE stated that it was his understanding that VIRGINIA ADAMS was acquainted with PEYTON FORD prior to her employment with the Department of Justice and that when she applied to ELLIS SLACK, who was Chief of the Appellate Section of the Tax Division, she had told SLACK that she knew FORD. Mr. LOCKE was of the opinion that she had also known ELLIS SLACK prior to her application for employment. He stated that he did not believe Mr. FORD had sent her to see Mr. SLACK. Mr. LOCKE further advised that subsequently he talked to Mr. SLACK concerning this application and he found that Mr. SLACK was surprised by the application of Mrs. ADAMS because of the fact that her husband was a successful practicing attorney in the city of Washington. Mr. LOCKE advised that Mrs. ADAMS was employed in the Appellate Section of the Tax Division at grade P-3 during September, 1948, and that she resigned March 31, 1952. Mr. LOCKE stated that he did not know whether PEYTON FORD had talked to ELLIS ~~SLACK~~ either before or after Mrs. ADAMS' application had been received. He stated that he did not know whether Mr. FORD had interceded on her behalf. Mr. LOCKE stated that he does not recall any specific instance of anyone attempting to place an individual in the Department of Justice and specifically he does not recall Mr. FORD having attempted to so place an individual in the Department of Justice.

WFO 46-2715

Mr. LOCKE advised that he was not aware of any irregularities in handling of cases of personnel by any officials or attorneys in the Department of Justice.

EJH:JAG

INTERVIEW WITH JOHN LOCKLEY

JOHN LOCKLEY, Attorney, Tax Division, U. S. Department of Justice, was interviewed by Special Agents WILLIAM E. FENIMORE and EDWARD J. HAYES on August 15, 1952, in his office.

LOCKLEY informed that he is acquainted with HERBERT BERGSON and PEYTON FORD socially as well as having worked with them in the Department of Justice. He stated that he does not recall HERBERT BERGSON ever handling a tax case after he left the Department of Justice and then making contact with someone in the Tax Division. He advised that he does recall that SUMNER REDSTONE, a member of the law firm of FORD, BERGSON, ADAMS and BORKLAND, contacted him relative to a tax matter that was pending in the Department. He stated that REDSTONE told him that he was not familiar with tax fraud matters, having been employed in the appellate section of the Tax Division, Department of Justice, and requested information from LOCKLEY as to what he should do and who he should see on such matters.

LOCKLEY further advised that he believes that Mr. CALLAHAN, an attorney now employed in the Offices of the Deputy Attorney General, was handling this tax case at this time and that he, LOCKLEY, referred REDSTONE to CALLAHAN. He informed that he does not know the name of this case, but feels that CALLAHAN probably would know. He further stated that he personally has never been contacted by FORD, BERGSON or BORKLAND relative to any matter in the Department of Justice.

He further stated that when SUMNER REDSTONE left the Tax Division of the Department of Justice it was because REDSTONE was desirous of obtaining an increase in pay which was not forthcoming. In this connection he advised that REDSTONE had been working with VIRGINIA ADAMS, wife of ALBERT ADAMS, who is a partner in the above-mentioned law firm. While in the Department he believes that VIRGINIA ADAMS was probably instrumental in steering SUMNER REDSTONE into the above-mentioned law firm.

LOCKLEY further advised that on one occasion he visited the offices of FORD, BERGSON, ADAMS and BORKLAND and knows that in addition to REDSTONE there are no other attorneys employed by that firm, having been told this by REDSTONE.

With reference to the RIPPS-MITCHELL tax case LOCKLEY stated it was handled in the Tax Division by JOHNNY MITCHELL and a man by the name of SHERFY who is now connected with Senator LYNDON JOHNSON'S Committee on the Hill. He informed that the ~~RIPPS-MITCHELL~~ case was completed before BERGSON, FORD and BORKLAND left the Department of Justice and he does not believe that any of these men had anything to do with the case. He stated that he has no knowledge of PEYTON FORD funneling any information or cases to BERGSON after BERGSON had left the Department of Justice and started practicing law. In this connection he stated that being in the Tax Division he felt he would not be in a position to know whether FORD had given BERGSON any inside information on cases outside the Tax Division.

JOHN LOCKLEY continued by stating that he and other employees of the Department of Justice deduced in their own minds that PEYTON FORD had little or no confidence in LAMAR CAUDLE as Head of the Tax Division; therefore, decided to handle all tax compromise cases himself. He further advised that LAMAR CAUDLE was a "nice southern gentleman" who would go out of his way to help someone even though he, CAUDLE, knew he would not be able to do what he had promised. He stated that he believed CAUDLE was honest, but lacking in ability and that perhaps PEYTON FORD also surmised this. He informed that it was an unusual procedure for FORD to take over the handling of these cases. He further remarked that he does not know if PEYTON FORD as Deputy Attorney General contacted attorneys for the defendants in tax compromise matters after these matters had been settled.

LOCKLEY informed that he does not know the names of any clients in the law firm of FORD, BERGSON, ADAMS and BORKLAND nor has he ever heard the names of these clients mentioned. He advised that in his one visit to the offices of the afore-mentioned firm REDSTONE might have mentioned the names of some of these clients, but he does not recall any of the names at this time.

With respect to tax compromise cases LOCKLEY advised that "MANNY" SELLERS would be the best man to confer with as SELLERS is in charge of that section. In conclusion LOCKLEY advised that he has no knowledge of any case in the Tax Division or any other Division of the Department of Justice being mishandled by LAMAR CAUDLE, SUMNER REDSTONE or anyone else. He stated that he has discussed the tax compromise situation with ROBERT COLLIER, Counsel for the Chelf Committee, and that information given to agents is substantially the same as was given to COLLIER.

EJH:JAG

INTERVIEW WITH ABBOTT "MANNY" SELLERS

ABBOTT "MANNY" SELLERS was interviewed by Special Agents WILLIAM E. FENIMORE and EDWARD J. HAYES on August 19, 1952, in his offices.

ABBOTT "MANNY" SELLERS advised that he is an attorney in the Tax Division, U. S. Department of Justice, handling tax compromise matters.

He stated that he has no knowledge of any contacts made by HERBERT BERGSON, PEYTON FORD or HERBERT BORKLAND with anyone in the Tax Division relative to fraud cases or any other type case since their departure from the Department of Justice. In addition he advised he has no knowledge of SUMNER REDSTONE contacting any employee of the Tax Division about any matter pending before that Division. He informed that inasmuch as he is in the Tax Compromise Section he has little or no knowledge of cases being handled in the Fraud and Criminal Sections of the Department.

Relative to PEYTON FORD'S usurping the powers of the Attorney General SELLERS stated that it was his belief that FORD had done just that. He pointed out; however, that he would not use the word usurping and by way of explanation advised that for a number of years tax compromise cases had been handled by his Department and had not gone to the office of the Deputy Attorney General. However, when FORD took over as Deputy Attorney General FORD came down to the Tax Compromise Section and orally advised someone in that Section to send all tax compromise cases to him. SELLERS stated that he does not know who FORD contacted in this Section, but that he personally considered this a very unusual procedure. He stated that he believed that one of the reasons for this change was that FORD would call the Docket Room of the Tax Compromise Section complaining that certain tax compromise cases were not coming to him; therefore, the above-mentioned change took place. SELLERS stated that on a number of occasions GRACE STEWART who was Administrative Assistant to the Attorney General remarked to him that she did not have enough work to do. SELLERS was asked specifically whether or not GRACE STEWART ever told him that PEYTON FORD had taken over all her work and he advised that she expressed some dissatisfaction to him, SELLERS, that work was being taken away from her. He stated that GRACE STEWART inferred that FORD was taking over her duties.

Relative to tax compromise cases, he stated that PEYTON FORD as Deputy Attorney General had contacted attorneys for defendants in these matters after the cases were settled and although it was unusual for the Deputy Attorney General to do this it was not unusual for the attorneys to be contacted. As a matter of fact, SELLERS stated, he in handling such matters has conferred and contacted attorneys for defendants in these matters.

SELLERS further informed that he has never been contacted by BERGSON, FORD, BORKLAND or any member of the firm after they left the Department and does not know the names of any of their clients. He further informed that he does not know whether PEYTON FORD was funneling cases to the law firm of BERGSON, ADAMS and BORKLAND while FORD was still in the Department. In addition he remarked that he has never heard that FORD attempted to take over cases from other Department Heads, but does recall that LAMAR CAUDLE on a number of cases would criticize FORD to him stating that FORD was attempting to run his section.

SELLERS was specifically asked whether he had any knowledge relating to the appointment of TURNER SMITH and MEYER ROTHWACKS to the positions of Assistants to LAMAR CAUDLE in the Tax Division and he informed that on the day following the announcement of their promotion the promotion was called off. He informed that he does not know who called this promotion off or whether PEYTON FORD had someone else in mind for these jobs, but that in the end TURNER SMITH and ROTHWACKS were finally confirmed by the Attorney General.

He further advised that he had no knowledge that PEYTON FORD had tried to get him fired and was always under the impression that FORD liked him and was satisfied with his work.

SELLERS in conclusion further stated he has no knowledge of any case in the Department of Justice being mishandled nor has he ever heard of any employee being guilty of misconduct in office.



INTERVIEW WITH GORDON GRANT

GORDON GRANT was interviewed by Special Agents WILLIAM E. FENIMORE and EDWARD J. HAYES on August 18 and 21, 1952, at the Department of Justice.

GORDON GRANT advised that he is employed as a Business Economist in the Department of Justice and has worked in the Small Business Section of the Antitrust Division from January 20, 1943, to January 1, 1951. The following is a signed statement that was obtained from GORDON GRANT:

"Washington, D. C.  
August 21, 1952

"I, GORDON GRANT, having been duly sworn and placed under oath make the following voluntary statement to WILLIAM E. FENIMORE and EDWARD J. HAYES who have identified themselves to me as Special Agents of the Federal Bureau of Investigation.

"I have been advised that I do not have to make a statement and that any statement made may be used in a court of law. I have also been advised of my right to an attorney and no threats or promises have been made to me to obtain this statement.

"I am employed as a Business Economist in the Department of Justice. I have been employed in the Department of Justice since 1943 and have worked in the Small Business Section of the Anti Trust Division from January 20, 1943, to January 1, 1951. Since that time I have been transferred to the Legislative and Clearance Section of the Anti Trust Division inasmuch as the Small Business Unit has been practically abandoned.

"I have been asked whether or not I have any knowledge concerning a Small Business complaint against Sylvania Electric Products, Inc. I wish to state I have

"no knowledge of any such complaint nor have I heard of it. Furthermore, I have no knowledge of any complaint being received by the Small Business Unit of the Department of Justice which was stymied by any of my superiors in the Department of Justice. In addition I do not recall that any employee of the Department of Justice has received a complaint and that because of pressure from his superior or from outside sources had to stop prosecution on the matter. I have no knowledge of any contacts being made by PEYTON FORD, HERBERT BERGSON or HERBERT BORKLAND with anyone in the Anti Trust or any other Division relative to any matter while they were out of the Department practicing law. I have no knowledge of any contacts made by BERGSON or BORKLAND with PEYTON FORD while FORD was still in the Department and they were out practicing law.

"I have heard that the Minnesota Mining and Manufacturing Company merger with Carborundum Company and the U. S. Pipe Line cases had been mishandled in the Department. I do not know for a fact that this is true, but remember Mr. VON KOUGHNET advising me that the U. S. Pipe Line case "smelled."

"Relative to opposition by HERBERT BERGSON and HERBERT BORKLAND, I, in the Small Business Unit, had considerable trouble getting letters relating to complaints and other such matters okayed by these men. It was my opinion that both BERGSON and BORKLAND thought the Small Business Unit of the Anti Trust Division was ineffective and treated us with considerable disdain.

"In conclusion I would like to state that I recall telling LAMAR CAUDLE that GRAHAM MORISON did not understand the work of the Small Business Unit, but I do not recall ever telling CAUDLE that I was stymied in the

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handling of a Small-Business complaint. When I mentioned to CAUDLE that MORISON, like BERGSON and BORKLAND, felt the Small Business Unit was ineffective and treated us as inferior he, CAUDLE, told me that he would talk to GRAHAM MORISON to see whether he could not get us some recognition. In conclusion I would like to state that I have no clear and direct knowledge of any instance of misconduct or malfeasance in office by any employee or official of the Department of Justice.

"I have read this statement consisting of this page and two others, and it is true and correct to the best of my knowledge, and so state under oath.

/S/ Gordon W. Grant

"Subscribed and sworn to before me on 8-21-52  
SA EDWARD J. HAYES

"Witness:  
Wm. E. Fenimore  
Special Agent, F.B.I."

\*\*\*\*\*

GORDON GRANT further advised, after reading the above mentioned statement, that he had additional information which might be of value to the investigation. He stated that he was talking to OTTO ENGELHARDT, a former attorney in the Antitrust Division, a couple of days ago, and ENGELHARDT told him that the United States Attorney from Honolulu, Hawaii, was in town. He stated that ENGELHARDT remarked to him that the United States Attorney from Honolulu told him, ENGELHARDT, that if the CHELF Committee really wanted to "blow the lid off of things" he had information on PEYTON FORD that would do this. GRANT further advised that he was also told by ENGELHARDT that the above mentioned unnamed United States Attorney was in Washington, D. C. seeking

additional help from the Department to staff his office, and while here conferred with ENGELHARDT.

He stated that ENGELHARDT remarked to him that he, ENGELHARDT, had been interviewed by representatives of the CHELF Committee. He further stated that OTTO ENGELHARDT presently has an office in the Wyatt Building, 14th and New York Avenue, Washington, D. C.

In addition, GORDON GRANT advised that he felt that PEYTON FORD interceded on the behalf of some interests whom he thinks may be General Motors relative to the acquisition of a steel plant near Cleveland, Ohio, by ~~PRESTON TUCKER~~ Motor Corporation. He informed that he was told by the ~~TUCKER Motor Corporation's~~ Washington representative, whose name he does not recall, that the TUCKER Motor Corporation bid on a steel plant that was owned by Republic Steel and that the bid had to go through the Antitrust Division of the Department of Justice for approval. By way of explanation, GRANT stated that this bid of TUCKER's exceeded \$1,000,000 and had to have the approval of the Antitrust Division. He stated that it appeared that TUCKER's bid would be approved and then rumor had it that PEYTON FORD and JESS LARSON, now Administrator of GSA, were contacted by representatives of ~~General Motors Corporation~~ and they proceeded to stop TUCKER's bid. He further advised that shortly thereafter the ~~Kaiser Motor Corporation~~, who had little or no interest in the Republic Steel Plant up to this time, submitted a bid which was approved by the Antitrust Division and the plant ultimately given to KAISER.

GRANT further stated that shortly after TUCKER's bid had been sidetracked, criminal proceedings were started against the TUCKER Motor Corporation in Chicago, Illinois. He further stated that it is his opinion that PEYTON FORD and JESS LARSON at the instigation of outside interests, possibly representatives of General Motors, were responsible for blocking TUCKER.

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INTERVIEW WITH TURNER L. SMITH

On August 19, 1952, SA'S BERNARD E. BUSCHER and WILLIAM T. FORSYTH interviewed Mr. TURNER L. SMITH, Room 1066, National Press Building, Washington, D. C. He advised that he had entered on duty with the Department of Justice on September 1, 1943, and was assigned to the Civil Rights Section of the Criminal Division. He stated that he was there about six months, and then went into the Armed Services; upon his return to the Department of Justice in 1945, he again took up his position in the Civil Rights Section, and shortly afterwards was made Head of that Section. He was so employed until 1948 when, at his own request to T. LAMAR CAUDLE, he was transferred to the Tax Division as Assistant to Mr. CAUDLE. Mr. SMITH advised that he was associated with the Tax Division in this capacity until his resignation in the fall of 1951.

Mr. SMITH pointed out that prior to his transfer to the Tax Division, he had no contact on any cases in which either PEYTON FORD or HERBERT A. BERGSON were involved. He further stated that he had no connection with any case in which a decision was rendered regarding financial matters until his transfer to the Tax Division.

Mr. SMITH stated that he was very well acquainted with PEYTON FORD, as he had contacted him several times a month, and had known FORD when he was assigned to the Civil Rights Section of the Criminal Division. Mr. SMITH stated that he had never seen or heard anything to cause the "slightest apprehension" regarding PEYTON FORD. He stated that he had no knowledge of his ever mishandling any cases and, in fact, in this regard he recalled that in compromise tax cases, FORD was generally the dissenting voice and always held out for a tougher settlement in favor of the Government. He further advised that in regard to the compromise tax cases, they were handled by his unit and that he, along with T. LAMAR CAUDLE, had to approve the cases prior to their being sent to Mr. FORD. He stated that his unit could handle tax compromises up to an amount of \$25,000. to \$50,000., and that there was no chance of anyone making a decision favorable to a defendant, as these were reviewed by five different people prior to the settlement. He stated FORD would have no possible chance of intentionally mishandling these cases. He further advised that anything larger than \$50,000. had to go to the Attorney General for approval. Mr. SMITH advised

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that he knew of no cases which had been specifically requested by Mr. FORD for his personal handling, and that all of those sent to him were sent as a matter of routine.

In regard to Mr. BERGSON, he advised that he had known BERGSON in the Criminal Division only slightly, and had contact with him on occasion in the Tax Division. He stated that his contact with him was mostly in group meetings, and that they never worked together on any cases. He stated, therefore, he would have no information regarding BERGSON's handling of cases, and nothing would have come to his attention regarding any mishandling of cases on BERGSON's part.

Mr. SMITH advised that he did not know of any instance where the law firm of which BERGSON and FORD were members, had received any business because of contacts made in the Department of Justice. Mr. SMITH stated that he could furnish no information regarding the clients of this firm.

Mr. SMITH stated that he had a high regard for the Justice Department, and considered it as "his law firm," and that he knew of no irregularities or mishandling of any cases by anyone in the Department of Justice.

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Mr. LEO CADISON, Assistant Director, Public Information Section, Department of Justice, was interviewed on August 19, 1952, at the Department of Justice by Special Agents ROBERT N. WINGARD and ROBERT K. LEWIS.

Mr. CADISON advised that he was only officially acquainted with Mr. BERGSON, Mr. FORD and Mr. BORKLAND through their positions as officials of the Department of Justice. He stated he attended an open house at the time their law firm was opened and has seen none of the subjects since that time. He stated he had no knowledge of any irregularities by the subjects either while they were employees of the Department of Justice or since they have left the Department. He stated he has no knowledge of the subjects clients. He also advised that he was not aware of any irregularities in any Department of Justice matters either by the subjects or by anyone else and added that he was not in a position to have knowledge of any irregularities or mishandling of cases.

X Mr. CADISON stated he had heard that PEYTON FORD recommended DEAN SCHEDLER for the position of Chief, Public Information Section, at the time that Mr. FORD was Deputy Attorney General. He stated he believed that FORD and SCHEDLER were close friends and added that to his knowledge no hard feelings resulted from the appointment of Mr. SCHEDLER to this position. He stated that it is generally realized in the Department of Justice that the Attorney General may appoint anyone he pleases to various positions and he stated he considered the appointment of Mr. SCHEDLER to be perfectly natural as one which the Attorney General would normally make.

Mr. CADISON stated that he had no knowledge of any attempt by PEYTON FORD to usurp the powers of the Attorney General and stated that the powers of the officials of the Department are generally outlined by Department policy. He stated that since he was not aware of how the various powers were delegated, he would have no knowledge of any attempt to undermine the power of the Attorney General by Mr. FORD. He also stated that he was not aware of any poor morale in the Department due to any actions of PEYTON FORD and added that in any case he was never personally effected and found Mr. FORD to be cooperative in regard to all requests made of him by the Public Information Section.

INTERVIEW WITH OTTO T. ENGELHARDT

OTTO T. ENGELHARDT was interviewed by Special Agents WILLIAM E. FENIMORE and EDWARD JOSEPH HAYES on August 21, 1952, in his office, Room 439, Wyatt Building, Washington, D. C.

ENGELHARDT advised that on August 18, or 19, 1952, his associate, NATHANIEL J. ELY, brought into his office a man whom he introduced as the United States Attorney from Honolulu, Hawaii. He stated that he believes this man's name was BARLOW.

He further advised that he was preparing to leave his office when ELY, in walking into his, ENGELHARDT, office, remarked that he wanted BARLOW to meet a former Department of Justice employee. He stated that BARLOW volunteered the information to ELY and himself that if they, (meaning the Chelf Committee), were interested in getting something on PEYTON FORD, he had information about a matter in Honolulu, Hawaii, that should be investigated.

ENGELHARDT further advised that the United States Attorney, BARLOW, did not elaborate on this remark, and neither he nor ELY pressed him for an explanation. He stated, however, he was left with the impression that BARLOW had something on FORD and that they did not like each other. In addition, it was his understanding that BARLOW was here in Washington, D. C. conferring with Attorney General MC GRANERY relative to obtaining additional help for his Honolulu office. He stated that he did not know whether BARLOW was still in town nor did he know where he was staying while in Washington.

ENGELHARDT further advised that he was formerly employed as an Attorney in the Antitrust Division in 1945, but did not work for HERBERT BERGSON, PEYTON FORD or HERBERT BORKLAND, and that he has had little or no contact with them. He informed that he had been contacted by representatives of the Chelf Committee who questioned him relative to his association with HERBERT BERGSON. He advised he told the Committee representatives that BERGSON was not in the Antitrust Division at the same time as he. In addition, he informed, the Chelf Committee questioned him about his part in the investigation of the Liquor Industry, inasmuch as he had worked on this case in 1945.



INTERVIEW WITH NATHANIEL J. ELY

NATHANIEL J. ELY was interviewed by Special Agents WILLIAM E. FENIMORE and EDWARD JOSEPH HAYES on August 21, 1952, in his office, Room 439, Wyatt Building, Washington, D. C.

NATHANIEL ELY advised that he recalled that WILLIAM BARLOW, a man whom he had been associated with in the United States Navy during the past war, visited him in his offices the early part of this week. He stated that BARLOW told him that he had recently been made United States Attorney in Honolulu, Hawaii, and was here in Washington, conferring with Attorney General MC GRANERY.

ELY advised that he did not ask BARLOW where he was staying while in Washington, nor the expected duration of his visit. ELY was specifically asked whether or not BARLOW had remarked to him and OTTO T. ENGELHARDT that he had something on PEYTON FORD and that he felt the Chelf Committee should investigate this information. In response to this, ELY advised that after introducing BARLOW to OTTO ENGELHARDT, he received a telephone call and did not hear BARLOW make any such statement. He informed that he did catch the name PEYTON FORD in BARLOW's conversation with ENGELHARDT, but that he did not ask either of these men the nature of their discussion after he had concluded his telephone conversation. He further stated that WILLIAM BARLOW has never mentioned to him that he had any information on PEYTON FORD, HERBERT BERGSON or HERBERT BORKLAND, and stated if BARLOW had ever told him that he had something on PEYTON FORD, he, ELY, would have questioned BARLOW about this.

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EMPLOYEES OF SUBJECTS AND POSSIBLE ADDITIONAL CLIENTS OF THE SUBJECTS

In connection with the interview with Judge GRACE STEWART, it was developed that a former Department of Justice employee, one DOROTHY OBERMAN, was now employed by the firm of the subjects. In this connection, Confidential Informant T-2 has advised that on August 18, 1952, DAVID C. BASTIAN and ALLEN Y. COLE were in contact with various individuals and the informant was of the opinion that BASTIAN and COLE were associated in the law firm with the subjects.

In connection with additional clients of the subjects, on August 15, 1952, SUMNER REDSTONE was contacted by the Great Lakes Carbon Corporation, 18 E. 48th Street, New York City. This information was also furnished by Confidential Informant T-2. The informant was unable to furnish any other additional information pertinent to this matter.

ENCLOSURES:

TO THE BUREAU:

There is enclosed herewith for the Bureau two photostatic copies of exhibits as previously designated in this report:

I. AMERICAN BROADCASTING COMPANY AND UNITED  
PARAMOUNT THEATERS MERGER:

1. A memorandum dated September 21, 1951, from JOSEPH J. SAUNDERS to H. GRAHAM MORISON (Exhibit DJ 217)
2. A letter dated October 10, 1951, to the Attorney General from T. J. SLOWIE (Exhibit DJ 218)
3. A letter dated November 30, 1951, to Mr. T. J. SLOWIE, Secretary, Federal Communications Commission, Washington, D. C., from H. G. MORISON (Exhibit DJ 219)
4. A Federal Communications Commission memorandum dated December 11, 1951, from FREDERICK W. FORD to CURTIS B. PLUMMER (Exhibit DJ 220)
5. A letter dated January 3, 1952, to Mr. LeROY C. McCAULEY, Executive Assistant, Anti-Trust Division, Department of State, from FREDERICK W. FORD (Exhibit DJ 221)
6. A letter dated February 19, 1952, to LeROY C. McCAULEY, Chief, Administrative Section, Anti-Trust Division, Department of Justice, from FREDERICK W. FORD (Exhibit DJ 222)
7. A Federal Communications Commission memorandum dated December 6, 1951, to CURTIS B. PLUMMER from FREDERICK W. FORD (Exhibit DJ 223)

II. THE COOPERAGE CASE:

1. A memorandum dated February 20, 1950, from LEONARD M. BERKE to ALLEN A. DOBEY (Exhibit DJ 1300)
2. A memorandum dated May 7, 1952, from ERNEST L. BRANHAM to EDWARD P. HODGES, re Liquor Industry (Exhibit DJ 1301)

III. FLAT GLASS CASE:

1. A memorandum dated July 17, 1947, from CURTIS SHEARS to JOHN FORD BAECHER (Exhibit DJ 1500)
2. A letter dated May 11, 1948, to the Attorney General from CURTIS SHEARS (Exhibit DJ 1501)
3. A memorandum dated October 27, 1948, from CURTIS SHEARS to SIGMUND TIMBERG (Exhibit DJ 1502)
4. A memorandum dated October 29, 1948, from HERBERT A. BERGSON to CURTIS SHEARS (Exhibit DJ 1503)
5. A memorandum dated October 29, 1948, from CURTIS SHEARS to HERBERT A. BERGSON (Exhibit DJ 1504)
6. A memorandum dated May 7, 1951, from CURTIS SHEARS to H. GRAHAM MORISON (Exhibit DJ 1505)
7. A memorandum dated August 27, 1951, from GEORGE B. HADDOCK to H. G. MORISON (Exhibit DJ 1506)

ENCLOSURES:

TO ALBANY, CLEVELAND AND BOSTON

Enclosed for above offices one copy of the Report of SA THOMAS J. JENKINS dated 8/16/52 at Washington, D. C.

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The information set forth in instant report reflecting information contained in question and answer signed statements under oath by HAROLD ERNEST HOROWITZ on December 20, 1951, January 4, 1952, and January 11, 1952, respectively, was obtained from the report of SA JAMES R. MALLEY dated January 18, 1952, at Washington, D. C., entitled "OFFICE OF ALIEN PROPERTY - E. LEITZ, INC.; SPECIAL INQUIRY," Bureau File 62-96071, WFO File 62-7068.

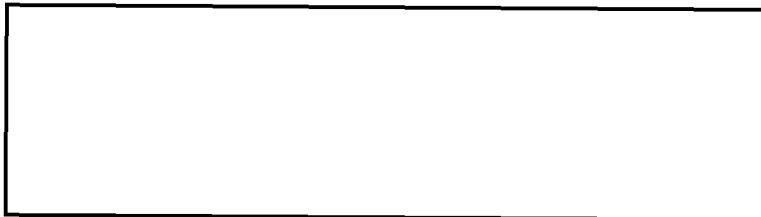
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ADMINISTRATIVE PAGE

There is being set forth in this report all undeveloped leads presently outstanding in this case; however copies of this report are not being designated for offices which have been previously requested to conduct the investigation set forth in the leads. The leads set forth hereinafter where a field division has been requested to conduct investigation, a notation will be noted as to when the investigation was requested by the Washington Field Office.

INFORMANTS

T-1:



b7E

T-2:

A mail cover on the address of the firm of the subjects at 918 16th Street, N. W.

LEADS

ALBANY OFFICE:

AT SCHENECTADY, NEW YORK:

Will contact RAY LEUBBE, Vice President and General Counsel for the General Electric Company, or any other appropriate official of General Electric in an effort to ascertain if General Electric had ever been or is a client of the subjects or if the firm has made any overtures to General Electric Company in this regard.

BOSTON OFFICE:

AT MANCHESTER, MASSACHUSETTS:

In connection with the investigation of PETER THOMPSON, will interview RICHARD B. CROSS, Washington Regional Renegotiation Board, who can be reached in care of Mr. A. W. MOFFAT, 100 Pine Street. Will ascertain from CROSS if subject REDSTONE, member of subjects' law firm,

ADMINISTRATIVE

LEADS (CONTINUED)

had ever discussed the case of PETER THOMPSON, et al, with CROSS and determine the substance of their conversation.

CHICAGO OFFICE:

AT CHICAGO, ILLINOIS:

*Done*  
Will interview HAMMOND E. CHAFFETZ in connection with the Standard Oil Case of Indiana. This investigation was requested by the report of SA THOMAS J. JENKINS at Washington, D. C., dated August 16, 1952.

CLEVELAND OFFICE:

AT CLEVELAND, OHIO:

Will interview QUINCY BALDWIN, General Counsel of the General Electric Company Lamp Department, regarding conferences held with BERGSON as reflected in the interview with HARRY N. BURGESS. Will, during the interview, ascertain BERGSON's views as expressed in these conferences concerning the settlement of the General Electric Lamp Case.

AT AKRON, OHIO:

Will interview RAY G. JETER, Secretary and General Counsel, B. F. Goodrich Company, upon his return to Akron.

This lead was set forth in report of SA KENNETH C. HOWE, August 16, 1952, at Cleveland.

HONOLULU OFFICE:

AT HONOLULU, T.H.:

*Done*  
Will interview United States Attorney W. WILLIAM BARLOW concerning the alleged statement he made recently in Washington, D. C., to the effect that if the Department was really interested in getting something on PEYTON FORD, there was a case in Honolulu which was certainly

ADMINISTRATIVE

LEADS (CONTINUED)

handled irregularly and could cause considerable trouble.

Honolulu was requested to conduct this investigation by teletype of August 21, 1952.

INDIANAPOLIS OFFICE:

*Done*  
AT INDIANAPOLIS, INDIANA:

Will interview WILLIAM G. DAVIS re the Kiefer-Stewart case.

This investigation was requested in report of SA THOMAS J. JENKINS dated August 16, 1952, at Washington, D. C.

MILWAUKEE OFFICE:

AT MERRILL, WISCONSIN:

Will interview A. L. BURKE, President of the Service Pipeline Company, Tulsa, Oklahoma, who is vacationing with his father-in-law, W. H. RELYEA, Badger Hotel Apartments.

This interview was requested to be conducted by the Milwaukee Field Division by Air Mail Special Delivery letter, dated August 22, 1952.

MOBILE OFFICE:

*Done*  
AT MOBILE, ALABAMA:

Will interview Congressman FRANK BOYKIN in connection with the interview of T. IAN CAUDLE.

This investigation was requested by teletype dated August 19, 1952.

NEW YORK OFFICE:

AT NEW YORK, NEW YORK:

Will interview STRUVE HENSEL of the firm of Kanter, Ledyard & Milburg, 2 Wall Street.



ADMINISTRATIVE

LEADS (CONTINUED)

Will interview ROBERT T. HASLAM, President, United States Pipeline, 100 Park Avenue.

Both of the above leads were set forth in the report of SA JOHN M. DUNAY, JR., dated August 13, 1952, at New York.

*Done*

Will interview BORIS KOSTELANTZ concerning the LAMAR CAUDLE matter.

This investigation was requested by teletype dated August 19, 1952.

Will interview JOHN SWARTZ of New York Antitrust Division in an effort to identify the Perfume Case which BERGSON had discussed with him at a cocktail party at the Waldorf Astoria Hotel.

This investigation was requested by teletype to New York dated August 22, 1952.

Will interview SIGMUND TIMBERG of the United Nations Headquarters, New York City, regarding the conferences held between representatives of the General Electric Company and attorneys of the Antitrust Division in regard to settlement of the General Electric Lamp Case. It is noted that BERGSON was in attendance at some of these conferences and New York will ascertain from TIMBERG what views were expressed by BERGSON and as to how he differed with other members of the Department of Justice Staff.

Will also interview TIMBERG concerning GRAHAM MORISON, former attorney and head of the Antitrust Division, and his refusal to reopen the investigation of the Flat Glass Industries.

Will determine from TIMBERG if BERGSON, to his knowledge ever intervened on behalf of the Flat Glass Industries with MORISON to keep the case in a dormant status.

Will determine from TIMBERG if he knows any reasons why MORISON was attempting to fire CURTIS SHEARS.

ADMINISTRATIVE

LEADS (CONTINUED)

Will endeavor also to determine from TIMBERG whether he knows BERGSON's reasons for wanting to settle the Flat Glass Case.

Will locate and interview JOHN F. SONNETT, former Assistant Attorney General and former Assistant U. S. Attorney of the Southern District of New York, who is now believed to be practicing law in New York City, to determine if SONNETT ever asked BERGSON to settle the Flat Glass Case.

Will obtain from SONNETT detailed information concerning his association with JOHN CAHILL, Attorney for the Flat Glass Industries and whether he, SONNETT, ever took an active part in the Flat Glass Case either as a representative of the government or as a member of JOHN CAHILL's law firm.

In connection with the E. Lietz Company investigation will be requested of the New York Office in connection with this matter after the file of this company at the Office of Alien Property has been reviewed.

OKLAHOMA CITY OFFICE:

AT OKLAHOMA CITY, OKLAHOMA:

*Done* Will interview Governor HOLLOWAY re the Standard Oil Company case at Tulsa, Oklahoma.

AT TULSA, OKLAHOMA:

*Done* Will interview J. T. SHOEMAKER and CECIL HUNT re the Standard Oil Company case.

These above leads were set forth in report of SA THOMAS J. JENKINS dated August 16, 1952.

PORTLAND OFFICE:

AT PORTLAND, OREGON:

*Done* Will interview L. A. NIKOLARIC in connection with the Kiefer-Stewart Case.

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ADMINISTRATIVE

LEADS (CONTINUED)

This investigation was requested in the report of  
SA THOMAS J. JENKINS dated August 16, 1952, at  
Washington, D. C.

ADMINISTRATIVE PAGE  
(Continued)

LEADS

WASHINGTON FIELD OFFICE:

AT WASHINGTON, D. C.:

*Deliver of about*

Will interview HOLMES BALDRIDGE, Claims Division, United States Department of Justice, and determine from BALDRIDGE whether he has had any conferences with HERBERT BERGSON relative to the settling of the Flat Glass Case. Will also determine from BALDRIDGE the reason CURTIS SHEARS was taken off the Flat Glass Case after the Government had concluded their part in the case. Will determine from BALDRIDGE what conferences took place with HERBERT BERGSON and officials of the Flat Glass Industry relative to the settling of this case. Will determine also what part PEYTON FORD played in the settlement of this case and obtain detailed information relative to his intervention into the case.

Will interview RUDOLFO CORREA, former attorney, Anti-Trust Division, United States Department of Justice, at his home, 707 Meridian Street, Falls Church, Virginia, to determine the reason HERBERT BERGSON refused to give CURTIS SHEARS any work. Will determine also if BERGSON ever discussed the settlement of the Flat Glass Case and SHEARS' opposition to sign the consent decree in this matter. Will determine also from CORREA what part PEYTON FORD and HERBERT BORKLAND played in the Flat Glass Case.

Will interview GRAHAM MORISON, former attorney and head of the Anti-Trust Division, United States Department of Justice, to determine MORISON's reasons for refusing to re-open the investigation of the Flat Glass Industry. Will determine also whether HERBERT BERGSON ever interceded on behalf of the Flat Glass Industry with MORISON to keep this case in a dormant status. Will determine from MORISON his reasons for trying to fire CURTIS SHEARS. Will determine also from MORISON HERBERT BERGSON's reasons for wanting to settle the Flat Glass Case.

ADMINISTRATIVE PAGE  
(Continued)

*CG Document*  
✓ Will interview GEORGE B. HADDOCK, attorney, Anti-Trust Division, along same lines as set out above for MORISON.

✓ { Will interview WALKER SMITH, attorney, Anti-Trust Division, to determine his reasons for opposing HERBERT BERGSON in the settling of the Flat Glass Case. Will interview WALKER SMITH along same lines as CURTIS SHEARS.

✓ Will interview Mr. VAN KOUGHNET, attorney, Anti-Trust Division, regarding statements he supposedly made to GORDON GRANT relative to the United States Pipeline Case.

*Wassers  
Brownham?*  
{ Will also interview JESS LARSON, administrator, General Services Administration, to determine whether PEYTON FORD has ever discussed with him the stopping of the bid of the Preston Tucker Motor Corporations for the Republic Steel Plant in or near Cleveland, Ohio. Will determine from LARSON whether PEYTON FORD took any active part in the stopping of Tucker's bid in the Department of Justice. It is to be noted that the approval of the Anti-Trust Division had to be received prior to the okaying of the bid of one million dollars.

7. ✓ { Will determine from all individuals interviewed above whether the law firm of PEYTON FORD, HERBERT BERGSON, ALBERT ADAMS, and HERBERT BORKLAND now or ever represented any members of the Flat Glass Industry.

*Was he  
named?*  
In connection with the T. LEMAR CAUDLE statement, will, upon the results of the interview with Congressman FRANK BOYKIN, locate and interview the Public Relations man of the Aluminum Company of America who is alleged to have offered PEYTON FORD a job in about October, 1951.

1 Will review DEBIT VANECH, former Deputy Attorney General, regarding the statements made by CAUDLE

ADMINISTRATIVE

LEADS, (CONTINUED)

that DEAN SCHEDLER was a "pipeline" to PEYTON FORD and that SCHEDLER had been furnishing information regarding the Department's cases to FORD.

✓ Will interview SALVATOR ANDRETTA, Administrative Assistant to the Attorney General, and determine from ANDRETTA information concerning FORD's usurping the powers of the Attorney General and determine whether he has any knowledge of any of the cases that were purposely mishandled by the subjects so that they could receive business from the defendant companies at a later date.

Will also obtain from ANDRETTA details concerning his association with the subjects and whether he has any knowledge of their operations in their present law business.

*Memo. Check  
after 10/1/54  
report*  
Will consider interviewing DEAN SCHEDLER, Former Director of Public Information, Department of Justice, regarding his association with FORD and the allegation of his "pipelining" information to FORD after FORD's departure from the Department.

✓ Will interview Departmental attorneys JUDSON BOWLES and THOMAS MCGOVERN concerning the NEWBOLD MORRIS Tanker Case.

*heard  
for: NYC*  
✓ Will interview JAMES MCINERNEY, Assistant Attorney General in Charge of the Lands Division, concerning his conference with Judges KIRKPATRICK and GRANEY of Philadelphia in connection with the Tax Grand Jury inquiry concerning underworld connections in Philadelphia.

✓ Will interview Departmental attorney MILTON A. KALLIS for any information he may have concerning the possibility that BERGSON obtained the Standard Fruit & Steamship Company as a client through BERGSON's handling of the Antitrust case against that company while he was in the Department.

It is noted that this case was assigned to MILTON KALLIS; however, it is believed that it is presently assigned

ADMINISTRATIVE

LEADS (CONTINUED)

to Mr. VICTOR KRAMER who has previously been interviewed concerning this matter. This case is referred to as the Banana Case.

Will, at the Office of Alien Property Custodian, review the file of the E. Lietz Company and conduct the appropriate investigation in this matter.

{ Will interview LEONARD J. EMMERGLICK, Trial Attorney of the Department, concerning his handling of the General Electric Lamp Case.

Will interview DONALD P. MC HUGH, Assistant Chief of the Trial Section of the Antitrust Division, regarding the handling of the case of the Street Lighting Equipment involving the General Electric Company.

Will check the personnel records of the Department of Justice for any previous employment record of DOROTHY OBERMAN, HAMMOND CHAFFETZ, ALLEN Y. COLE and DAVID O. BASTIAN.

Will interview former Departmental Attorneys GRAHAM MORRISON and WILLIAM A. UNDERHILL concerning any information they may have pertaining to the handling of cases under investigation in this matter.

Will also interview NEWELL CLAPP, Acting Assistant Attorney General of the Antitrust Division, to determine from him detailed information concerning the handling of cases concerned in this matter.

Will consider the advisability of reinterviewing former Attorney General J. HOWARD MCGRATH in the light of developments pertaining to the various companies involved in this investigation.

Will review Department of Justice file on the United States versus the Great Western Distributors, Incorporated.

It is noted that this company is referred to in report of SA JOHN M. DUNAY, JR., dated August 13, 1952, at New York.

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LEADS (CONTINUED)

Will check the Department files for any file pertaining to the Great Lakes Carbon Corporation.

Will interview the Departmental Attorneys who handled the BULL WILLIAMS and GORMAN Tax cases.

REFERENCE: Report of Special Agent THOMAS J. JENKINS dated August 16, 1952, at Washington, D. C.



# FEDERAL BUREAU OF INVESTIGATION

FORM NO. 1

THIS CASE ORIGINATED AT WASHINGTON FIELD OFFICE

FILE NO.

REPORT MADE AT WASHINGTON, D. C.	DATE WHEN MADE AUG 23 1952	PERIOD FOR WHICH MADE 8/15, 16, 18-22/52	REPORT MADE BY THOMAS J. JENKINS TJJ:NER
TITLE PEYTON FORD, et al			CHARACTER OF CASE FRAUD AGAINST THE GOVERNMENT: MISCONDUCT IN OFFICE

## SYNOPSIS OF FACTS:

Review of Departmental files made and results set forth herein on the following matters:  
NEWBOLD MORRIS Tanker Case, Banana Case, Liquor and Cooperage Cases, General Electric Street Lamp Case and other Departmental files pertaining to subjects' clients which have not been previously reviewed. Departmental Attorneys and former Departmental employees interviewed concerning instant matter and results set forth.

-P-

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# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **WASHINGTON FIELD**

REPORT MADE AT <b>MILWAUKEE, WISCONSIN</b>	DATE WHEN MADE <b>8/29/52</b>	PERIOD FOR WHICH MADE <b>8/27/52</b>	REPORT MADE BY <b>ROBERT J. COLLINS</b> <span style="float: right;">ms</span>
TITLE <b>PEYTON FORD; HERBERT AUGUSTUS BERGSON; HERBERT BORKLAND; ALBERT F. ADAMS; SUMNER MURRAY REDSTONE</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERNMENT; MISCONDUCT IN OFFICE</b>

**SYNOPSIS OF FACTS:** Mr. JOSEPH LEO BURKE, President, Service Pipeline Company, Tulsa, Oklahoma, furnished information concerning the meetings which were held with Mr. HERBERT A. BERGSON and members of his staff in August, 1950, for the purpose of obtaining the Department's interpretation of the "final valuation" used in the consent judgment of U.S. vs. Atlanta Refining Company et al dated December 23, 1941, and two other questions of interest to the company. By letter dated September 14, 1950, Mr. BURKE received the Department's decision under signature of Mr. BERGSON, with which Mr. BURKE was not in complete agreement but which was satisfactory to the company in that it gave them in writing something on which to operate. Mr. BURKE stated BERGSON and staff seemed to be in complete agreement and noted no disagreement among staff members. Mr. BURKE stated no favors were granted by company to any members of the Department nor were there any received by the company or himself and that members of the Department conducted themselves above reproach at these meetings.

**EXPEDITE PROCESSING**

-RUC-

**DETAILS:** AT MERRILL, WISCONSIN

Mr. JOSEPH LEO BURKE advised SA JOHN LEO MC GIRR and the reporting agent that he has been president of the Service Pipeline Company, 116 East 6th Street,

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**RECORDED 43**

APPROVED AND FORWARDED: <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES <b>62-97558-256</b> <b>INDEXED 43</b>
COPIES OF THIS REPORT 5 - Bureau (62-97558) (AMSD) Attn: Asst. Director AL ROSEN 3 - Washington Field (46-2715) (Encl.) (AMSD) 1 - Oklahoma City (46-539) (Info) 2 - Milwaukee (46-349)		<b>SEP 4 1952</b>

**COPIES DESTROYED**

**169 DEC 3 1964**

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**68 SEP 26 1952**

U. S. GOVERNMENT PRINTING OFFICE 16-59255-2

Tulsa, Oklahoma, since July 1, 1940, and that this company was previously known as the Stanolind Pipeline Company from 1930 to May, 1950. He stated that the company was previously owned by the Sinclair Oil Company prior to 1930 and that the Service Pipeline Company is a subsidiary of the Standard Oil Company of Indiana.

Mr. BURKE advised that in August of 1950, exact days unknown, Mr. WILLIAM J. HOLLOWAY, counsel for the Service Pipeline Company, went to the office of Mr. HERBERT A. BERGSON, Assistant Attorney General in charge of the Antitrust Division, in order to determine the Department's interpretation of the "final valuation" of the I.C.C. due to the fact that the I.C.C. had issued a "final valuation" on December 31, 1934 but had since issued a new one on December 31, 1947. Mr. BURKE advised that he did not accompany Mr. HOLLOWAY on this first meeting with BERGSON but did attend meetings with Mr. BERGSON and his staff on at least four occasions in August of 1950.

Mr. BURKE stated that Messrs. HERBERT A. BERGSON, SNYDER, TIMBERG, SILVERMAN and PENETT, of the Department, and Messrs. WILLIAM J. HOLLOWAY, counsel, JOHN L. SHOEMAKER, Vice President, CECIL HUNT, general counsel, and himself, of the Service Pipeline Company were present at these meetings.

He advised that the purpose of these meetings were to confer with Mr. BERGSON and his staff regarding the Department's interpretation of the consent judgment of the U.S. vs. Atlanta Refining Company et al, dated December 23, 1941, because the company did not wish to operate in an uncertain state and also did not wish to violate the law. Therefore, Mr. BURKE advised the company was seeking the answers to the following three questions:

1. Under reports filed with us since 1947, does Paragraph III (a) permit Service Pipeline Company to use the final valuation of the Interstate Commerce Commission as of December 31, 1947?
2. Under reports filed from 1942 to 1949, inclusive, does Paragraph III (a) permit Service Pipeline Company to revalue the entire property each year on the basis of so-called "period" prices?
3. In computing what is available for distribution to Stanolind, its shipper-owner, under the judgment, may Service Pipeline Company, the carrier, deduct interest paid by it on moneys borrowed from sources other than the shipper-owner, before any computation of the permissible payment to its shipper-owner is made?

After these meetings were held, Mr. BURKE received a letter from the Department over the signature of Mr. BERGSON dated September 14, 1950, which he considered to be the decision of Mr. BERGSON and his entire staff. According to Mr. BURKE this letter stated

MI 46-349

that the Department had answered in the affirmative to the company's first question but negative to the second question. On the third question, the Department advised Mr. BURKE that the company could not make any interest on money which was borrowed from sources other than the shipper-owner.

Mr. BURKE advised that the company was not in complete agreement with the Department's decision but that the company at least had something in writing which would be a guide in their operations. He stated that the decision of the Department was beneficial to the company and therefore no further action was taken by them.

Mr. BURKE stated that at the above mentioned meetings, Mr. BERGSON and his staff conducted themselves as gentlemen at all times and there were no disagreements among the staff. He further stated that he considered Mr. BERGSON to be an honest, intelligent man of high ethics and that his contacts with him and his staff were above reproach. He advised that at no time during these meetings or after, were any favors granted by the Service Pipeline Company to any member of the Department nor were there any favors received by the company or himself. He considered the decision of the Department as the decision of Mr. BERGSON and his staff.

Mr. BURKE stated that he had met Mr. FORD but did not know Messrs. HERBERT BORKLAND, ALBERT F. ADAMS or SUMNER MURRAY REDSTONE.

Mr. BURKE advised that these meetings were the only time that he had come in contact with Mr. BERGSON and his staff except on one occasion he had dinner with Mr. BERGSON when he and Mr. HOLLOWAY were in Washington, D.C. on business. He stated that no mention was made of the meetings or the Department's decision and that he has not seen or contacted Mr. BERGSON since. He added that he had no other information regarding BERGSON and his associates except that set out above.

ENCLOSURE TO WASHINGTON FIELD: Report of THOMAS J. JENKINS dated 8/16/52 at Washington, D.C.  
- RUC -

MI 46-349

ADMINISTRATIVE PAGE

One copy of this report is being sent to the Oklahoma City Office for information purposes.

REFERENCES

Report of SA THOMAS J. JENKINS dated 8/16/52 at Washington, D.C.;  
Report of SA BYRON E. MC FALL dated 8/22/52 at Oklahoma City;  
Bureau teletype to Milwaukee dated 8/26/52.

## FEDERAL BUREAU OF INVESTIGATION

FORM No. 1  
THIS CASE ORIGINATED AT

WASHINGTON FIELD

FILE NO.

REPORT MADE AT <b>OKLAHOMA CITY</b>	DATE WHEN MADE <b>8/29/52</b>	PERIOD FOR WHICH MADE <b>8/28/52</b>	REPORT MADE BY <b>BYRON E. MC FALL</b> <b>PM</b>
TITLE <b>PEYTON FORD; HERBERT AUGUSTUS BERGSON; HERBERT BORKLAND; ALBERT F. ADAMS; SUMNER MURRAY REDSTONE</b>			CHARACTER OF CASE <b>FRAUD AGAINST THE GOVERNMENT MISCONDUCT IN OFFICE</b>

## SYNOPSIS OF FACTS:

FLAT GLASS CASE

Mr. HOLMES BALDRIDGE, Assistant Attorney General, Claims Division, U. S. Department of Justice, furnished information at Oklahoma City on 8/28/52 that he supervised the Flat Glass Case while a Section Chief in the Antitrust Division; that the case was delayed during the War upon instructions he believes emanated from the White House; that about 1945 he personally assigned the case to CURTIS SHEARS and a staff of attorneys. He stated he and the staff disagreed with HERBERT BERGSON concerning settlement of the case on the basis of injunctive relief alone, contending the case justified divestiture. BERGSON favored the settlement prepared by the Judgment Section, which formed the basis for a Consent Judgment. BALDRIDGE stated he personally assigned SHEARS to the case at Philadelphia, either after the case was submitted to the Court or during the summer recess, he cannot recall which, but states SHEARS was not "removed" from the Flat Glass Case, and the assignment to the Philadelphia case was made on BALDRIDGE's own volition. BALDRIDGE states he knows of no irregularities in this or any cases in the Department of Justice; that this was the only disagreement between him and BERGSON in a major antitrust case; that he does not know the identities of the clients of the firm of PEYTON FORD, et al., and has no information that such firm represents any members of the flat glass industry.

- RUC -

EXPEDITE PROCESSING

APPROVED AND FORWARDED: <i>R. A. Bryson</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT ⑤ - Bureau 62-97558 AMSD 3 - Washington Field 46-2715 AMSD 2 - Oklahoma City 46-539 COPIES DESTROYED 169 DEC 3 1964		162-97558-257 13 SEP 4 1952 6-800	INDEXED RECORDED - 43

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68 SEP 16 1952

Robbins 5710

8/31/46

Incans 12-4-52

Outcons 12-10-52



OC 46-539

DETAILS:

FLAT GLASS CASE

At Oklahoma City, Oklahoma

On August 28, 1952, Mr. ~~HOLMES~~ BALDRIDGE, Assistant Attorney General in charge of the Claims Division, U. S. Department of Justice, advised Special Agent JOHN CALVIN RICE and the reporting Agent as follows:

He stated that he has been connected with the Department of Justice since August 1, 1938, and from that time until March 1952 he was assigned to the Antitrust Division of the Department.

He stated that, as a Section Chief, Antitrust Division, he supervised the Flat Glass Case. He recalls that at the beginning of World War II, in late 1941 or early 1942, THURMAN ARNOLD was Assistant Attorney General in charge of the Antitrust Division; that about that time the Flat Glass Case was being handled by GEORGE W. STOCKING; and further that in the early stages of the War instructions were received that prosecution of the defendants in the Flat Glass Case should be delayed until termination of the War. He stated it was his understanding that these instructions emanated from the White House.

He recalled that an important figure in one of the defendant glass companies, either Pittsburgh Plate Glass Co. or Libbey-Owens-Ford Glass Co., name not now recalled, had been employed as a dollar-a-year man in the Government. He surmised, at the time, that this was one of the reasons for the requested delay, but pointed out also that there were probably 25 or 30 cases in which prosecution was delayed in a similar manner, usually by agreement between the Army or Navy and the Attorney General. He stated that in most of these cases the armed forces contended that prosecution of defendant companies under the antitrust laws would delay the war effort, especially in those cases where the defendant companies were engaged in the production of essential defense materials. Accordingly, arrangements were made with the Army and Navy that upon specific request of those agencies to the Attorney General, consideration would be given to delaying prosecution during the War. He believes some of these requests cleared the White House first. He stated that in most of such cases the Attorney General cooperated with the Army and Navy and delayed further action. He recalls only one case in which the Attorney General refused to delay prosecution, when requested, and that case involved an individual, not a company.

Following the War, and about 1945, BALDRIDGE stated he, himself, assigned the Flat Glass Case to CURTIS SEARS and a staff of attorneys consisting of WALKER SMITH, MARGARET BRASS, TYREE JETER and

OC 46-539

KENNETH LINDSAY. SHEARS and his staff then proceeded with the case and made preparation for filing the complaint and trying the case. He stated SHEARS was the chief trial attorney during the trial before U. S. District Judge KLOEB, and believes SHEARS was assisted in the trial by Attorneys SMITH and BRASS. He recalled that at the conclusion of the Government's case, about June 1948, Judge KLOEB suggested that the parties should attempt to reach an agreement on a Consent Judgment.

Mr. BALDRIDGE stated that he opposed any sort of agreed judgment which provided only for injunctive relief; that he and members of the staff recommended a settlement involving divestiture or a completion of the trial of the case with divestiture as the ultimate goal. Mr. HERBERT A. BERGSON, Assistant Attorney General, who then was in charge of the Antitrust Division and was BALDRIDGE's superior, disagreed and stated there was not sufficient evidence to support divestiture. By this time, according to BALDRIDGE, the matter had been referred to the Judgment Section of the Department, and Mr. BERGSON contended that the settlement as prepared by the Judgment Section should be accepted as the consent judgment in the case. BALDRIDGE states that, in this connection, he had several conferences with BERGSON and also submitted memoranda in support of divestiture, but since he and BERGSON were in disagreement over the matter, he told BERGSON he would not sit in on any of the conferences between attorneys of the Consent Judgment Section and attorneys for the defendants. He stated this is the only time that he and BERGSON were ever in disagreement in a major antitrust case.

Mr. BALDRIDGE stated if the Flat Glass Case was discussed by any of the staff attorneys with TOM CLARK, then Attorney General, to the exclusion of HERBERT BERGSON, it was done without his knowledge and not at his direction.

Mr. BALDRIDGE related he recalls that a letter was prepared for the signature of Mr. BERGSON addressed to Judge KLOEB at the time the Department intended to transmit the Government's brief opposing the defendants' motion for dismissal. He stated he does not recall who prepared this letter but knows that he, BALDRIDGE, did not prepare it, as he does not believe in writing letters to Judges while the case is still pending. He recalls that Mr. BERGSON doubted the advisability of sending the letter and is of the opinion that it was never sent to Judge KLOEB.

Mr. BALDRIDGE advised that he, himself, sent CURTIS SHEARS to Philadelphia in the summer of 1948 to handle a case under the Hobbs Act. He stated the Government's evidence had been submitted to the Court by this time and he believes the Court was in summer recess. Accordingly, SHEARS was not occupied with the Flat Glass Case, and he was the only available man for assignment to the Philadelphia case. BALDRIDGE stated

emphatically that he was not instructed to send SHEARS to Philadelphia but did so on his own volition. He further stated that SHEARS was never "removed" from the Flat Glass Case. He did remember that at the time the Consent Judgment was submitted to the staff attorneys, including SHEARS, SHEARS did not desire to sign same, but BALDRIDGE believes he later did so. He stated he does not know what, if anything, caused SHEARS to change his mind and sign the Consent Judgment, if he did. He pointed out that SHEARS would be in a better position to furnish this information.

Mr. BALDRIDGE advised that he has no knowledge of any conferences had between Mr. BERGSON and any officials or attorneys of the Flat Glass Industry during the pendency of the trial or the negotiations for settlement but stated it is logical and possible for such conferences to have been held. He does recall that BERGSON, in attempting to comply with Judge KLOEB's suggestion that the parties confer regarding settlement, asked him, BALDRIDGE, to write a letter to defendants' attorneys and set a date for a conference. Mr. BALDRIDGE advised that he declined to sign such a letter but believes one emanated from the Department signed by HERBERT BORKLAND.

Mr. BALDRIDGE stated that, so far as he knows, Mr. PEYTON FORD had no interest, directly or indirectly, in the Flat Glass Case and played no part in its settlement. He further stated he has no knowledge of any irregularities occurring in connection with the Flat Glass Case or any others in the Department of Justice. He also stated he has no information concerning the identities of the clients of the law firm of PEYTON FORD, et al. and has no information that such firm represents any member of the Flat Glass Industry.

- RUC -

OC 46-539

ADMINISTRATIVE PAGE

For the information of the Bureau, the following is set out:

At the conclusion of the interview BALDRIDGE was prompted with the name JACK ~~PIGGERS~~, as being the official of one of the defendant glass companies who accepted a dollar-a-year position. He stated this sounded like the name of the man referred to by him but he could not be certain. Accordingly, the name was not included in his remarks.

Concerning BALDRIDGE's statement about the letter prepared for transmittal to Judge KLOEB with the Government's brief, this apparently refers to the letter mentioned at page 93 of the report of SA THOMAS J. JENKINS dated 8/16/52 at Washington, D.C.

With reference to the letter mentioned by BALDRIDGE which requested attorneys for defendants in the Flat Glass Case to meet at the Department of Justice for a conference, this apparently refers to the letter mentioned at pages 94 and 95 of the report of SA JENKINS dated 8/16/52.

Mr. BALDRIDGE advised he intends to take his parents to Colorado and the Northwest on a motor trip, and has no present knowledge concerning his itinerary. He stated he will leave Oklahoma City on 8/29/52 but expects to maintain semi-weekly telephone contacts with his assistant, Mr. JOSEPH D. GUILFOYLE; Claims Division, U. S. Department of Justice. This is submitted for information purposes.

REFERENCE

Report SA THOMAS J. JENKINS at Washington, D.C.  
dated 8/23/52  
Bulet to Washington Field dated 8/25/52

Incons 12-4-52

Outcons. 12-10-52

# Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (62-97558)

FROM : SAC, WFO (46-2715)

SUBJECT: PEYTON FORD; HERBERT AUGUSTUS BERGSON;  
HERBERT BORKLAND; ALBERT F. ADAMS;  
SUMNER MURRAY REDSTONE  
FRAUD AGAINST THE GOVERNMENT;  
MISCONDUCT IN OFFICE

DATE: August 29, 1952

Rerep of SA THOMAS J. JENKINS dated August 23, 1952, at Washington, D. C.

Enclosed herewith find four memorandums based on information obtained from KENNETH R. LINDSAY during interviews in the above captioned matter.

EJH:NFR  
enclosures (4)

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EX-129

SEP 5 1952

RECORDED COPY FILED IN

62-99148-87466-62-99148-1

RE: ~~X~~ MILK CASE IN ST. LOUIS

During an interview with KENNETH R. LINDSAY, Trial Section, Antitrust Division, Department of Justice, by Special Agents WILLIAM E. FENIMORE and EDWARD JOSEPH HAYES on August 26, 1952, at the Department of Justice, he was asked whether he was aware of any cases in the Department which might possibly indicate the presence of misconduct or malfeasance on the part of anyone in the Department.

In this connection LINDSAY recalled PETER CAMPBELL BROWN was first Assistant to the Attorney General about five years ago. During BROWN'S term of office, Attorney JOHN SKILES, Antitrust Division, was presenting material to a grand jury in St. Louis, attempting to have an indictment returned against several leading dairies in the St. Louis area. SKILES has reportedly stated he was called into the chambers of the federal judge at St. Louis who was presiding and asked in substance "Whom do you intend to indict?" SKILES named those individuals he had in mind whereupon the judge remarked in substance "You can not do that, these are influential citizens." Shortly thereafter SKILES was called back to Washington and summoned to the office of BROWN. After this conference, it is reported, SKILES was taken off the case and replaced by ROBERT WYNN (or WINN). WYNN secured indictments in the case but of individuals different from those identified by SKILES. LINDSAY suggests this case may not have been handled properly in view of the interference by the Federal Judge, whose name he does not know, and PETER BROWN. Apparently, LINDSAY states, those whom SKILES desired to indict were being protected by the federal judge and some one in the Department.

LINDSAY was unable to furnish more explicit identifying information or make any definite allegation.

62-970-2

RE: MILK CASE IN ST. LOUIS

During an interview with KENNETH R. LINDSAY, Trial Section, Antitrust Division, Department of Justice, by Special Agents WILLIAM E. FINIMORE and EDWARD JOSEPH HAYES on August 26, 1952, at the Department of Justice, he was asked whether he was aware of any cases in the Department which might possibly indicate the presence of misconduct or malfeasance on the part of anyone in the Department.

In this connection LINDSAY recalled PETER CAMPBELL BROWN was first Assistant to the Attorney General about five years ago. During BROWN'S term of office, Attorney JOHN SKILES, Antitrust Division, <sup>was presenting</sup> material to a grand jury in St. Louis, attempting to have an indictment returned <sup>concerning</sup> against several leading dairies in the St. Louis area. SKILES has reportedly stated he was called into the chambers of the federal judge at St. Louis who was presiding and asked in <sup>substance</sup> "whom do you intend to indict?" SKILES named those individuals he had in mind whereupon the judge remarked in substance "You can not do that, these are influential citizens." Shortly thereafter SKILES was called back to Washington and summoned to the office of BROWN. After this conference, it is reported, SKILES was taken off the case and replaced by ROBERT WYNN (or WINN). WYNN secured indictments in the case but of individuals different from those identified by SKILES. LINDSAY suggests this case may not have been handled properly in view of the interference by the Federal Judge, whose name he does not know, and PETER BROWN. Apparently, LINDSAY states, those whom SKILES desired to indict were being protected by the federal judge and some one in the Department.

LINDSAY was unable to furnish more explicit identifying information or make any definite allegation.

Presiding  
in

Peter Campbell  
Brown  
Anti-trust  
Case

Appears



RE ~~X~~ MILK INDUSTRY

During an interview with KENNETH R. LINDSAY, Trial Section, Antitrust Division, Department of Justice, by Special Agents WILLIAM E. FENIMORE and EDWARD JOSEPH HAYES on August 26, 1952, at the Department of Justice, he was asked whether he was aware of any cases in the Department which might possibly indicate the presence of misconduct or malfeasance on the part of anyone in the Department.

*company*  
In this connection, LINDSAY recalled the Department's investigation of the milk industry failed to indicate the ~~Borden and National Dairy Products~~ Companies were conspiring to monopolize the industry. However, it did indicate some attempts had been made to monopolize the industry in certain areas. The investigation was handled in the Department by ROBERT WYNN (or WINN) who later left the Department and joined one of the defense agencies. WALKER SMITH was placed in charge of the case for a short time by VICTOR KRAMER. RIGGS McCONNELL replaced SMITH and shortly thereafter the staff handling the investigation was disbanded.

LINDSAY suggests this matter be looked into since failure to bring action in the matter may have been caused by outside influence.

LINDSAY was unable to give further explicit suggestions or identifying information.

62-9758-258  
ENCLOSURE  
2

RE: MILK INDUSTRY

During an interview with KENNETH R. LINDSAY, Trial Section, Antitrust Division, Department of Justice, by Special Agents WILLIAM E. FINIMORE and EDWARD JOSEPH HAYES on August 26, 1952, at the Department of Justice, he was asked whether he was aware of any cases in the Department which might possibly indicate the presence of misconduct or malfeasance on the part of anyone in the Department.

*and* In this connection LINDSAY recalled the Department's investigation of the milk industry failed to indicate the Borden and National Dairy Products Companies were conspiring to monopolize the industry. However, it did indicate some attempts had been made to monopolize the industry in certain areas. The investigation was handled in the Department by ROBERT WYNN (or WINN) who later left the Department and joined one of the defense agencies. WALKER SMITH was placed in charge of the case for a short time by VICTOR KRAMER. RIGGS McCONNELL replaced SMITH and shortly thereafter the staff handling the investigation was disbanded. *McConnell*  
*Subsequently*  
*Ag*

LINDSAY suggests this matter be looked into since failure to bring action in the matter may have been caused by outside influence.

LINDSAY was unable to give further explicit suggestions or identifying information.

RE: ~~X~~ RUBBER TIRE CASE"  
HERBERT A. BERGSON

During an interview with KENNETH R. LINDSAY, Trial Section, Antitrust Division, Department of Justice, by Special Agents WILLIAM E. FENIMORE and EDWARD JOSEPH HAYES on August 26, 1952, at the Department of Justice, he was asked whether he was aware of any cases in the Department which might possibly indicate the presence of misconduct or malfeasance on the part of anyone in the Department.

In this connection LINDSAY recalled the "Rubber Tire Case" was settled in 1947 or 1948, and the principal defendants fined. In the Department this case was handled by Attorney JOHN SKILES.

LINDSAY states BERGSON refused to bring civil action against the defendants after the fine was paid although this is normal procedure in such cases. He also states that everyone connected with the case in the Department received increases in salary and were transferred to other Sections.

LINDSAY suggests some outside influence may have caused BERGSON to refuse to bring civil action and the salary increases and transfers were his way of covering up in the Department.

LINDSAY was unable to give further explicit suggestions or identifying information.

*Not sent to AG  
to be reviewed as  
part of B.F. Goodrich*

62-47558-2

4 ENCLOSURE

## Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI (62-97558)

DATE: August 28, 1952

FROM : SAC, WFO (46-2715)

SUBJECT: PEYTON FORD, Et Al  
MISCONDUCT IN OFFICE;  
FAG

44081

During the course of an interview with Mr. THOMAS F. McGOVERN, Departmental Attorney, concerning the Newbold Morris Shipping Case he was asked if he knew of any cases in the Department in which pressure or influence had been used. Mr. McGOVERN stated he personally knew of no other cases but added he had heard Mr. JULIAN R. WILHEIM, Departmental Attorney, Claims Division, had some cases in which he (WILHEIM) thought some pressure or influence was involved. He stated WILHEIM did not indicate to him that any of the subjects of this investigation were involved.

It is to be noted that the Washington Field Office has determined through contacts with the Department in other cases that Mr. WILHEIM is the attorney assigned to the civil phase of the GARSON case and it is believed it is possible this may be one of the cases WILHEIM was referring to.

The above information is being submitted to the Bureau for information purposes and no action is being taken with regard to this matter by WFO.

LBC:fk

RECORDED

INDEXED

9-7-52

EX-129

13 SEP 5 1952

55 SEP 10 1952

The Attorney General

September 4, 1952

Director, FBI

PERSONAL AND CONFIDENTIAL

PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT  
MISCONDUCT IN OFFICE

I am attaching a copy of each of the following  
investigative reports:

Report of Special Agent Joseph P. McDonough,  
dated August 28, 1952, at Boston, Massachusetts.

Report of Special Agent Theodore C. Hauser, dated  
August 29, 1952, at Boston, Massachusetts.

A copy of each of the above reports is also being  
attached to the copies of this memorandum designated for  
Mr. Murray.

Attachment

RECORDED - 27  
EX-32

162-97558-260

12 SEP 8 1952

cc: 2 - Assistant Attorney General, PERSONAL AND CONFIDENTIAL  
Charles B. Murray (Attachment)

Wilson  
Ladd  
Nichols  
Belmont  
Clegg  
Glavin  
Harbo  
Rosen  
Tracy  
Mohr  
Tele. Rm.  
Nease  
Gandy

ECW:lk

MAILED 2  
SEP 5 1952  
COMM - FBI

SEP 4 4 20 PM '52  
U.S. DEPT. OF JUSTICE  
RECEIVED - DIRECTOR

Handwritten signatures and initials: JAW, Jm, and others.

57 SEP 12 1952

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd

FROM : Mr. Rosen *fr* 44078

SUBJECT: PEYTON FORD, ET AL  
FRAUD AGAINST THE GOVERNMENT;  
MISCONDUCT IN OFFICE

DATE: August 29, 1952

*11/15*

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Nichols \_\_\_\_\_  
Belmont \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Harbo \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Rm. \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

Former SA Arthur Crowl, now an investigator with the Chelf Committee, on August 28, 1952, furnished a copy of an anonymous letter addressed to Congressman Chelf and alleging that Herbert Bergson spent the night at the home of Melville Williams, the attorney handling the case against the Boxing Commission before the New York Grand Jury, and shortly thereafter Williams went before the Grand Jury and recommended there be no indictment. Crowl advised he was furnishing this to the Bureau on instructions from Robert Collier, Chief Counsel of the Committee.

The allegations apparently refer to the Antitrust case against the International Boxing Club. This phase of our investigation concerned the representation by Herbert Bergson of the Madison Square Garden Corporation. Investigation developed that Melville Williams was a friend of Bergson's, had lunch with him on several occasions, but developed no irregularities either on the part of Bergson or Williams. Investigation covered file reviews both in the Department and in the New York Regional Office of the Antitrust Division, interviews with Departmental attorneys and representatives of the Madison Square Garden Corporation.

Williams, in a sworn, signed statement, stated he knew Herbert Bergson from their former relationship in the Department and in 1951 Bergson called him for a conference. The conference concerned the Madison Square Garden Corporation in connection with the IBC Antitrust case. It was Bergson's opinion and argument that it was questionable whether boxing could be considered interstate commerce and he pointed out to Williams the policy of the Department while Bergson was Assistant Attorney General to proceed with civil action rather than criminal action where there was a doubtful question of law. Williams told Bergson this was sound policy, but gave him his stock answer to the effect that the Department intended to review all facts and reach a decision based upon the facts.

Williams pointed out that several of the Antitrust attorneys want to proceed with a criminal indictment; however, he did not believe a conviction could be obtained before a jury and argued that the decision of the Supreme Court in the baseball case would probably be used in the argument and it

Attachment  
68 SEP 15 1952  
ECW:TR

RECORDED - 21 SEP 8 1952  
INDEXED - 20

EX-32

44979

would be necessary to distinguish or reverse the Supreme Court in order to find the Boxing Club guilty. Williams favored civil action and hoped the Grand Jury would not vote an indictment. He stated the case was presented to the Grand Jury and there is a court record of his presentation and the Grand Jury did not criminally indict the International Boxing Club.

Copies of the reports setting forth the results of the investigation in this phase have been furnished to the Attorney General and Assistant Attorney General Charles B. Murray.

ACTION:

sent  
8-29-52  
HW  
Attached is a memorandum to the Attorney General with copies for Mr. Murray, enclosing a copy of the anonymous letter furnished by Crowl and requesting that after the review of the information developed in our investigation that the Bureau be advised if Williams should be reinterviewed.

✓

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd *OL*  
 FROM : Mr. Rosen *OR*  
 SUBJECT: PEYTON FORD, et al  
 FRAUD AGAINST THE GOVERNMENT  
 MISCONDUCT IN OFFICE

DATE: August 26, 1952

Tolson \_\_\_\_\_  
 Ladd \_\_\_\_\_  
 Nichols \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Clegg \_\_\_\_\_  
 Glavin \_\_\_\_\_  
 Harbo \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Tracy \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Tele. Rm. \_\_\_\_\_  
 Nease \_\_\_\_\_  
 Gandy \_\_\_\_\_

Judson W. Bowles, Departmental Attorney, when interviewed in connection with captioned matter, advised generally that he had received a call from the secretary of a Congressman suggesting that a particular case against two men be dropped. The secretary, according to Bowles, stated the Congressman knew these two men and did not believe they would do anything criminally wrong and further stated the Congressman would like to see the cases dropped against these two men under any circumstances. Bowles went on to say the Congressman was at this time in Europe and the secretary asked him if it would be proper for her to write a letter to Bowles concerning their conversation. Bowles reportedly told her he felt it was improper to write such a letter and he did not consider it proper for her to make the call and suggest the dropping of the matter.

Bowles advised the matter concerned two men who had been arrested on warrants which were obtained by Investigators of the Federal Communications Commission and that the matter is still pending, inasmuch as he recently advised the U. S. Attorney in the judiciary district where the offense was committed to present the matter to the Grand Jury. He also advised there were five defendants in the case.

Bowles did not identify the case or the Congressman stating that he did not desire to go into specific details of the case until he had received authority to do so from the Attorney General since he had a question in his mind as to whether the information furnished was within the scope of instant investigation.

OBSERVATION:

Pursuant to Bureau instructions in captioned matter, Bowles was advised at the outset of the interview that the investigation was being conducted at the specific request of the Attorney General.

Attachment  
 ECW:jeg  
 62-97558

RECORDED - 20

EX-32

SEP 8 1952

68 SEP 15 1952



ACTION:

*sent  
8-28-52*  
There is attached a memorandum to the Attorney General  
with a copy for Assistant Attorney General Charles B. Murray,  
advising them of this matter and requesting advice as to specific  
investigation to be conducted.

*11/9/52*

## Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD *HL*  
 FROM : A. ROSEN *Rosen*  
 SUBJECT: PEYTON FORD, ET AL  
 FRAUD AGAINST THE GOVERNMENT  
 MISCONDUCT IN OFFICE

DATE: September 5, 1952

CALL 10:15 A.M.

Tolson \_\_\_\_\_  
 Ladd \_\_\_\_\_  
 Nichols \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Clegg \_\_\_\_\_  
 Glavin \_\_\_\_\_  
 Harbo \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Tracy \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Tele. Rm. \_\_\_\_\_  
 Nease \_\_\_\_\_  
 Gandy \_\_\_\_\_

Reference is made to the letter from the Washington Field Office relative to the captioned matter dated September 3, 1952, which set forth a lead for the New Haven Division to interview former Deputy Attorney General Vanech as to his knowledge of Peyton Ford having as a "pipeline" after he left the Department Dean Schedler. New Haven was also instructed to interview Vanech on other matters.

Inasmuch as Vanech is conceivably in a position to provide considerable information and inasmuch as it is necessary to ask him if he knows of any instance of misconduct or malfeasance on the part of any Departmental employee, it was felt that it would be most desirable to have two agents from the WFO interview Mr. Vanech in view of their extensive knowledge of this investigation.

Accordingly, with your approval, SAC Casper was telephonically instructed to make an appointment with Mr. Vanech for sometime Monday, September 8, 1952, so that Special Agents William Higgins and Edward Hayes could interrogate him. Casper was instructed to advise SAC Hood as to when the appointment is scheduled.

This information has been furnished to the Washington Field Office through SA Tom Jenkins.

ACTION

None. The above is submitted for record purposes. *Re*

62-97558

EHW/rh

RECORDED - 90  
 INDEXED - 90

57 SEP 12 1952

162-97558-263  
SEP 8 1952

EX-129

3/15  
FBI WASH FIELD

9-4-52

8:30 P.M.

DIRECTOR AND SACS PITTSBURGH AND CLEVELAND

URGENT

PEYTON FORD, ET AL, FAG, MISCONDUCT IN OFFICE. DURING THE COURSE OF INVESTIGATION, INTERVIEWS WITH VARIOUS DEPARTMENTAL ATTORNEYS HAVE BROUGHT ATTENTION TO AN ANTITRUST CASE HANDLED BY THE DEPARTMENT KNOWN AS THE FLAT GLASS CASE. VARIOUS ALLEGATIONS HAVE BEEN MADE BY DEPARTMENTAL ATTORNEYS THAT THIS CASE WAS IMPROPERLY HANDLED IN THE DEPARTMENT. ALLEGATIONS IN HANDLING OF THIS CASE HAVE BEEN MADE AGAINST OTHER FORMER DEPARTMENTAL OFFICIALS WHO ARE NOT SUBJECT TO THIS INVESTIGATION. THE BUREAU HAS INSTRUCTED THAT THE FLAT GLASS CASE INQUIRY AT THIS TIME BE CONFINED TO THE SUBJECTS' CONNECTION WITH THE CASE. IT IS DESIRED THAT IT BE ASCERTAINED WHETHER TWO OF THE PROMINENT DEFENDANTS IN THE FLAT GLASS CASE HAVE EVER BEEN REPRESENTED, OR ARE PRESENTLY BEING REPRESENTED, BY THE SUBJECT LAW FIRM. THE CLEVELAND OFFICE IS REQUESTED AT TOLEDO, OHIO, TO CONTACT THE APPROPRIATE OFFICERS OF THE LIBBEY OWENS FORD GLASS COMPANY AND THE PITTSBURGH OFFICE IS REQUESTED TO CONTACT THE OFFICIALS OF THE PITTSBURGH PLATE GLASS COMPANY. BOTH OFFICES SHOULD ENDEAVOR MERELY TO DETERMINE THE DESIRED INFORMATION SET FORTH ABOVE, IN THE EVENT THE SUBJECTS ARE REPRESENTATIVES OR HAVE BEEN REPRESENTATIVES FOR THESE COMPANIES, IT IS REQUESTED THAT IT BE DETERMINED THE NATURE OF THE REPRESENTATION, THE COMPENSATION PAID, THE DETAILS OF THOSE MATTERS WHICH THE SUBJECTS ARE HANDLING FOR THE COMPANIES, AND IN WHAT MANNER THEY WERE EMPLOYED BY THE COMPANIES.

4418

44-538-264

RECORDED - 90

EX-129 HOOD

TJJ:met  
46-2715

CC: MR. ROSEN  
INVESTIGATIVE DIVISION

9-4-52

4

7:00 P.M.

WASHINGTON AND CHICAGO FROM WASH FIELD

DIRECTOR AND SAC

URGENT

PEYTON FORD, ETAL, FAG; MISCONDUCT IN OFFICE. IN AN EFFORT  
TO DETERMINE THE IDENTITY OF CLIENTS OF THE SUBJECTS LAW  
FIRM INVESTIGATION DISCLOSED THAT SUBJECT BERGSON HAD MADE  
INQUIRY AT THE ANTITRUST REGIONAL OFFICE IN NEW YORK CITY  
CONCERNING THE GREAT WESTERN FOOD DISTRIBUTORS, INC. INDICATING  
THAT HE MAY REPRESENT THEM IN THE LITIGATION WITH THE  
GOVERNMENT. THE DEPARTMENTAL FILE WAS REVIEWED AND REFLECTED  
THAT THIS WAS A CRIMINAL MATTER BUT THERE WAS NO MENTION  
OF THE SUBJECT'S NAME IN CONNECTION WITH THIS CASE. THE  
CHICAGO FIELD OFFICE WILL CONTACT THE GREAT WESTERN FOOD  
DISTRIBUTORS, INC. TO DETERMINE WHETHER THE SUBJECTS HAD  
REPRESENTED THEM OR ARE PRESENTLY REPRESENTING THEM AS COUNSEL.  
IF THERE IS SUCH A REPRESENTATION ALL DETAILS SHOULD BE  
OBTAINED CONCERNING THE MANNER IN WHICH THEY WERE EMPLOYED,  
THE AMOUNT OF COMPENSATION PAID AND DETAILS ON THE MATTERS  
BEING HANDLED BY THE SUBJECTS FOR THE COMPANY.

HOOD

TJJ:OK  
46-2715

RECORDED ON 62-97558-265  
EX-105126

26  
9-4-52

WASHINGTON, PITTSBURGH AND PHILADELPHIA  
FROM WASH FIELD

4

6:00 P.M.

DIRECTOR AND SACS

URGENT

PEYTON FORD, ETAL, FAG; MISCONDUCT IN OFFICE. IN CONNECTION WITH THE INSTANT INVESTIGATION THE CHELF COMMITTEE HAS FURNISHED A LIST OF CLIENTS AS OBTAINED FROM THE SUBJECTS. APPROPRIATE REVIEW HAS BEEN MADE OF DEPARTMENTAL FILES CONCERNING THESE CLIENTS AND THE DEPARTMENT HAS REQUESTED THAT THE CLIENTS BE CONTACTED TO DETERMINE THE NATURE OF THE EMPLOYMENT OF THE SUBJECTS AS COUNSEL, THE AMOUNT OF COMPENSATION PAID, THE DETAILS OF THE MATTERS HANDLED BY THE SUBJECTS FOR THE COMPANIES AND WHETHER ANY FAVORS WERE EXTENDED TO THE COMPANIES WHILE THE SUBJECTS WERE EMPLOYED IN THE DEPARTMENT. ONE OF THE CLIENTS LISTED BY THE COMMITTEE WAS THE THRIFTY DRUG COMPANY OF PENNSYLVANIA WHICH WAS A DEFENDANT IN AN ANTITRUST CASE INVOLVING PRICE FIXING. AT THE TIME THE THRIFTY DRUG COMPANY WAS A MEMBER OF THE ALLEGHENY COUNTY RETAIL DRUG ASSOCIATION WHICH WAS CHARGED IN THE PRICE FIXING INDICTMENT RETURNED IN OCTOBER, FIFTYONE. THE PITTSBURGH OFFICE WILL INTERVIEW THE PRESIDENT OF THE THRIFTY DRUG COMPANY, REUBEN HELFORT, TWO EIGHT ONE THREE

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1-266

PAGE TWO

PENN AVENUE, FOR THE DESIRED INFORMATION IN THIS MATTER. THE PHILADELPHIA OFFICE IN CONNECTION WITH THE THRIFTY DRUG COMPANY MATTER WILL INTERVIEW WILLIAM L. MAHER, CHIEF OF THE MIDDLE ATLANTIC OFFICE OF THE ANTITRUST DIVISION, WHO HANDLED THIS ANTITRUST CASE AS A REPRESENTATIVE OF THE DEPARTMENT OF JUSTICE. THE INTERVIEWS SHOULD BE CONDUCTED IN ORDER TO BRING OUT ANY IRREGULARITIES OR UNETHICAL HANDLING OF THE INSTANT ANTITRUST CASE WHILE THE SUBJECTS WERE EMPLOYED IN THE DEPARTMENT OF JUSTICE, WHICH WOULD INDICATE THAT THROUGH SUCH HANDLING THE SUBJECTS WERE IN A POSITION TO SET UP THE THRIFTY DRUG COMPANY AS A CLIENT WHEN THEY ENTERED PRIVATE PRACTICE. FOR THE INFORMATION OF PHILADELPHIA THE FILE IN WASHINGTON IN THIS MATTER FAILS TO REFLECT ANY SUCH ACTIONS. PHILADELPHIA WILL INTERVIEW OFFICIALS OF THE PUBLICKER INDUSTRIES WHO ARE LISTED AS ONE OF THE CLIENTS OF THE SUBJECTS FIRM AND OBTAIN FROM THEM THE SAME INFORMATION AS REQUESTED OF THE PITTSBURGH OFFICE IN CONNECTION WITH THE THRIFTY DRUG COMPANY. THE FILES OF THE DEPARTMENT OF JUSTICE REFLECT ONLY A COPY OF AN INFORMATION FILED IN THE CASE OF U.S. VERSUS PUBLICKER INDUSTRIES INC. NUMBER ONE SIX SEVEN SIX THREE, U.S. DISTRICT COURT AT PHILADELPHIA AND ALSO A FILE DEALING WITH

PAGE THREE

THE PROPOSAL OF PUBLICKER INDUSTRIES INC. TO PURCHASE CERTAIN  
LAND AND EQUIPMENT FROM THE WAR ASSETS ADMINISTRATION.  
NEITHER OF THESE FILES INDICATE ANY ACTION TAKEN BY THE  
SUBJECTS WHILE EMPLOYED IN THE DEPARTMENT OF JUSTICE.

HOOD

15  
FBI WASH FIELD

9-4-52

5:00 P.M.

DIRECTOR AND SAC ATLANTA

URGENT

PEYTON FORD; HERBERT AUGUSTUS BERGSON; HERBERT BORKLAND;

ALBERT F. ADAMS; SUMNER MURRAY REDSTONE; FAG; MISCONDUCT

IN OFFICE. THE BUREAU HAS CONDUCTED EXTENSIVE INVESTIGATION

IN CONNECTION WITH THE SUBJECTS WHO OPERATE A LAW FIRM IN

D. C. FORD, BERGSON AND BORKLAND ARE FORMER DEPARTMENT OF

JUSTICE OFFICIALS. REDSTONE IS A FORMER DEPARTMENT ATTORNEY.

THE INVESTIGATION WAS INITIATED BASED UPON INFORMATION FURNISHED

THE DEPARTMENT BY THE CHELF COMMITTEE INVESTIGATING THE

DEPARTMENT OF JUSTICE. THE BUREAU HAS INSTRUCTED THAT ALL

INVESTIGATION IN THIS MATTER BE PERSONALLY SUPERVISED BY

THE SAC AND THAT ALL PERSONS INTERVIEWED SHOULD BE ADVISED

THAT THE INVESTIGATION IS BEING MADE AT THE SPECIFIC REQUEST

OF THE ATTORNEY GENERAL AND ANYONE FURNISHING PERTINENT

INFORMATION A SWORN SIGNED STATEMENT SHOULD BE OBTAINED.

ALL INVESTIGATION MUST BE GIVEN TOP PRIORITY AND REPORTS

SUBMITTED AMSD TO THE BUREAU. WFO IS ORIGIN. ONE OF THE

ALLEGATIONS MADE BY THE CHELF COMMITTEE IS TO THE EFFECT

THAT THE SUBJECTS WHILE EMPLOYED IN THE DEPARTMENT OF JUSTICE

MISHANDLED CERTAIN CASES IN AN ILLEGAL OR UNETHICAL MANNER.

TJJ:OK  
46-2715

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167-97557-267

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SEP 12 1952



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SO AS TO SET UP DEFENDANTS AS LATER CLIENTS WHEN THE SUBJECTS ENTERED PRIVATE LAW PRACTICE. THE CHELF COMMITTEE FURNISHED A LIST OF CLIENTS OBTAINED FROM THE FIRM AND AMONG THEM WAS CARL GARMON, SIX NAUGHT ONE DASH THREE VOLUNTEER BUILDING, ATLANTA, GEORGIA. THE DEPARTMENT HAS INSTRUCTED THAT THE FILE PERTAINING TO THIS CASE BE REVIEWED IN THE DEPARTMENT AND THEREAFTER THE INDIVIDUAL BE CONTACTED TO DETERMINE THE NATURE OF THE EMPLOYMENT BY THE SUBJECTS AS COUNSEL, THE AMOUNT OF COMPENSATION PAID, DETAILS CONCERNING THE CASES HANDLED BY THE SUBJECTS FOR THE CLIENTS AND IN WHAT MANNER THE INDIVIDUAL OBTAINED THE SUBJECTS AS COUNSEL AND WHETHER ANY FAVORS WERE EXTENDED TO THIS INDIVIDUAL WHILE THE SUBJECTS WERE EMPLOYED IN THE DEPARTMENT OF JUSTICE. FOR INFORMATION OF AT BERGSON LEFT THE DEPARTMENT ON SEPTEMBER TWENTYNINE, FIFTY; BORKLAND RESIGNED ON NOVEMBER TWENTYFOUR, FIFTY; FORD RESIGNED ON SEPTEMBER FOURTEEN, FIFTYONE AND REDSTONE RESIGNED ON OCTOBER FIFTEEN, FIFTY. SUBJECT ADAMS HAS NEVER BEEN EMPLOYED BY THE DEPARTMENT. THE DEPARTMENT FILES REFLECT AN INCOME TAX EVASION CASE AGAINST WILLIE CARL GARMON

PAGE THREE

WHO OPERATED THE CARL GARMON MOTOR COMPANY, TWO SIX THREE SPRING STREET, N.W., ATLANTA, AND THE FILE FURTHER REFLECTS THAT GARMON'S ATTORNEY WAS W. G. MC CULLOUGH OF SIX NAUGHT ONE VOLUNTEER BUILDING, ATLANTA. THE FILE FURTHER REFLECTED THAT SUBJECT REDSTONE HAD CONTACTED AN EMPLOYEE OF THE DEPARTMENT STATING THAT THE LAW FIRM HAD BEEN REQUESTED TO COME IN ON THE CASE AND THEY WERE CONSIDERING HANDLING THE MATTER. HOWEVER ON JUNE TWENTYFIVE, FIFTYTWO, REDSTONE ADVISED THE DEPARTMENT THAT HIS FIRM HAD DECIDED NOT TO REPRESENT GARMON IN THIS CASE. THE AT OFFICE WILL INTERVIEW GARMON TO DETERMINE THE DESIRED INFORMATION IN THIS MATTER, BEARING IN MIND THAT REDSTONE PROBABLY DOES NOT NOW REPRESENT GARMON. HOWEVER, IT SHOULD BE DETERMINED THE NATURE OF REDSTONE'S REPRESENTATION FOR A SHORT PERIOD OF TIME DURING THIS LITIGATION.

HOOD

FBI WASH FIELD

9-4-52

5:00 P.M.

DIRECTOR AND SAC NEW ORLEANS

URGENT

PEYTON FORD; HERBERT AUGUSTUS BERGSON; HERBERT BORKLAND;

ALBERT F. ADAMS; SUMNER MURRAY REDSTONE; FAG; MISCONDUCT

IN OFFICE. THE BUREAU HAS CONDUCTED EXTENSIVE INVESTIGATION

IN CONNECTION WITH THE SUBJECTS WHO OPERATE A LAW FIRM IN

D. C. FORD, BERGSON AND BORKLAND ARE FORMER DEPARTMENT OF

JUSTICE OFFICIALS. REDSTONE IS A FORMER DEPARTMENT ATTORNEY.

THE INVESTIGATION WAS INITIATED BASED UPON INFORMATION FURNISHED

THE DEPARTMENT BY THE CHELF COMMITTEE INVESTIGATING THE

DEPARTMENT OF JUSTICE. THE BUREAU HAS INSTRUCTED THAT ALL

INVESTIGATION IN THIS MATTER BE PERSONALLY SUPERVISED BY

THE SAC AND THAT ALL PERSONS INTERVIEWED SHOULD BE ADVISED

THAT THE INVESTIGATION IS BEING MADE AT THE SPECIFIC REQUEST

OF THE ATTORNEY GENERAL AND ANYONE FURNISHING PERTINENT

INFORMATION A SWORN SIGNED STATEMENT SHOULD BE OBTAINED.

ALL INVESTIGATION MUST BE GIVEN TOP PRIORITY AND REPORTS

SUBMITTED AMSD TO THE BUREAU. WFO IS ORIGIN. ONE OF THE

ALLEGATIONS MADE BY THE CHELF COMMITTEE IS TO THE EFFECT

THAT THE SUBJECTS WHILE EMPLOYED IN THE DEPARTMENT OF JUSTICE

MISHANDLED CERTAIN CASES IN AN ILLEGAL OR UNETHICAL MANNER

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SO AS TO SET UP DEFENDANTS AS LATER CLIENTS WHEN THE SUBJECTS ENTERED PRIVATE LAW PRACTICE. THE CHELF COMMITTEE HAS FURNISHED A LIST OF THE CLIENTS AS OBTAINED FROM THE LAW FIRM AND AMONG THIS LIST IS THE STANDARD FRUIT AND STEAMSHIP COMPANY, THE PETER THOMPSON COMPANY, AND THE NEW ORLEANS ITEM, ALL OF NEW ORLEANS. THE DEPARTMENT HAS INSTRUCTED THAT THE FILES PERTAINING TO THESE CASES BE REVIEWED IN THE DEPARTMENT AND THEREAFTER THE COMPANIES BE CONTACTED TO DETERMINE THE NATURE OF THE EMPLOYMENT BY THE SUBJECTS AS COUNSEL, THE AMOUNT OF COMPENSATION PAID, DETAILS CONCERNING THE CASES HANDLED BY THE SUBJECTS FOR THE CLIENTS AND IN WHAT MANNER THE COMPANIES OBTAINED THE SUBJECT AS COUNSEL AND WHETHER ANY FAVORS WERE EXTENDED TO THESE COMPANIES WHILE THE SUBJECTS WERE EMPLOYED IN THE DEPARTMENT OF JUSTICE. FOR INFORMATION OF NO BERGSON LEFT THE DEPARTMENT ON SEPTEMBER TWENTYNINE, FIFTY; BORKLAND RESIGNED ON NOVEMBER TWENTYFOUR, FIFTY; FORD RESIGNED ON SEPTEMBER FOURTEEN, FIFTYONE AND REDSTONE RESIGNED ON OCTOBER FIFTEEN, FIFTY. SUBJECT ADAMS HAS NEVER BEEN EMPLOYED BY THE DEPARTMENT. IN CONNECTION WITH THE STANDARD FRUIT AND STEAMSHIP COMPANY

PAGE THREE

THE DEPARTMENT CONDUCTED AN INVESTIGATION IN CONNECTION WITH THIS COMPANY ON THE IMPORTATION AND SALE OF BANANAS IN THE U. S. THE CASE AFTER BEING INVESTIGATED WAS SUBSEQUENTLY CLOSED WITHOUT PROSECUTION AND HAS AGAIN BEEN REOPENED AND INVESTIGATION BEING INITIATED. THE CASE WAS CLOSED WHILE BERGSON WAS CHIEF OF THE ANTITRUST DIVISION OF THE DEPARTMENT. IT IS BELIEVED THE ATTORNEY IN NO FOR THE STANDARD FRUIT AND STEAMSHIP COMPANY IS EBERHART DEUTSCH WITH OFFICES IN THE HIBERNIA BANK BUILDING. IT IS REQUESTED THAT CONTACT BE MADE WITH THE STANDARD FRUIT AND STEAMSHIP COMPANY TO DETERMINE THE REQUESTED INFORMATION. IN CONNECTION WITH THE PETER THOMPSON COMPANY CASE THIS CASE INVOLVES A FAG CASE AND NO HAS A FILE IN THIS CASE ENTITLED PETER THOMPSON, ETAL, FAG. THE NEW ORLEANS ITEM A NEWSPAPER WHICH FILED A COMPLAINT AGAINST THE NEW ORLEANS TIMES PICAYUNE OF NEW ORLEANS CONCERNING A TIE IN OF ADVERTISEMENT. AN INVESTIGATION WAS CONDUCTED BY THE DEPARTMENT IN THIS MATTER BUT THERE IS NO INDICATION THAT THE ITEM WAS A DEFENDANT. THIS CASE WAS HANDLED WHILE BERGSON, FORD AND BORKLAND WERE IN THE DEPARTMENT AND IT IS BELIEVED THAT DEUTSCH IS ALSO ATTORNEY FOR THE NEW ORLEANS

PAGE FOUR

ITEM. THE NO OFFICE WILL HOLD IN ABEYANCE CONTACTING THE PETER THOMPSON COMPANY AND THE NEW ORLEANS ITEM UNTIL SPECIFICALLY INSTRUCTED TO DO SO BY THE BUREAU. THE BUREAU IS REQUESTED TO ADVISE WFO AND NO IN VIEW OF THE PENDING FRAUD CASE AGAINST PETER THOMPSON AND THE FACT THAT THE ITEM IS A NEWSPAPER IN NEW ORLEANS WHETHER THESE TWO COMPANIES SHOULD BE CONTACTED FOR THE DESIRED INFORMATION IN THE INSTANT CASE.

HOOD

## FEDERAL BUREAU OF INVESTIGATION

FORM NO. 1

THIS CASE ORIGINATED AT

WASHINGTON FIELD

FILE NO.

REPORT MADE AT WASHINGTON, D. C.	DATE WHEN MADE AUG 29 1952	PERIOD FOR WHICH MADE 8/22, 23, 25-29/52	REPORT MADE BY THOMAS J. JENKINS . TJJ:RCH
TITLE PEYTON FORD, ET AL			CHARACTER OF CASE FRAUD AGAINST THE GOVERNMENT; MISCONDUCT IN OFFICE

**SYNOPSIS OF FACTS:**

Department of Justice files on Continental Can, Great Lakes Carbon Corporation, Perfume Case, Thrifty Drug Company of Pennsylvania, Tri-State Theaters, and United States vs. Great Western Food Distributors reviewed and results set forth. File of Office of Alien Property on E. Leitz Company reviewed and results set forth. Results of interview with STEPHEN J. ANGLAND, Attorney, in connection with E. Leitz Company, set forth. Departmental Attorneys MARGARET H. BRASS, GEORGE B. HADDOCK, WILLIAM J. JETER, KENNETH R. LINDSAY, WALTER SMITH, and former Departmental Attorney RUDOLFO CORREA interviewed in connection with the Flat Glass Case and results set forth. MILTON KALLIS, Departmental Attorney, interviewed and results set forth on matters concerning the Banana Case. Departmental Attorney JULES H. SIGAL, in connection with WILLIE GARMON and BILL WILLIAMS Cases, interviewed and results set forth. Departmental Attorney JUDSON W. BOWIES, in connection with the NEWBOLD MORRIS Parker Case, interviewed and results set forth. LEONARD J. EMERGLICK, Departmental Attorney, in connection with the General Electric Lamp Case, interviewed and results set forth. DONALD P. MCHUGH, Departmental Attorney, in connection with the General Electric Street Lighting Case interviewed and results set forth. Departmental personnel files of HAMMOND E. CHAFFETZ, DOROTHY G. OBERMAN, and ALAN YORK COLE reviewed and results set forth. NEWELL CLAPP and ELLIS LYONS, Departmental Attorneys, interviewed and results set forth.

APPROVED AND  
FORWARDED:

**SPECIAL AGENT  
IN CHARGE**

DO NOT WRITE IN THESE SPACES

**COPIES OF THIS REPORT**

5. Bureau (62-97558) (Encls.)

- Washington Field (46-2715)

5 SEP 19 1952

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WFO 46-2715

EJH:AD

DETAILS: AT WASHINGTON, D. C.

INTERVIEW WITH WALKER SMITH

X FLAT GLASS CASE

WALKER SMITH, Antitrust Division Attorney, United States Department of Justice, was interviewed in his office on August 22, 1952, by Special Agents WILLIAM E. FENIMORE and EDWARD J. HAYES. SMITH explained he had first been assigned to the Flat Glass Case during the summer of 1946 and assisted CURTIS SHEARS in the preparation and presentation of the matter in court. Because of this work, SMITH relates, he was familiar with the background of the case and knew that prosecution was originally scheduled for 1940 or 1941. However, commencement of this prosecution was delayed because of World War II.

SMITH states he is in complete agreement with CURTIS SHEARS in that he felt the settlement of the case by consent decree was poor judgment. SMITH, as well as SHEARS, were both of the opinion that the Flat Glass Industry Case should have been brought to a logical conclusion through the due processes of law. In this regard, SMITH advised that both he and SHEARS were of the opinion that the Flat Glass Case was an aggravated one and that the principal defendants should be ordered to divest themselves. By way of explanation, he advised that he felt, as did SHEARS and other members of the staff, that the principal defendants had a strangle hold on the industry and were monopolistic.

SMITH recalls that the Government concluded its case in June, 1948, and shortly thereafter CURTIS SHEARS went to Philadelphia, Pennsylvania, to try a case for the Criminal Division and that he, SMITH, was placed in charge of the case from here on out. He advised that shortly before the Government finished its part of the case HERBERT BERGSON came into the Antitrust Division and that he believes that negotiations to settle the Flat Glass Case ensued shortly thereafter. He advised that he attended one formal conference after he had taken over the management of this case which was held with the attorneys for the defendants among whom were JOHN CAHILL and FRED KNEAUR. He advised that at this conference, which was presided over by HERBERT BERGSON as head of the Antitrust Division, defendants in the case and the representatives were given an opportunity to present their side of the story. He advised that no commitments were made by BERGSON or any attorneys for the Department relative to settling the case at this time although the principal reason for holding the conference was for settlement of the case. He further advised that he did not believe that CURTIS SHEARS was present during this conference.

As a result of the negotiations which had commenced with this conference, arrangements for final settlement through the use of a consent decree were enacted. SMITH stated that even though attorneys for the defendants and HERBERT BERGSON may have conferred relative to the settling of this case business went on as usual and the Government staff was engaged in long drawn out processes during the summer of 1948, preparing documentary evidence for cross examination of the defendants' witnesses.

WALKER SMITH further advised that he was consulted by BERGSON relative to his taking part in the drawing up of the consent decree in the Flat Glass Case. He advised that prior to this offer of BERGSON's, he felt that he should give BERGSON the full picture as he and CURTIS SHEARS saw it. In this regard he made arrangements to confer with BERGSON one Saturday and spent several hours discussing the Flat Glass Case in general. He explained to BERGSON that the Government had better than a 50-50 chance of winning the case and that he and SHEARS felt that divestiture was the most desirable relief that could be obtained in this case. SMITH explained final settlement of the matter would probably have taken about three years because of appeals and other court delays. BERGSON was of the opinion the relief obtained through an immediate consent decree was of greater benefit to the Government than a divestiture relief upon ultimate conclusion of the case.

SMITH advised that when the consent decree was prepared by SIGMUND TIMBERG, of the Consent Decree Section, he felt that he should not take any part in the preparation of this consent decree due to the fact that his view point on the matter was directly divergent from that of BERGSON's. He stated that he told BERGSON and TIMBERG that he would not sign the consent decree without a divestiture clause. At this time SMITH was specifically asked when the inclusion of the divestiture clause was requested by CURTIS SHEARS or himself. He stated he believed this was one of the original agreements upon which the negotiations were based.

SMITH was asked whether or not at the instructions of CURTIS SHEARS he went to see TOM CLARK, then Attorney General, in an effort to have the negotiations for consent decree stopped. He advised most emphatically that he did not and certainly would not go over the head of his immediate superior HERBERT BERGSON to present his viewpoints unless he felt that there was something improper about the way matters were being handled. SMITH states he did not talk with TOM CLARK regarding the consent decree.

SMITH advised that he felt that although BERGSON erred in judgment in this case he did not feel there was anything improper in his approach to the matter. He advised that to the best of his knowledge PEYTON FORD took no part in any of the negotiations in the Flat Glass Case. With reference to HERBERT BORKLAND, he stated that BORKLAND was BERGSON's assistant and might possibly have conferred with BERGSON on this case but he does not know of any direct action taken by BORKLAND.

SMITH further stated that he does not know what transpired between HERBERT BERGSON and CURTIS SHEARS relative to the signing of the consent decree but he does know that SHEARS was very vehement in his belief that the case should not be settled by consent decree. In addition, SMITH stated that he instructed each member of the staff of the Flat Glass Case to make up his or her own mind as to whether the decree should be signed. In this regard, he stated the only member of the staff who agreed with BERGSON's viewpoint was BILL JETER although no member was required to affix his or her signature to the document other than SHEARS.

Discussing CURTIS SHEARS, SMITH related he considered SHEARS to be a zealous, energetic, imaginative person who was brilliant at times but lacked "calm judgment". He stated he considered SHEARS to be one of the hardest men to work for and with in the Department of Justice.

SMITH stated that he does not know why CURTIS SHEARS was sent up to the CELLER Committee on the Hill but would guess that the most logical reason was SHEARS' personality. SMITH pointed out it would be logical to assume that if the Department were requested to furnish counsel for a Congressional Committee it would desire to furnish an individual who was capable and yet one whom they desired to get out of the way.

With respect to the re-opening of the Flat Glass Case in 1951, WALKER SMITH stated that he had heard that CURTIS SHEARS had submitted a memorandum to GRAHAM MORISON requesting the re-opening of the Flat Glass Case. He stated that he had heard that this request had been denied but he does not know what transpired between MORISON and SHEARS relative to this matter. He stated that he believed that SHEARS' transfer to the Lands Division was caused by a reduction in force in the Antitrust Division of the Department of Justice rather than SHEARS' insistence upon the re-opening of the Flat Glass Case.

SMITH, in conclusion, advised that he does not know whether the law firm of PEYTON FORD, HERBERT BERGSON, ALBERT ADAMS or HERBERT BORKLAND represent any member of the Flat Glass Industry nor does he recall any of the above mentioned men conferring with Departmental officials after they had

left the Department relative to a matter pending in the Department. He further advised that he does not know whether PEYTON FORD while still in the Department of Justice as Deputy Attorney General funneled any cases or information to HERBERT BERGSON or HERBERT BORKLAND while they were practicing law. He advised that he has heard that the above mentioned law firm represent the Aluminum Company of America but this is merely hearsay.

With respect to PEYTON FORD's usurping the powers of the Attorney General, SMITH was of the opinion the Attorney General realized there was a certain job to do and was willing to have an energetic and ambitious person such as FORD do more than his share. He stated that he has never heard that FORD attempted to take over the operation of other sections in the Department.

SMITH further advised that he knows of no instance of misconduct or malfeasance by any Departmental employee. He explained, however, during the War he was of the opinion some of the United States Attorneys in the field were not as forceful as they might have been but cannot recall any specific case or instance. SMITH stated he did not know to what this possible lack of attention might have been attributed and could furnish no further information.

INTERVIEW WITH GEORGE B. HADDOCK

GEORGE B. HADDOCK was interviewed by Special Agents WILLIAM E. FENIMORE and EDWARD J. HAYES on August 26, 27, and 28, 1952. Upon conclusion of the initial interview with HADDOCK on August 26, 1952, a signed statement was prepared and given to HADDOCK for reading and signature on August 27, 1952. After reading the statement he requested that certain changes be made and that a copy of this statement be given to him. In this regard he advised that after the initial interview with Agents he had conferred with NEWELL CLAPP, his immediate supervisor, who in turn contacted ROSS MALONE, Assistant Attorney General, who requested that HADDOCK secure a copy of any statement given to Agents.

There appears below a signed statement taken from GEORGE B. HADDOCK:

"Washington, D. C.  
August 28, 1952

"I, George B. Haddock, having been duly sworn and placed under oath, make the following voluntary statement to WILLIAM E. FENIMORE and EDWARD J. HAYES, who have identified themselves to me as Special Agents of the Federal Bureau of Investigation. I have been advised that I do not have to make this statement and that any statement I make may be used in a court of law. No threats or promises have been made to me to obtain this statement.

"I am presently employed as Chief of the Trial Section, Antitrust Division, United States Department of Justice. My first official contact with the Flat Glass Case was in 1951; however, I have hearsay knowledge of certain aspects of this case dating back to 1946.

"I have heard that after the conclusion of the Government's part in the trial of the Flat Glass Case in June of 1948, tentative negotiations to settle this case ensued. I also have a hazy recollection that sporadic negotiations were entered into by representatives of the Antitrust Division and

attorneys for the defendants prior to the start of this trial and may have continued during the trial. In addition, I have heard that the consent decree negotiations for the settlement of this case broke down prior to the actual settlement because the attorneys for the Antitrust Division handling the settlement wanted more drastic relief for the industry than the Flat Glass representatives would allow. After presentation of the Government's case at trial, decree negotiations were reopened. I have been told by members of the trial staff that the attorneys handling this case for the Antitrust Division of the Department of Justice wanted complete divestiture of the Flat Glass industry and in the negotiations for settlement of the case HERBERT BERGSON, and possibly SIGMUND TIMBERG, Chief of the Judgments Section, felt that divestiture at this time could not be secured from the court. BERGSON felt that the Government should have a clause in the consent decree which would allow the Department of Justice to reopen the investigation after a three-year period should the Flat Glass industry fail to abide by the restrictions of the consent decree, or if they should prove to be ineffective to restore competition.

"I am not sure whether CURTIS SHEARS first opposed or agreed with the consent decree and the settlement of this case; however, I do know that WALKER SMITH, Assistant to CURTIS SHEARS in handling this case, vehemently opposed the settlement of the case and refused to sign the consent decree. I have heard that SHEARS later changed his mind and protested vigorously the settling of this case. In addition, I have heard that each member of the staff of the Flat Glass Case were asked to express their views on this matter and I believe the consensus of opinion of the trial staff was against any settlement.

"After the Government's presentation of its part in the case which concluded in June of 1948, CURTIS SHEARS went to Philadelphia to try a case for the Criminal Division. It has come to my attention that SIGMUND TIMBERG, the Head of the Consent Decree Section, handled some of the negotiations for settlement of this case with HERBERT BERGSON. As a matter of fact, I have been told that SIGMUND TIMBERG went out to Toledo, Ohio, and discussed the merits of the Flat Glass Case with Judge KLOEB and upon his return to Washington was

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of the opinion that Judge KLOEB was not any too keen on the Department's case requesting divestiture of the Flat Glass companies. Furthermore, I was told that Judge KLOEB had indicated to TIMBERG that he had already made up his mind and would not grant divestiture.

"It is my understanding that negotiations between the Flat Glass Company and the Departmental attorneys took place during the summer of 1948 and that WALKER SMITH and CURTIS SHEARS took little or no part in these negotiations. I do not think this odd because this case had been turned over to the Consent Decree Section headed by SIGMUND TIMBERG; therefore, other than consultations with the trial staff, the negotiations would have been conducted by TIMBERG.

"I understand that HERBERT BERGSON actively participated in a number of conferences with company representatives and that the trial staff of the Flat Glass Case was in violent disagreement with the results obtained from this case. I have been told by WALKER SMITH that he thought that the Government never should have settled the Flat Glass Case. I do not recall discussing the settlement of this case with CURTIS SHEARS, although I have heard he too disagreed with the settlement.

"I have never heard any member of the trial staff of the Flat Glass Case mention to me or anyone else that HERBERT BERGSON or SIGMUND TIMBERG had any ulterior motive in settling the Flat Glass Case. I have heard that certain individuals in the Department of Justice feel that the settlement of the Flat Glass Case was a mistake in judgment on the part of BERGSON and TIMBERG.

"With reference to CURTIS ~~X~~SHEARS being transferred to the Celler Committee on Capitol Hill, I have no knowledge, although I felt it was a break for the Department when he went up on the Hill. I deeply distrusted CURTIS SHEARS and have so since 1946. He has a poor reputation for trustworthiness and lack of veracity. It is my understanding that when SHEARS was first sent up to the Celler Committee, he expressed enthusiasm for the job and indicated that he intended doing a good job while up there. I have heard that Congressman EMANUEL CELLER, Head of the Celler Committee, telephonically contacted



someone in the Antitrust Division in the spring of 1951 and asked that the Department 'get SHEARS out of his hair' as SHEARS was driving him crazy. This resulted in CURTIS SHEARS coming back to the Antitrust Division in April or May, 1951, and being assigned to my section.

"I advised GRAHAM MORISON, then Assistant Attorney General in Charge of Antitrust, that the assignment of SHEARS to my Section was not a great addition to the Section, and I doubt very much whether MORISON or HERBERT BERGSON had ever requested his return to the Department. When SHEARS returned to the Department, he requested to be able to review the Flat Glass Case which request was honored by GRAHAM MORISON and myself. SHEARS prepared a lengthy memorandum recommending the reopening of the Flat Glass Case and again brought up the subject of divestiture. I reviewed this memorandum and was not impressed with it as I felt SHEARS did not develop all of the facts fully and I requested him to submit another memorandum exploring more fully the information that was desired.

"He submitted this additional memorandum which I forwarded to Mr. GRAHAM MORISON after discussing the matter with SIGMUND TIMBERG. I felt that SHEARS did not go into the economic and legal aspects of the case in his review and that he did a very poor job in reporting the situation and so advised GRAHAM MORISON by memo with a copy to SHEARS. In a memorandum to GRAHAM MORISON I commented upon the fact that this investigation should not be given to SHEARS but should be given to a disinterested party to develop. I also commented upon the fact that I did not think SHEARS was capable enough to handle such an investigation.

"With respect to the investigation of the Banana Case, I supervised this case in 1947. Prior to that time a recommendation had been received by the Antitrust Division, Washington, D. C., from our Boston Office. GRANT KELIEHER, Head of the Boston Office, had requested permission to initiate an investigation into the Banana industry in the field and I concurred with him. I discussed this matter with JOHN BAECHER, who at that time was Assistant to JOHN SONNETT, Assistant Attorney General in Charge of Antitrust, and he decided that it was better to handle this investigation out of Washington, D. C. I recall that the case was assigned to

MILTON KALLIS and he prepared a memorandum setting out his viewpoint as to relief that should be sought in this case. Upon receipt of this memorandum from KALLIS, I did not think that it was satisfactory as KALLIS had not fully developed all of the aspects of this case and I again stated that I thought the case should be assigned to the Boston Office to be developed. I recall that KALLIS prepared a memorandum to initiate an FBI investigation into this matter sometime in 1949. I concluded my part in the Banana Case at this time and have no recollection of what has happened in this case since then.

"I would like to state that I had no contact with HERBERT BERGSON or PEYTON FORD in any matter in which the Department is interested since they have left the Department of Justice except as hereinbefore set forth; however, I do recall receiving a telephone call from HERBERT BORKLAND, former Assistant to HERBERT BERGSON, who requested that I determine whether or not he, BORKLAND, and HERBERT BERGSON took any part in the investigations of the Perfume and Pencil industries. I recall that I checked the file on these cases and determined that BERGSON and BORKLAND had initialed memorandum initiating the FBI investigation or approving the FBI investigation of these industries. I recall that BORKLAND then remarked to me that was too bad because that meant two other clients that they would not be able to handle. I do not recall the exact date of this telephonic conversation with BORKLAND but know that it was after he and BERGSON left the Department of Justice.

"I can categorically state that during my tenure of employment in the Department of Justice that I know of no instances or indication of any soft peddling of any case or any instance where any attorney or official was told to lay off a certain investigation. I have heard HERBERT BERGSON criticized for taking retainers and accepting clients who had matters pending before the Department, but I can honestly state that I know of nothing improper done by BERGSON, FORD, or BORKLAND, either during their employment with the Department or since they have gone into private practice; however, I do recall sitting in on one conference relative to the proposed merger between the Minnesota Mining and Manufacturing Company and Carborundum at which time HERBERT BERGSON represented Minnesota Mining and Manufacturing Company. I recall

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that BERGSON vigorously acted in behalf of his client but at no time did he attempt to use friendship with Departmental employees to obtain aid in this matter. I believe that HERBERT BORKLAND accompanied HERBERT BERGSON to this conference in the Department and that the Departmental attorneys who sat in on the conference were SAM ABRAMS, GEORGE WISE, JOHN DUFFNER, and possibly a man by the name of MELCHIOR. BERGSON also represented the ~~United States Pipe Line Company~~ and held a conference with NEWELL CLAPP, SAM ABRAMS, DICK DECKER, WATSON SNYDER, possibly HARRY BURGESS, and myself. I have heard also that the law firm of ~~Ford, Bergson, Adams and Borkland~~ represent Standard Oil of Indiana; however, I know of no contacts made by this firm with Departmental attorneys on behalf of ~~Standard Oil of Indiana~~.

"In conclusion, I would like to state that I have no knowledge of any instances of misconduct or malfeasance on the part of any Departmental employee, with the exception of one instance which I have discussed with the above-named Agents.

"I have read the foregoing statement consisting of 9 pages and the matters therein set forth are true to the best of my knowledge and belief.

s/"GEO. B. HADDOCK

"Sworn and subscribed before me on 8-28-52

SA EDWARD J. HAYES

"Witnesses:

WM. E. FENIMORE

Special Agent, F.B.I. "

A copy of the above statement was given to HADDOCK who advised he was transmitting same to NEWELL CLAPP.

INTERVIEW WITH WILLIAM T. JETER

WILLIAM T. JETER, Attorney, Special Litigation Section, Anti-trust Division, was interviewed by Special Agents WILLIAM E. FENIMORE and EDWARD JOSEPH HAYES at the Department of Justice on August 27, 1952.

JETER reported he had been assigned to the Flat Glass Trial Staff between 1947, and the termination of the case in 1948. He recalled it was a bitterly fought case since the government was seeking relief through divestiture in the industry. At the conclusion of the government's presentation of its case in the Summer of 1948, JETER recalls, Judge KLOEB indicated it might be well for both the government and defense attorneys attempt to settle the case during the summer recess. JETER was of the opinion some negotiations looking towards settlement had taken place prior to the trial, but no formal effort had been instituted.

Following Judge KLOEB's suggestion, formal negotiations were entered into during the Summer of 1948, with SIGMUND TIMBERG of the Consent Decree Section handling the matter for the Department of Justice. JETER reports the trial staff objected to settling the case by consent decree, but he, personally, believed the suggested decree to be very fair. JETER explained he has been an attorney in both private and government service since 1923. Because Judge KLOEB had indicated a settlement desirable, JETER felt the decree finally agreed upon was as much relief as the government could hope to receive under the circumstances.

This attorney reports he took part in practically all the formal meetings which led to the final settlement. He states he does not know what stand HERBERT BERGSON may have taken in the matter, but does recall BERGSON was not in attendance at any of the meetings. The same is true concerning HERBERT BORKLAND. JETER stated he does not know whether PEYTON FORD had anything to do with the final settlement in any manner.

JETER stated he does not know the identity of any clients of the Ford, Bergson, Adams and Borkland law firm; neither does he know whether the firm has ever represented any of the defendants in the Flat Glass Case. He also states he does not know whether any member of this firm has made any contact with departmental officials or employees since they left the Department. JETER stated he has no knowledge nor

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does he know of any indication that PEYTON FORD has funnelled cases or information to either BERGSON or BORKLAND while he was still in the Department and they were outside practicing law. Further, JETER advised he has no direct knowledge of any instance of misconduct in office or malfeasance on the part of any departmental employee.

INTERVIEW WITH MARGARET H. BRASS

Upon interview at the Department of Justice on August 27, 1952, MARGARET H. BRASS, Attorney, General Litigation Section, Antitrust Division, informed Special Agents WILLIAM E. FENIMORE and EDWARD JOSEPH HAYES that she had been assigned to the Flat Glass Trial Staff between the Fall of 1946, and the conclusion of the case in 1948. She recalls she worked under the supervision of CURTIS SHEARS, Chief Trial Attorney, in the preparation of the case and its presentation in court. She also advised she had assisted in the preparation of the final consent decree.

Regarding the settlement of the case by consent decree, Miss BRASS stated she was of the opinion it might have been more desirable if the government had sought divestiture in the industry by court order rather than having settled the case by consent decree. She stated she was of the opinion the government had a good case and would have brought about divestiture if the case had been followed through completely. However, she pointed out Judge KLOEB had stated just prior to adjourning for the Summer of 1948, that a lot of time had been spent in presenting the case and although the trial might continue on for a year or more, perhaps it would be well for the representatives of both the government and the defendants to get together for the summer and agree on a settlement. He indicated the government might not secure any more relief upon the completion of the entire trial than could be secured by settlement at this time.

Miss BRASS reported she would have preferred the government continuing the case, but was aware her feeling in the matter might have been greatly influenced by the fact that she had worked hard and diligently in preparing and presenting the case. She recalled both attorneys, SHEARS and WALKER SMITH, were opposed to settling by consent decree, and BILL JETER, of the staff, was the only one who thought settlement by decree would be the proper action for the government to take. Miss BRASS also remarked she realized the government's case had been weakened by the postponement during the war because the evidence had become "old" and would not impress the court as much as "fresh" or current evidence. Informal and sporadic settlement negotiations, Miss BRASS believed, were carried on prior to the actual trial of the matter by the "front office" or Attorney General's Office with the defendants. She did not know whether any negotiations had taken place during the trial. Formal negotiations were initiated after the summer recess and after the presentation of its case by the government.

SIGMUND TIMBERG, Head of the Consent Decree Section of the Antitrust Division, actually handled the negotiations for the Department. Miss BRASS stated she did not know whether HERBERT BERGSON had participated in the actual negotiations, but felt sure he had been consulted from time to time. She recalled TIMBERG and BERGSON had travelled from Washington, to Toledo, Ohio, to present the final consent decree to Judge KLOEB for signature. She was not aware of their mode of travel.

Miss BRASS stated she did not know whether PEYTON FORD had had any interest in this case whatsoever. She understood HERBERT BORKLAND had made some of the original contacts concerning the settlement negotiations, but SIGMUND TIMBERG had taken over as soon as the original contacts were made.

Miss BRASS stated she did not know whether the law firm of Ford, Bergson, Borkland, Adams and Redstone now represented any of the defendants in the Flat Glass Case. She also stated she had no knowledge that PEYTON FORD had funnelled cases or information to either BERGSON or BORKLAND while he was still in the Department and they were out practicing law. She stated she had never been contacted by any member of the firm since their leaving the Department and did not know whether anyone in the Department had been contacted by them, other than MARCUS HOLLABAUGH, who had been contacted by BERGSON several months ago in connection with a rubber case. She noted, however, she only had heard of this BERGSON-HOLLABAUGH meeting and knew no details concerning same nor where she might have heard concerning it.

It was stated by Miss BRASS that she had no direct knowledge of any instance of misconduct in office or malfeasance by any departmental employee.

INTERVIEW WITH KENNETH R. LINDSAY

When interviewed on August 26, 1952, at the Department of Justice, KENNETH R. LINDSAY, Trial Section Attorney, Antitrust Division, informed Special Agents WILLIAM E. FENIMORE and EDWARD J. HAYES that he had been assigned to work on the Flat Glass Case between 1946 and October, 1948. He was to assist CURTIS SHEARS in the preparation for and presentation of the matter for court trial.

LINDSAY related he considered the Flat Glass Case to have been one of the most aggravated cases the Antitrust Division has had and one which lent itself most readily to the end the Department desired. He noted it was the desire of the Department to cause the principal defendants in the case to divest themselves and render the industry more competitive. In discussing the consent decree by which the case was finally settled, LINDSAY stated he considered this settlement to have been a mistake and a matter of poor judgment on the part of those in the Department who agreed to same. LINDSAY explained he personally refused to sign the consent decree. He recalls WALKER SMITH, who was another assistant to CURTIS SHEARS, also stated at the time he would refuse to sign the decree.

LINDSAY advised he was not present at any of the formal conferences with the defendant representatives which led to the final settlement and, therefore, is not cognizant of the positions taken by SHEARS, BERGSON, BORKLAND and TIMBERG. These are the individuals, LINDSAY believes, who represented the Department of Justice at the conferences.

In connection with the actual negotiations, LINDSAY recalled SIGMUND TIMBERG and HERBERT BERGSON had been flown from Washington, D. C. to Toledo, Ohio in a Pittsburgh Plate Glass Company plane so that the decree might be presented to the judge for signature and approval.

LINDSAY also reported the trial staff experienced many personality clashes and other disagreements among themselves during the course of the trial. However, each member of the staff, in LINDSAY's opinion, was against settling the case by consent decree. He stated he does not know why either BERGSON or BORKLAND wanted the case settled in this manner. He recalled it was his understanding both during the period of the trial, prior to it and afterwards that the law firm of JOHN CAHILL was in negotiation with members of the Attorney General's office looking toward settlement of the case. LINDSAY stated he did not now know whether the law firm of FORD, BERGSON, BORKLAND, ADAMS and REDSTONE now represented any of the defendants in the Flat Glass Case. He noted, however, it was his understanding that CURTIS SHEARS and JOHN CAHILL had been close friends while SHEARS was employed in the office of the United States Attorney in New York. He also noted JOHN SONNETT had headed the Antitrust



Division during the pertinent period but had disqualified himself as to this case because of some prior association with one of the defendant counsels. This allowed BAECHER to act in SONNETT's place. BAECHER, LINDSAY understands, was at one time associated with CAHILL's law firm. LINDSAY stated he does not know whether this is of any pertinent significance but points it out as a matter of interest only.

LINDSAY was asked whether he had any knowledge of PEYTON FORD funneling cases or information to HERBERT BERGSON and HERBERT BORKLAND while he was still in the Department and they were out practicing law. In answer, LINDSAY stated his position in the Department was such that he was not in a position to know whether such activity took place. He further advised he does not know the names of any of the clients of the law firm nor does he know whether any members of this firm have contacted any Departmental attorneys or officials since they have left the Department.

In conclusion, LINDSAY advised that he has no direct knowledge of any instance of misconduct or malfeasance by any Departmental employee.

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RE-INTERVIEW WITH RODOLFO CORREA

RODOLFO CORREA was interviewed by Special Agents WILLIAM E. FENIMORE and EDWARD J. HAYES on August 28, 1952, at his office, Room 178, Office of Defense Mobilization.

Inquiry was made of CORREA concerning his knowledge of the activities of HERBERT BERGSON in the Flat Glass Case. However, at the outset of the interview CORREA explained he had purposely stayed away from the Flat Glass Case because he had a brother who was in the law firm of JOHN CAHILL, who was defending the Flat Glass industry. For this reason, CORREA related, he had little or no knowledge of the case even though he had been assistant to BERGSON.

CORREA suggested the negotiations looking toward settlement of the case were probably handled for the Department by HERBERT BERGSON, CURTIS SHEARS and SIGMUND TIMBERG. CORREA understood BERGSON and SHEARS had disagreed over the settling of the case by consent decree but was unaware of the details concerning this. However, he noted this disagreement coupled with the fact that SHEARS was a "blow-hard" may have been the reason SHEARS had been given little work in the Department after the Flat Glass Case.

Inasmuch as CORREA had been interviewed previously with respect to PEYTON FORD, HERBERT BERGSON and HERBERT BORKLAND, he was not re-interviewed along these lines.

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NEWBOLD MORRIS TANKER CASE ET AL

On August 22, 1952, JUDSON W. BOWLES, Trial Attorney, Administrative Relations Section, Criminal Division, Department of Justice, was interviewed by Special Agents CHARLES H. SCHAFER and ALPHONSE F. CALABRESE.

Mr. BOWLES stated that he had been with the Department of Justice for about four and one half years and has always been assigned to the Administrative Relations Section. Mr. BOWLES stated that he resides at 3318 Dent Place, North West, Washington, D. C.

In connection with this case, Mr. BOWLES stated that he was assigned to this case upon receipt of the letter dated June 15, 1951, from the Secretary of Commerce, CHARLES SAWYER, to the Attorney General concerning possible violation of several criminal statutes of the United States. The contents of this letter has been described in a previous report.

Mr. BOWLES, upon review of the Department of Justice file, recalled that on July 24, 1951, Mr. NEWBOLD MORRIS, Mr. HOUSTON WASSON and Mr. HAROLD LENFEST came to see Mr. PEYTON FORD, who was then the Deputy Attorney General of the United States, with relation to the sale of the (Tanker) Meacham. He went on to say that he learned that this matter was discussed for a short time in the Office of Mr. FORD and that the latter thought that the nature of the inquiry had something to do with the then current RFC investigation.

Mr. FORD, according to Mr. BOWLES, then referred Messrs. MORRIS, WASSON and LENFEST to Mr. JAMES O'BRIEN of the Fraud Section of the Department of Justice, since Mr. O'BRIEN was working for the Department of Justice on the RFC investigation.

Mr. BOWLES stated that when they contacted Mr. O'BRIEN he immediately knew that it was a matter which rightfully belonged to the Administrative Relations Section headed by Mr. FRED STRINE and that he, Mr. O'BRIEN, then accompanied the three aforementioned individuals to the Office of Mr. STRINE.

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He advised that in the absence of Mr. STRINE, Mr. GRISBY met Messrs. MORRIS, WASSON and LENFEST and prior to the conference Mr. GRISBY called Mr. BOWLES and asked him to come to his Office. He stated that at this conference Messrs. MORRIS, WASSON and LENFEST gave their views on the sale of the Tanker Meacham and after they had presented their plan and at the conclusion of the conference, it was suggested by the Department of Justice Attorneys GRISBY and BOWLES that they submit a letter setting forth their views in respect to their position.

In this connection it will be noted that the Department of Justice file revealed that this letter was written on July 25, 1951, by HOUSTON WASSON and which was addressed to Mr. BOWLES.

He advised that about two weeks after the receipt of this letter he received a phone call from Deputy Attorney General PEYTON FORD'S secretary who advised him that Mr. FORD wanted to see him at his Office.

He stated that when he went into the Office Mr. FORD had before him what appeared to be a letter. Mr. BOWLES informed that Mr. FORD then asked him what this case was all about and that he, Mr. BOWLES, told him everything that he knew about this case which was very meager at that time. He stated that he did advise Mr. FORD the parts that Mr. WASSON, Mr. MORRIS and Mr. LENFEST played in this transaction due to the fact that he had been at the conference with these individuals on July 24, 1951.

Mr. BOWLES recalled that during the meeting he was asked by Mr. FORD whether he thought Mr. MORRIS had done anything wrong in this matter and that he, Mr. BOWLES, advised Mr. FORD that he doubted whether Mr. MORRIS had done anything criminally wrong in this matter, but that he had evidently been counselled very carefully since it appeared that alien money was involved in the purchase of the tankers.

He stated that after the meeting with Mr. FORD, which lasted about ten minutes, Mr. FORD made a few notations on this paper which he had before him, and then thanked Mr. BOWLES for the information. He advised that he did not know

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what notations were made, that he did not know what the paper was which was in front of Mr. FORD at the time of the interview and that he, Mr. BOWLES, has never seen this paper. He stated that he has no knowledge as to the reason why Mr. FORD made inquiries concerning that case.

Mr. BOWLES stated that he believed the paper before Mr. FORD related to the Tanker case because when he concluded his talk with Mr. FORD notations were made on the paper.

Mr. BOWLES pointed out that about the time that Mr. PEYTON FORD left the Department of Justice, that is, September, 1951, this case, because of its complex nature was assigned to one individual on a full time basis and that this individual was ALLEN KROUSE. He stated that he has had no connection with this case with the exception of a few conferences with Mr. KROUSE concerning various aspects in this matter. He stated that to his knowledge PEYTON FORD, up until he left the Department of Justice, contacted no one in the Department of Justice with the exception of himself, Mr. BOWLES, in connection with this matter.

He stated that from his conversations with Mr. KROUSE he has had no information that Mr. FORD has contacted anyone in the Department of Justice since he left the Department. He advised that he did learn at the Hearings held by the Chelf Committee that Mr. PEYTON FORD had contacted Department of Justice Attorney THOMAS F. McGOVERN of the Admiralty Section after he, FORD, left the Department.

He advised that other than his meeting with Mr. FORD during the early part of August, 1951, he has had no other contact with him concerning this case, until the Chelf Committee Hearings at which time both he and Mr. FORD were present for testifying purposes.

He stated that he has no knowledge of any irregularities, any influence or any pressure being placed upon the Department of Justice Attorneys handling this matter by Mr. FORD or any members of his Law Firm.

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\*WILLIAMS RESTAURANT (A PARTNERSHIP)  
BILL WILLIAMS (PARTNER)  
AKA VASILIOS VASILIADES  
PAUL MASTERS (PARTNER) CASE

*File*

Mr. JULES H. SIGAL, Special Assistant to the Attorney General, Tax Division, United States Department of Justice, was interviewed by SAs ROBERT K. LEWIS and ROBERT N. WINGARD on August 25, 1952:

Mr. SIGAL advised that when he was assigned to the Tax Division in December of 1951, the above-captioned case was the first case that was assigned to him. He stated that he reviewed the Department of Justice file on this case and on the basis of his review, recommended prosecution of the subjects on January 7, 1952, for the years 1945, 1946 and 1947. He stated this recommendation was forwarded to the United States Attorney in Philadelphia on January 11, 1952, and on March 11 of this year, he received word from the United States Attorney that an indictment had been returned against WILLIAMS and MASTERS on March 7.

Mr. SIGAL commented that the above-mentioned file review reflected that SUMNER N. REDSTONE, of the firm of Bergson, Ford and Borkland, had conferred with Mr. A. F. GALLAHAN, of the Tax Division, in regard to the case and had filed a very exhaustive brief in behalf of the defendants. He further stated that the defendants had first been represented by Senator MEYERS of Philadelphia, later by the above-mentioned Washington attorneys, and now are represented by unrecalled Philadelphia counsel.

*File*

Mr. SIGAL advised that from his knowledge of this case he would state there has been no evidence of irregularities or mishandling. Further, that although this case was referred to the Justice Department on January 30, 1951, and it was his opinion that Mr. REDSTONE was still in the Department at that time, he did not believe that REDSTONE had any knowledge of this case while in the

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Department and is positive that he would not have taken any action on the case inasmuch as he was in the Appellate Section of the Tax Division while this case was a criminal tax case.

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WILLIE CARL GARMON CASE

Mr. JULES H. SIGAL, Special Assistant to the Attorney General, was interviewed by SAs ROBERT K. LEWIS and ROBERT N. WINGARD on August 25, 1952, in his office in the Department of Justice.

Mr. SIGAL stated that he had handled this case for the Justice Department during the entire period it has existed in the Department. He commented that the case was referred by the Regional Counsel and recommended for prosecution on April 3, 1952, and that on May 22, 1952, he, SIGAL, had recommended prosecution in this case. He stated that during early June of this year, Mr. SUMNER N. REDSTONE had called and advised that his firm had been requested to come in on the case and were considering it. He stated that Mr. REDSTONE asked for a conference on June 23, 1952, and that this conference was so arranged. He stated that REDSTONE had advised him at the time the conference was arranged that if his firm decided not to enter the case he would call and cancel the above-mentioned conference. Mr. SIGAL stated that on June 23, 1952, he received a call from Mr. REDSTONE at which time REDSTONE advised that the conference was not necessary inasmuch as his firm had decided not to represent the taxpayer in this matter.

Mr. SIGAL stated that he had no other contact with REDSTONE or any other member of the subjects firm concerning this case or any other case which he has handled since the subjects left the Department of Justice. He stated that he knew of no irregularities or mishandling of any cases by anyone in the Justice Department and was not cognizant of the fact that any influence had ever been exerted by anyone on any cases in the Justice Department.

Mr. SIGAL stated that he had known Mr. BERGSON during the entire period that BERGSON was employed by the Department of Justice, having worked with him in the Claims Division, and had always found him to be very scrupulous, brilliant and above reproach in all dealings which he had had with him. He commented that he was casually acquainted with Mr. FORD and Mr. BORKLAND and found both to be good administrators and able lawyers.



GENERAL ELECTRIC LAMP CASE

LEONARD J. EMMERGLICK, Trial Attorney, U. S. Department of Justice, was interviewed on August 20, 1952, by SAs WILLIAM T. FORSYTH and BERNARD E. BUSCHER in reference to the General Electric Lamp Case. Mr. EMMERGLICK stated that by way of background, the GE Lamp Case was divided into two separate parts; one, that involving the manufacture and sale of incandescent lamps and, two, that involving fluorescent lamps. He stated these cases were instituted as early as 1939 and that the Government had chosen to try the incandescent lamp phase prior to any action on the fluorescent phase. The Government, at this time, had obtained a consent decree which had the effect of "freezing the situation."

EMMERGLICK stated that in 1945 the Department of Justice proceeded with the incandescent lamp case, holding the fluorescent lamp case in abeyance pending the outcome. In 1947 the oral arguments were made and in 1949 Judge FOREMAN handed down a 300 page opinion which, in general, held that: one, General Electric had monopolized the incandescent lamp industry; two, General Electric supported a monopoly in patent rights; three, Other defendants had conspired with General Electric; and, four, General Electric had organized a world cartel to keep foreign companies out of the incandescent light industry.

EMMERGLICK related that following this decision, there arose the problem of "relief proceedings" and the problem of what to do concerning the monopoly held by General Electric. He explained that the case against GE, as presented to the court, was based on 1946 figures and, in some instances, went back as far as 1940. The problem was thus presented to bring the figures up to date in connection with the divestiture of plants. This problem was overcome by the sending of questionnaires to General Electric and independents for the purpose of obtaining up-to-date statistical data.

According to EMMERGLICK, during this period there was a renewal of efforts by GE to settle the case and numerous conferences in this regard took place. The plan of settlement proposed by EMMERGLICK, and supported by other members of the Justice Department staff, embodied the divestiture of GE holdings in the lamp industry, as opposed to the plan of

settlement offered by GE. BERGSON was of the opinion that the Department of Justice should explore the possibility of settlement with General Electric on a compromise basis in accordance with the consent decree.

General Electric wanted a mere token divestiture and patent relief that was in their favor. General Electric also desired to erect and equip a plant in Newark, New Jersey, for the production of lamps of all types and then sell this plant to an outside organization. BERGSON worked out with General Electric a general outline of these negotiations regarding the plant, patents, and other details in a compromise which would have been far short of what Mr. EMMERGLICK thought the Government should have under the terms of the decision of Judge FOREMAN.

Mr. EMMERGLICK stated that he became disgusted with this point of view and as he did not agree with it, he dropped out of all the conferences by simply refraining from attending the meetings. Mr. EMMERGLICK pointed out that he did not discuss his reasons for dropping out of the case with BERGSON. He added he believed others who had handled the case were in accord with his views, and not in sympathy with the views expressed by BERGSON.

Mr. EMMERGLICK related that thereafter he went to New York to try another case and while in New York, he learned that negotiations had broken down in the General Electric Lamp Case. He stated that Westinghouse had advised the Department of Justice that if they expected to dispose of the fluorescent lamp case in accordance with the agreement in the incandescent lamp case, Westinghouse would not agree with the terms of the agreement if certain proposals of General Electric were adopted.

About this time, MARCUS A. HOLLABAUGH telephonically advised EMMERGLICK in New York that the settlement negotiations had broken down and that the Department of Justice was now asking for a divestiture of approximately one half of the General Electric lamp industry. Mr. EMMERGLICK stated that this went much further than he had asked for before. He advised that he could give no reason for this change of plan by the Department of Justice.

Mr. HOLLABAUGH asked that Mr. EMMERGLICK participate in the negotiations from this point. He stated that as a result of this, he worked out the broad outline of a decree which

was written by SIGMUND TIMBERG and HARRY N. BURGESS. EMMERGLICK stated that he submitted to the court on May 20, 1950, a judgment decree drawn on this outline. He stated that this was taken into court in late 1950 and, in the interim, the Korean conflict broke out and General Electric had presented the problem to their stockholders in an effort to arouse the sympathy of the stockholders and the people. As a result, a wave of public resentment appeared against the Department and numerous letters were received indicating the public's resentment of the Department's attempt to split the holdings of the General Electric Company. General Electric was campaigning and pointing out their war production record and, as a result of this, Mr. EMMERGLICK stated that he was wary of rushing into a plan of divestiture.

Mr. EMMERGLICK gave two reasons for his reluctance to take this plan into court; one, He stated he did not believe Judge FOREMAN would go along with the plan of divestiture because it would temporarily slow down production in the lamp industry and, two, A large amount of money, probably twenty or thirty million dollars, would be needed by a company to build plants and produce incandescent lamps; and because there would be no agreement regarding fluorescent lamps, this same company would not be in a position to produce fluorescent lamps.

Mr. EMMERGLICK stated that he had an agreement with the court to try the fluorescent case within ninety days of the other decisions, and he wanted to do so; however, others in the Department thought they should wait until the incandescent lamp case had gone through the Supreme Court.

Mr. EMMERGLICK stated that because of the two reasons which he had stated previously, he recommended that the Department ask the court to defer consideration of divestiture. He pointed out that by precedent in the Aluminum Company of America Case, there was an agreement in that case that the Government could withhold or "reserve jurisdiction" in regards to divestiture for a period of five years. Mr. EMMERGLICK stated that he wanted to get the same type of agreement in the General Electric Lamp Case.

Mr. EMMERGLICK stated that about this time Mr. BERGSON had resigned and WILLIAM A. UNDERHILL was acting as Assistant Attorney General and that he took the plan to UNDERHILL who

discussed it with PEYTON FORD. He stated that FORD agreed with his plan. Mr. EMMERGLICK stated that in November or December, 1950, he made such an application to the court and proceeded to put evidence into the court regarding this judgment.

Mr. EMMERGLICK advised that he filed a brief on May 15, 1951, in this regard and General Electric filed a reply brief which took the position that the divestiture issue should not be postponed. Mr. EMMERGLICK stated that when General Electric took this position, he made a motion to Judge FOREMAN to open the case and try the issue. His motion was granted by Judge FOREMAN and the case was opened.

Mr. EMMERGLICK stated that the General Electric Company apparently thought they could win because of the influence of the national emergency and their defense production record, and their strategy became clear along these lines. He stated that he requested of the Judge that General Electric be put in a position where they should be compelled to comply with the ruling of the court regarding divestiture of their holdings. However, General Electric took the attitude that they should not be compelled to do so immediately because of the national emergency and the Korean situation inasmuch as divestiture would hamper their defense production. Mr. EMMERGLICK stated that as the matter now stands it is in the hands of Judge FOREMAN and no decision has been rendered to date.

Mr. EMMERGLICK advised that in conferences with Mr. BERGSON, Mr. BERGSON had wanted to accept the General Electric offer in regards to the setting up of the New Jersey plant and was willing to go along with the General Electric desire to get a citation in the judgment that no determination had been made against General Electric. Mr. EMMERGLICK stated he protested because of the "total inadequacy" of this agreement and considered it a "cheap settlement."

He further advised that if this decree had a statement that no determination had been made against General Electric, this would set aside the value of the court ruling and would impede any small companies, crushed by GE, in the future in their efforts to sue GE for treble damages. BERGSON, according to Mr. EMMERGLICK, wanted to concede this point to

General Electric and thought that it was an adequate settlement. Mr. EMMERGLICK stated that if this had been done, it would have looked to the public as if "The Government had sold out to General Electric."

At the conclusion of the interview, Mr. EMMERGLICK indicated that he desired to prepare a statement concerning the differences of opinion between himself and Mr. BERGSON concerning the forms of relief and divestiture proposed for settlement of the case with the General Electric Company. On August 25, 1952, Mr. EMMERGLICK was recontacted and he furnished the following statement:

"I, Leonard J. Emmerglick, make the following voluntary statement under oath to Special Agents Bernard E. Buscher and William T. Forsyth:.

"Voluntary Statement of Leonard J. Emmerglick  
to W. T. Forsyth and B. E. Buscher, Special  
Agents of the Federal Bureau of Investigation:

"I have been asked to make a statement as to the forms of relief which I recommended in 1949 should be sought in the incandescent lamp case, decided in favor of the Government in January 1949 against General Electric Company, and other defendants; the forms of relief proposed by General Electric as an agreed-upon or consent judgment to be presented as such to the Court; and the position taken by Mr. Herbert A. Bergson as head of the Antitrust Division in the course of the discussions which were held with representatives of General Electric. This statement is made on the express understanding that it shall be kept confidential insofar as it relates to offers of settlement by General Electric Co., since these were made under an agreement with the Department that they be "without prejudice" and the case is before the Court for decision on the very matters to which the offers of settlement related.

"By way of preface, I wish to point out that I did not attend all of the meetings with General Electric's counsel on this subject, nor did I attend all staff meetings upon it. I am preparing this memorandum without consultation or discussion with any of the staff who participated in the discussions, and solely on the basis of my recollection as refreshed by

"examining the Department's files and my own. I was engaged simultaneously in handling not only the General Electric case but also the duPont-Imperial Chemical Industries, Ltd. case and the Aluminum case. In view of these facts, and my then inability for want of time to write memoranda for the files as to every discussion which I had, my statement may be lacking in completeness.

"After the decision of the Court was filed on January 19, 1949, I studied with the trial staff the relief needs, and prepared a memorandum of recommendations, aided by members of the trial staff. I delivered it to Mr. Bergson on or about June 24, 1949, the date of the memorandum. The principal form of relief recommended was divestiture of General Electric's plants and properties. Alternative divestiture plans were recommended. One of the plans, which appeared to be preferable and was so designated, called for divestiture of large-lamp plants accounting for 41 1/2% of General Electric's 1948 production; miniature-lamp plants accounting for 72 1/2% of the 1948 production; and Christmas-tree lamp facilities accounting for 15% of the 1948 production. Specific plants were designated in my recommendations.

"In addition to these lamp plants, the memorandum recommended the divestiture of one of General Electric's two plants for the production of large lamp bulbs, and one of its lamp base plants.

"The alternative plan of divestiture recommended divestiture of a lesser proportion of lamp-assembly plants but a greater proportion of large glass bulb plants. Thus this plan called for divestiture of large-lamp plants accounting for 25% of 1948 production of large lamps, and Christmas-tree facilities accounting for 15% of the production. The plan called for divestiture of both of General Electric's bulb plants, and of one base plant.

"It was further recommended that to make divestiture relief effective General Electric should be prohibited for five years from increasing its production, with leave to increase it if national security considerations made that necessary.

"In addition to the divestiture relief, the recommendations specified compulsory licensing, royalty-free, of

"patents issued up to August 1, 1945 and compulsory licensing on reasonable royalties of patents issued for five years after the entry of judgment. The recommendations also called for a requirement that General Electric give to each licensee under the judgment technical assistance and information disclosing General Electric's methods and processes.

"Further recommendations were that General Electric should be required to sell lamp-making machinery at cost plus a reasonable profit, for five years; that General Electric be prohibited from using the consignment system of distributing lamps; that General Electric be required to cancel the restrictive provisions in its foreign agreements; and that it be required to divest itself of its financial interests in foreign manufacturing licensees.

"On July 21, 1949 I attended a conference in Mr. Bergson's office called at the request of General Electric for the purpose of discussing possible working out of an agreed-upon final judgment. The Department was represented by Mr. Bergson, Mr. Timberg, Mr. Ritchin, Mr. James and myself. General Electric was represented by Whitney North Seymour and Albert Bickford, and also by its officers Luebbe, Vice President, and Baldwin, General Counsel.

"Mr. Seymour requested some statement of the Government's demands and at Mr. Bergson's request I outlined the forms of relief stated in my memorandum of June 24, with one variation, viz: the royalty-free licensing was requested as to patents issued up to the date of judgment and not merely up to August 1, 1945. The alternative plans of divestiture were indicated and I pointed out that we favored the one calling for the divestiture of the larger portions of lamp-assembly facilities.

"There followed a number of meetings with General Electric officials in Mr. Bergson's office and also discussions with General Electric counsel by members of the trial staff and consent judgments section staff. General Electric made an oral offer, dealing with the principal items of relief. From time to time General Electric improved its offer and about the end of 1949 the main items took form as a result of decisions made by Mr. Bergson but in consultation with members of the Antitrust Division. Mr. Bergson decided to accept as a basis for going forward with negotiations to work out other

"problems, a proposal by General Electric that it sell its Newark, New Jersey plants, a base plant and a lamp bulb plant. The Newark plants were to be equipped so as to contain machinery for manufacturing indicated types of fluorescent lamps. The entire settlement negotiations contemplated a consent decree settling the fluorescent lamp case, along with the consent decree disposing of the incandescent lamp case. The fluorescent lamp case had not been, and has not yet been, tried.

"By reference to my memorandum to Mr. Bergson of June 24, 1949, detailing the plants recommended for divestiture and their productive capacity, the difference between the divestiture recommended and the divestiture which would be accomplished by the General Electric proposal may be gathered. The alternative plan II called for only one bulb plant to be divested. The General Electric offer did likewise. Plan II called for divestiture of the Newark plants, the Youngstown plant, and the Memphis plant, all of which were lamp-assembly plants. The Newark plant accounted for 12% of the 1948 General Electric production of large lamps, and 40% of its miniature lamp production. The most important segment of the industry is the large-lamp production and sale. The General Electric proposal contemplated moving additional machinery into the Newark plants. I cannot recall, and the files do not appear to show, what this machinery would have done to increase or decrease productive capacity. My best recollection is that the Newark plant, as equipped under the offer, would have had a capacity to produce large lamps considerably lower than the capacity proposed by Plan II for divestiture. The precise figure can be secured by checking schedules and records the Department has. If desired this can be done, and I would need the assistance of the economist who worked on these materials.

"The General Electric proposal recommended that there be no divestiture of General Electric's stock in foreign lamp companies but a direction that General Electric's officers who were serving as directors in those foreign companies should resign their directorships or positions held in the foreign companies, with a further injunction to be entered against General Electric prohibiting it from voting the stock in those companies except as in such matters as borrowing money, increasing or decreasing the capital stock of the foreign companies, declaration of dividends, etc.



"The General Electric proposal contained no provision for limiting General Electric's production for a period of years. Such a prohibition presents a question as to its consistency with the antitrust laws. Mr. Bergson took the position that such a prohibition on General Electric was undesirable because opposed to antitrust philosophy.

"The General Electric proposal contained no provisions prohibiting General Electric from using the consignment system for distributing its lamps. Mr. BERGSON's position on this was that the Court had held the consignment system to be legal. The trial staff recommendations were based upon the reasoning that these activities were so enmeshed with the activities found to be illegal, that by well-settled principles injunctive relief could properly be granted under the circumstances.

"I was also opposed to the recital in General Electric's proposed judgment which Mr. Bergson thought would be acceptable, reciting that there had been no findings of fact or conclusions of law. I advocated a recital which would amount to an adjudication of violation of the law, as the Court had found.

"In other respects Mr. Bergson supported my objections to General Electric proposals, as indicated in my letter of November 14, 1949, written after discussion with Mr. Bergson.

"I took small part in further negotiation to work out the remaining problems, which were carried on by the consent decree section aided by members of the trial staff as the negotiations went on. I participated to a small extent in further discussions, but gradually the consent decree staff took hold of the responsibility for continuing the negotiations, without my participation. Therefore I am not familiar with Mr. Bergson's position on other matters as the negotiations went forward. The files do not seem to show whether the divestiture relief provisions were altered during the remaining negotiations. It is my understanding that they remained unchanged.

"I commenced the trial of the duPont-Imperial Chemicals case in New York on or about April 3, 1950 and left for New York some time before that to prepare the trial. Before

"leaving for New York I was intensively engaged in preparations for the trial. From time to time I was informed about the progress of negotiations, and eventually, Mr. Hollabaugh, Chief of the Section, phoned me in New York that the negotiations had been broken down. He asked if I would resume the litigation before the Court along the lines he stated that Mr. Bergson wished to follow. These included divestiture of half of General Electric's plants, divestiture of stock in foreign companies, injunction against use of the consignment system, and other remedies. This appeared to me to be a thoroughly satisfactory relief program, and in some respects went a little beyond the recommendations which I had made in June 1949. I collaborated in preparing such a proposed judgment and presented it to the Court on or about May 20, 1950.

"One other subject in connection with the judgment should be mentioned in the interest of greater completeness. As preparations were being made to introduce evidence to support this judgment, and as hearings were going forward in Court, the independent lamp manufacturers from time to time requested the Department to seek interim relief to take care of their special needs. These requests were very carefully considered. I attended a number of conferences in Mr. Bergson's office with members of these independent lamp manufacturers. They did not agree among themselves as to what interim relief measures were necessary. Some insisted that they needed lamps which General Electric should make for them. Others insisted that they needed parts. Still others insisted that General Electric should be prevented from making certain types of lamps altogether. Also suggested was interim relief which would require General Electric to sell lamp-making machinery. Mr. Bergson asked the trial staff and the consent judgments staff to consider what we might do. He expressed a strong desire to have us take some measures which would meet the needs of independent lamp manufacturers to the extent that this appeared to be feasible. Accordingly, we studied all of these suggestions. Most of them were found to be inappropriate. Thus the suggestion that General Electric be directed to make lamps for the independents, and sell them to the independents, the lamps to bear the brandmarks of independents, appeared to some of us to be likely to further entrench General Electric's power by constituting General Electric the lamp-manufacturing facility, for the independents, and making them little more than distributors for General Electric. However, on this

"point there was not unanimous agreement among the members of the Division participating in the discussions. The suggestion that we prohibit General Electric from making specified types of lamps altogether seemed to be not capable of successful advocacy. At this time we were asking the Court to divest General Electric of half of its plants in connection with the manufacture of lamps where the Court found that General Electric had violated the laws in many ways and particularly by abusing patents relating to these lamps. We concluded that the Government could not support a request to take General Electric wholly out of the manufacture of lamps which were not patented and as to which General Electric's enlarged business was due to the total monopoly power it possessed. The only remedy open to the Government appeared to be to put an end to General Electric's monopoly power by divestiture and allied relief. The reasoning which resulted in this conclusion is spelled out in my memorandum of May 12, 1950.

"Mr. Bergson agreed with the views of the staff. Ultimately an application for interim relief was made to direct General Electric to sell to independent lamp manufacturers lamp-making machinery. Two independent manufacturers came forward and asked for machinery, in support of this application. It is now before the Court for decision.

"/S/ Leonard Emmerglick  
August 25, 1952

"I have dictated and read the above statement consisting of 8 pages and have initialed each page and solemnly swear that the same is true and correct.

"/S/ Leonard J. Emmerglick

"Witnessed:

Bernard E. Buscher, Special Agent, F.B.I.  
William T. Forsyth, Special Agent, F.B.I. 8/25/52"

GENERAL ELECTRIC STREET LIGHTING CASE

On August 25, 1952, Special Agents BERNARD E. BUSCHER and WILLIAM T. FORSYTH interviewed DONALD P. MC HUGH, Assistant Chief, Trial Section, Antitrust Division, Department of Justice, regarding the General Electric Street Lighting Case. He advised that he has been in the Antitrust Division since 1944 and has spent all of that time in the Trial Section, which was formerly known as the Complaint Section. He advised that in this capacity he had handled the General Electric Street Lighting Case, which he described as a conspiracy to monopolize the industry and to restrain trade in regard to street lighting equipment. He advised that the case was an outgrowth of a municipal investigation. He continued to relate that it was discovered that all bids emanating from the ~~General Electric Company, Westinghouse, and the Line Material Company~~ were identical in regard to street lighting equipment. These three companies, according to Mr. MC HUGH, had a monopoly on all the street lighting equipment and through agreement with two other companies, namely the ~~United Metal Manufacturing Company and the Holophane Company~~, who manufactured parts for street lights, managed to control all production of this type of equipment. This was described by Mr. MC HUGH as a deliberate plan to exclude other companies. This was done by drawing up exclusive agreements for materials for the production of street lights. In addition, there was evidence of price fixing.

Mr. MC HUGH advised that as a result this matter was presented to the Grand Jury in [ ] 1948, and an indictment was returned on [ ], 1948. Following the return of this indictment, the Department of Justice also instituted a civil case against the five companies.

The five companies filed numerous motions in what appeared an effort to delay the case and among them was a motion for the filing of a Bill of Particulars. Mr. MC HUGH advised that, contrary to the expectations of the companies involved, the Department of Justice conceded this point and filed a Bill of Particulars, thus showing the Government's strong evidence in this case.

Shortly thereafter, the defendants approached the Department of Justice for a conference and an attempt to settle out of court. These conferences were begun and the case did not go to court but was settled in this manner. The handling of these negotiations was under Mr. SIGMUND TIMBERG.

Mr. MC HUGH advised that Mr. HERBERT A. BERGSON was Assistant Attorney General at that time but that Mr. BERGSON had had no contact with him regarding this case.

In regard to Mr. HERBERT BORKLAND, Mr. MC HUGH advised that Mr. BORKLAND helped revise and write the indictment and complaint. His assistance and activities were more as an Adviser on legal questions and methods of handling the indictment and the court procedure. Mr. MC HUGH advised that one of the questions to be settled was whether the Government should proceed in their civil case first or in the criminal case. He gave this as an example of one of the things which was placed before Mr. BORKLAND. The decision was rendered that they would settle the criminal case first.

Mr. MC HUGH advised that the only point of disagreement to his knowledge was in regard to the settlement. He stated that his Section wanted to insist on divestiture proceedings but that the "front office" ruled against this. Mr. MC HUGH stated that by the "front office" he meant Mr. BERGSON and Mr. BORKLAND. MC HUGH advised that he did not know if BERGSON or BORKLAND had made this decision. Mr. MC HUGH pointed out, however, that there was some considerable doubt in his mind and in others in his Section as to whether the Government could have gotten the companies to agree to this type of settlement. He stated that this was considered quite a harsh penalty and it was believed that if the Government had insisted on divestiture the companies would have broken off settlement negotiations and taken the matter before the courts.

As a result of these settlement negotiations, the parties concerned came to agreement and went before Judge FREED in Cleveland in a plea of nolo contendere in the criminal matter and the Judge went along with the recommendation of the Department of Justice and imposed the fines that they had suggested. Mr. MC HUGH pointed out these fines were considered

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to be very satisfactory to the Department of Justice and that he believed they had gotten stiffer penalties than what the court would have imposed had the case gone to trial.

Mr. MC HUGH advised that he knew of no irregularities on the part of BERGSON or BORKLAND in the handling of any case within the Department of Justice. He further advised he was not acquainted with PEYTON FORD and that he had no dealings with BERGSON, BORKLAND, FORD, or their law firm since these men had departed from the Department of Justice.

Mr. MC HUGH advised that during the time he has been employed at the Department of Justice he has not come in contact with or learned of any irregularities in the handling of any case in the Department of Justice.

THE BANANA CASE

Mr. MILTON KALLIS, Special Assistant to the Attorney General, Anti-Trust Division, Department of Justice, was interviewed by Special Agents ROBERT K. LEWIS and ROBERT N. WINGARD on August 25, 1952, in his office at the Justice Department.

Mr. KALLIS advised that his first contact with the Banana Case dates back to the Fall of 1946, when this case was first assigned to him. He stated that he continued to work on this case until early 1948, at which time he was placed on another assignment handling a case which was an appeal to the Supreme Court. He added that at approximately this time he prepared a memorandum on the Banana Case outlining the investigation to be done, and requesting that the FBI conduct this necessary investigation. He commented that after the Supreme Court had reversed the decision on the Griffith case and had sent this case back to the lower courts for retrial he had requested of Mr. HOLMES BALDRIDGE, then his supervisor, that he would like to continue on the Griffith case and hence would not be able to work on the Banana Case. He emphasized that he advised Mr. BALDRIDGE that it appeared to him that no action had been taken on the Banana Case or on his, Mr. KALLIS, memorandum reflecting investigation to be done.

Mr. KALLIS stated that from 1948, until March of 1951, he had no active contact with the Banana Case, however, he pointed out that on one occasion he was called into Mr. BERGSON'S office, while BERGSON was in charge of the Anti-Trust Division. He stated that Mr. BERGSON had advised him that he, Mr. KALLIS, had received a grade raise and that later he had asked Mr. BERGSON if he had seen the memorandum which he, Mr. KALLIS, had prepared on the Banana Case. He commented that Mr. BERGSON replied that he had read the memorandum and that it appeared to him as if there was a lot of work which would have to be done on this case. Mr. KALLIS stated that BERGSON did not elaborate, that this was his only contact with him or with any of the subject's concerning this case.

Mr. KALLIS continued saying that during the period the case was not assigned to him that file review was conducted by WALKER SMITH, JAMES BROWNING, and GEORGE HADDOCK, of the Anti-Trust Division. He added that it was his opinion that these three individuals felt that there was a question of jurisdiction involved in this case and therefore had not taken steps to initiate any additional investigation. Mr. KALLIS stated that in his opinion after much review of legal decisions there was not a jurisdictional question involved.

Mr. KALLIS advised that during the period from May of 1948, to March, 1951, no action had been taken by anyone in the Department concerning this case. He stated further that he has worked on the case since March of 1951, and has held several conferences with Mr. SAM J. BAGGETT, General Counsel and Vice-President of United Fruit Company and has another such conference scheduled for Wednesday morning, August 27.

Mr. KALLIS continued stating that he was told by an unrecalled source approximately one and one-half months ago that Mr. BERGSON was a counsel for the Standard Fruit Company. He added that the Banana Case was against all importers in this field but was of the opinion through research that since 1946 or 1947, no irregularities appeared on the part of the Standard Fruit Company's conduct on which an injunction for relief could be obtained. He pointed out that he was of the opinion through research that there was no connection between the business activities of the United Fruit Company and the ~~Standard Fruit Company~~ and in fact these companies are presently in keen competition.

Mr. KALLIS mentioned that ~~the~~ United Fruit Company presently imports 70% of all bananas into the United States and the Standard Company approximately 10%. The remaining percentages are divided among the other importing companies in this field. He added that Mr. BERGSON has never contacted him as a counsel for the Standard Fruit Company or as a private counsel on any matter. He pointed out that to the best of his knowledge no mishandling or irregularities have existed in this or any other case during the eight and one-half years that he has been an attorney in the Department.



He commented that although there have been many differences of opinion on the Banana Case most of which have pertained to jurisdiction, no attempt has ever been made by anyone to influence the thinking or actions of any attorney connected with this particular case.

E. LEITZ CASE

The files of E. Leitz, Inc., maintained in the Office of Alien Property, HOLC Building, First and Indiana Avenue, N. W., were reviewed by Special Agent WILLIAM A. ROYER and ALECK G. KARIS and the following was noted:

The files contained the minutes of the postponed annual meeting of stockholders of E. Leitz, Inc., dated March 1, 1948, which is set out in part as follows:

"The postponed annual meeting of the stockholders of E. Leitz, Inc. (1941) a New York corporation was held at Room 1952, #120 Broadway, Borough of Manhattan, City, County and State of New York on March 1, 1948, at 2 P. M., pursuant to a written waiver of notice of time, place, and purposes of said meeting, duly signed by David L. Bazelon, holder of all the shares of stock of the corporation, by his proxy Donald U. Emmert.

"There were present David L. Bazelon, Assistant Attorney General, Director, Office of Alien Property, by Donald U. Emmert, his proxy.

"There were also present at the meeting:

John W. Slacks  
John C. Kelly  
Harold E. Horowitz  
Michael Coon  
P. H. Deutchman

"The meeting was called to order by Mr. Emmert, who acted as Chairman of the meeting and appointed Mr. Deutchman as Secretary of the meeting.

"The Chairman appointed Mr. Horowitz and Mr. Coon as tellers of election.

"The Chairman presented to the Secretary a proxy issued to Donald U. Emmert by David L. Bazelon, Assistant Attorney General, Director, Office of Alien Property, together with written waiver of notice of the meeting, executed by Mr. Emmert pursuant to said proxy.

"The Chairman, directed, that without objection, said proxy and waiver be accepted and be attached to and made a part of the minutes of this meeting.

"Upon the call of the roll of stockholders in attendance at the meeting it was found that David L. Bazelon, Assistant Attorney General, Director, Office of Alien Property, holder of all of the issued and outstanding shares of stock was represented at the meeting by his proxy, Donald U. Emmert. The Chairman thereupon declared that a quorum was in attendance at the meeting and that it was duly convened for the transaction of business.

"The Chairman then stated that it was appropriate at this time to nominate and elect directors of the corporation for the ensuing year. Thereupon the following persons were nominated as directors of the corporation to hold office until the next annual meeting of stockholders and until their successors are elected and qualified:

Donald U. Emmert (Washington, D. C.)  
Harold E. Horowitz (New York)  
Edward J. Chapman (New York)  
John C. Kelly (New York)  
John W. Slacks (New York)

"No other nominations having been made the polls were duly opened and the stockholder entitled to vote, having voted by ballot, the Chairman declared that

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"Donald U. Emmert, Harold E. Horowitz, Edward J. Chapman, John C. Kelly and John W. Slacks were duly elected directors of the corporation.

"There being no further business brought before the meeting, it was, upon motion duly made, seconded and carried, voted to adjourn.

---

P. H. Deutchman  
Secretary"

The files contained the minutes of a special meeting of the Board of Directors dated February 9, 1951, which is set out in part as follows:

"A special meeting of the Board of Directors of E. Leitz, Inc. was held at 10:45 A.M., Friday, February 9, 1951, at 247 Park Avenue, sixteenth floor, Borough of Manhattan, City, County and State of New York.

"The following directors were present:

Harold Church Paull  
G. Merlyn O'Keefe  
Harold E. Horowitz  
John C. Kelly  
C. Gordon Lamude  
Edward J. Chapman

constituting a quorum of the members of the Board of Directors.

"Also present by invitation was P. H. Deutchman, secretary of the meeting.

"The meeting was called to order by Mr. Horowitz, who acted as chairman of the meeting. Mr. Deutchman, secretary of the Corporation, acted as secretary of the meeting.

"The Chairman presented a waiver of notice of the meeting duly executed by all the directors. Upon motion duly made, seconded and unanimously carried, the waiver of notice was ordered to be attached and made a part of these minutes.

"The Secretary read the minutes of the directors' meeting held on January 3, 1951 and upon motion duly made and seconded, the minutes were ordered approved and filed.

"The Chairman then stated that it was appropriate at this time to nominate and elect officers of the Corporation to hold office for the ensuing year. Thereupon the following persons were nominated for the offices indicated beside their respective names:

"Harold E. Horowitz - Chairman of the Board of Directors AND President

P. H. Deutchman - Secretary-Treasurer

Robert E. Giaque - Assistant Treasurer

"No other nominations having been made, the secretary polled the directors and each one cast his vote in favor of the persons named for the respective offices for which they were nominated. Thereupon the following persons were declared duly elected to the offices indicated beside their respective names to hold office at the pleasure of the directors for the ensuing year:

"Harold E. Horowitz - Chairman of the Board of Directors AND President

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"P. H. Deutchman - Secretary-Treasurer

Robert E. Giaque - Assistant Treasurer

"Upon motion duly made by Mr. Kelly, seconded by Mr. Paull and adopted, it was

"RESOLVED, That Mr. Horowitz, as President of the Corporation, serve without compensation, retroactive to October 6, 1950.

"Upon motion duly made by Mr. Paull, seconded by Mr. Chapman and unanimously passed, it was

"RESOLVED, That purchases to be made of production machines, as per report attached and recommendation of Mr. Robert E. Giaque.

"Upon motion duly made by Mr. Horowitz, seconded by Mr. Chapman and adopted, it was

"RESOLVED, That a committee (Mr. Paull, Chairman, Mr. O'Keefe and Mr. Lamude) be appointed to recommend change of capital structure.

"Mr. Horowitz advised the Board that the Corporation has many purchasing problems due to requirements for D.O. allocations. Upon motion duly made by Mr. Lamude, seconded by Mr. Paull and unanimously passed, it was

"RESOLVED, That ~~Bergson~~, Adams & Borkland, Attorneys, 918 - 16 Street, N. W., Washington 6, D.C. be retained to represent E. Leitz, Inc. at a fee of \$12,000.00 per year (\$1,000.00 per month) retroactive to January 1, 1951.

"Upon motion duly made by Mr. Kelly, seconded by Mr. Paull and unanimously passed, (Mr. Horowitz not voting) it was

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"RESOLVED, That Mr. Horowitz and Mr. Keller make a trip to the Leitz-Wetzlar Plant in Germany and that a fee of \$4,000.00 and expenses be paid to Mr. Horowitz.

"Upon motion duly made by Mr. Lamude, seconded by Mr. Chapman and adopted, it was

"RESOLVED, That the President be authorized . . to request a proxy be issued for a stockholders' meeting to merge the 1916 Corporation with the 1941 Corporation.

"There being no further business to consider,  
it was voted to adjourn.

./s/

P. H. Deutchman - Secretary

/s/

Harold C. Paull

Harold E. Horowitz

/s/

John C. Kelly

/s/

Edward J. Chapman

/s/

C. Gordon Lamude

**/s/**

G. Merlyn O'Keefe".

It should be noted that all persons signed their names in the spaces provided in front of their names except HAROLD E. HOROWITZ.

The minutes of this meeting have been photostated and are being described as DJL700.



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The files also contained a memorandum dated May 9, 1952, from JULIUS SCHLEZINGER, Chief, Legal and Legislative Section, Office of the Director, to SIDNEY GROSS, Attorney. The letter states as follows:

"With reference to your inquiry whether the retainer of the law firm of Ford, Bergson, Adams, and Borkland of Wash., D.C. by the above company should be discussed in the Leitz prospectus, I have been advised by Mr. Baynton that the subject firm has written a letter to the company terminating its retainer as of the end of May, 1952. Mr. Baynton has informed me that in such letter the law firm has offered to render any additional legal services that may be required between the end of May and the sale without charge.

"In view of the fact that the retainer with this law firm will be terminated prior to the sale of the stock, I see no need for any discussion of its services in the prospectus.

J. S."

No information other than the above was noted regarding any of the subjects of this case or the appointment or election of HOROWITZ or the retaining of the Ford-Bergson law firm.

E. LEITZ CASE

Mr. STEPHAN J. ANGLAND, Special Assistant to Mr. FRANCIS P. WHITEHAIR, Under-Secretary of the Navy, was interviewed by Special Agents ALECK G. KARIS and EDGAR L. CARTER on August 27, 1952, regarding his knowledge of the appointment of HAROLD HOROWITZ to the Board of the E. Leitz Company. It should be noted that from a review of the files of the Office of Alien Property, New York City, regarding the E. Leitz Case made by Special Agent CARL L. BENNETT, that the files contained a typed memorandum reflecting that a change was made after it had originally been prepared. The name, HAROLD HOROWITZ, Attorney at Law, New York, was inserted in ink in place of STEPHAN J. ANGLAND, and the handwritten initials "HIB" appeared on the left margin near the change. The name of ANGLAND was crossed out in pen and ink. No reference is made to the introduction of HAROWITZ'S name in this memorandum or in the file and the file does not reflect the identity of his sponsor.

Mr. ANGLAND advised Agents KARIS and CARTER that from approximately 1937 through 1942 he had been an Attorney in the Department of Justice Tax Division in Washington. ANGLAND left this office to enter the service and at the end of the war, he engaged in private law practice and in approximately 1947 or 1948 he heard that private individuals were being considered by the Office of Alien Property for Directorates in various business organizations that were being operated under the control of the Office of Alien Property.

Mr. ANGLAND stated that due to his position, newly entering into the practice of law he was very much interested in having his name attached to one of these companies, then being operated by the Office of Alien Property, as he felt that being associated as a Director in one of these enterprises would give him certain prestige in connection with his law practice. In this connection Mr. ANGLAND stated that he was friendly with DAVID BAZELON, of the Office of Alien Property, and that he made it known to Mr. BAZELON that he, ANGLAND, was interested in being named as a Director to one of the companies under the Office of Alien Property.

It is noted that in talking with BAZELON, no particular company was mentioned by ANGLAND or BAZELON and Mr. ANGLAND advised the above-mentioned Agents that he never received any reply from the Office of Alien Property or any word from Mr. BAZELON which would indicate that he was even being seriously considered for one of the Directorate positions. Mr. ANGLAND states that other than to say that he made it known to BAZELON that he did have an interest in

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such a position, he has no further knowledge concerning what was done by Mr. BAZELON in furtherance of the interest that he had displayed, if anything.

Mr. ANGLAND stated that he was not acquainted with the manner in which the names of individuals were selected to hold Directorate offices of the companies held by the Office of Alien Property and that other than to note, that from his observations, the positions had not been filled politically, he did not know what procedure was used in making the selections. Mr. ANGLAND stated that he did not feel that they were filled politically because he had noticed that many of the persons appointed to these positions were persons who were not politically active; however, he was unable to give any information as to how these selections were made in general and had no knowledge concerning the appointment made of Mr. HOROWITZ as a Director in the E. Leitz Company.

Mr. ANGLAND stated that no information ever came to his attention regarding any irregularities or misconduct on the part of the subjects in this case. He added that he regarded FORD and BERGSON as unapproachable, and that the other subjects in this case are unknown to him.

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EJH:DJM

REVIEW OF GREAT LAKES CARBON CORPORATION FILES:

The following file review was conducted by  
Special Agent EDWARD JOSEPH HAYES on August 22, 1952:

From a review of file bearing Number 60-163 relating to Miscellaneous complaints received by the Department of Justice in the Coke Field, the following information is set out. From a review of this file which deals with Miscellaneous complaints from 1912 to the present date, no mention is made of PEYTON FORD, HERBERT BERGSON, or HERBERT BORKLAND, nor is there any indication that any of these men handled any miscellaneous complaints received against the  
Great Lakes Carbon Corporation.

File Number 146-51-2-1865 entitled Great Lakes Carbon Corporation, was reviewed and it disclosed that the Great Lakes Carbon Corporation of 22 East 40th Street, New York, proposed to purchase from the War Assets Administration in July of 1947, a plant at Morgantown, North Carolina. This plant is described as Plancor 1066 and the amount bid by the Great Lakes Carbon Corporation was \$2,200,000.00.

Instant file disclosed that in the sale of this installation the approval of the Antitrust Division had to be obtained prior to consummation. It was noted that Departmental Attorneys handling the approval of the sale of this plant to the Great Lakes Carbon Corporation were JOHN SONNETT, SIGMUND TIMBERG and JOHN PEWETT of the Antitrust Division. No mention is made of any action taken by PEYTON FORD, HERBERT BERGSON or HERBERT BORKLAND in this matter.

From a review of file relating to a complaint made by the Reynolds Metals Company of Richmond, Virginia, against the Great Lakes Carbon Corporation charging Great Lakes Carbon Corporation with having a monopoly in the Calcined Petroleum Coke Industry the following information was noted:

GEORGE B. HADDOCK, then Chief of the Chicago Antitrust Office, United States Department of Justice, advised the Attorney General, Washington, D. C., by letter that he had reviewed the complaint of the Reynolds Metals Company and stated that it did not appear to him that the Great Lakes

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EJH:DJM

Carbon Corporation had any monopoly in the Calcined Petroleum Coke Industry and recommended that the matter be closed and no investigation be made. This file bore number 60-163-3.

From a review of File Number 146-51-2-346 relating to a proposal by Reynolds Alloys Company of Richmond, Virginia, to purchase an aluminum rolling mill the following information was noted:

It appeared that the aluminum rolling mill at Listerhill, Alabama, was up for sale in February, 1946, and bids were submitted by the Reynolds Alloys Company for this plant. Memoranda was located which reflects that correspondence was forwarded to the Antitrust Division for a review of this bid in accordance with requirements of Surplus Property Act of 1944, which required approval of the Antitrust Division before sale could be consummated.

It was noted that this matter was handled by WINDELL BERGE who in March of 1946 advised War Assets Administration that consummation of the sale of this property to the Reynolds Alloys Company of Richmond, Virginia, was not a violation of the Antitrust Laws.

No mention is made of PEYTON FORD, HERBERT BERGSON or HERBERT BORKLAND taking any action in the above mention matters.

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ELG:fah

REPERFUME CASE

Department of Justice File Number 60-201-17 was furnished to SA EDGAR L. CARTER by Mr. PARKER of the Department of Justice for review in connection with instant investigation.

It is noted that instant investigation by the Department concerns allegations made against some twenty perfumers including Elizabeth Arden, Incorporated; Lenthéric, Incorporated; Lucien Lelong, and Revillon, Incorporated, and that the above companies, with numerous others, were alleged to have been conducting illegal conspiracy, suggesting cartel and price arrangements together with illegal agreements to limit the importation of perfume by independents who purchase at lower prices abroad for resale in the United States at prices lower than prevailing United States prices.

The Departmental file, consisting of one volume, was reviewed and found to contain correspondence dated from June 23, 1950 to September 27, 1951.

There is a letter in the file dated July 25, 1950, over the signature of HERBERT A. BERGSON (which letter was written by Mr. E. T. WHITEHEAD, Mr. WHITEHEAD apparently being an attorney in the Antitrust Division), to Honorable FRANK DOW, Commissioner of Customs, United States Department of the Treasury, Washington, D. C. Instant letter appeared to be completely routine in nature and advised the Customs Department that the Antitrust Division would like certain information from Customs in connection with their investigation of perfume importers. Under date of August 7, 1950, there was a reply from the Customs Bureau to the Department in reply to the foregoing request.

It is noted that the name JOHN D. SWARTZ of the New York Office of the Department is reflected in routine memoranda and letters reflecting his assignment to the case in New York City.

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ELC:fah

There is no information contained in instant file otherwise referring to Mr. BERGSON or other subjects in instant investigation, and there is no information contained in the same which is of pertinence to this investigation.

THRIFTY DRUG COMPANY OF PENNSYLVANIA

A review of the Department of Justice files 61-2188 by Special Agents BERNARD E. BUSCHER and WILLIAM T. FORSYTH on August 26, 1952, reflected the original complaint in the Allegheny County Retail Druggist Association case, in which the Thrifty Drug Company of Pennsylvania was a defendant, was directed to the Department of Justice in the form of an anonymous letter relative to meetings held by members of the Allegheny Association on May 28 and 29, 1951, at Pittsburgh, Pennsylvania. This letter charged that in these meetings there was an agreement that the prices charged by retail drug stores in the Pittsburgh area would be maintained at the level of "fair trade prices" which had been in effect up to the decision of the Supreme Court May 21, 1951, in the case of Schweggman Brothers vs. The Calvert Distilling Corporation. The anonymous communication supplied the names of individuals and representatives of the wholesale drug houses, chain retail stores and independent drug stores who had attended the meetings.

These files also contain a press release dated October 22, 1951, which indicated that the Federal Grand Jury at Pittsburgh, Pennsylvania, had returned an indictment charging a trade association, for wholesalers and three retailers of drug store merchandise in the Pittsburgh area, with a conspiracy in violation of the Sherman Antitrust Act to maintain retail prices and to cooperate in preventing retailers from cutting prices.

The indictment alleged that in or about May, 1951, the defendants agreed not to sell or offer to sell drug store merchandise at prices lower than those fixed by the manufacturers in resale price maintenance contracts or lower than manufacturers suggested resale prices. This indictment further alleged a committee of the defendants and others was forced to prevent price cutting by retailers and that the defendant wholesalers agreed to refuse to sell to retailers who cut prices. The Thrifty Drug Company of Pennsylvania was named as one of the defendants in the indictment as a member of the Allegheny County Retail Druggist Association who are operating in the Pittsburgh area.

An original motion for a Bill of Particulars was filed on January 14 and 15, 1952, by each of the eight defendants which consisted of fifty-three demands regarding various allegations of the indictment. The Government opposed these motions by "A Memo in Opposition" to the defendants' motion on February 12, 1952. By Court Order a Bill of Particulars was subsequently filed on March 11, 1952, which in connection with the Thrifty Drug Company alleged a representative of that company was present at the above meetings on May 28 and 29, 1951.

By memorandum dated August 1, 1952, a Trial Section of the Middle Atlantic Office, Justice Department, advised that Judge GOURLEY had informed



the United States Attorney that October 10, 1952, had been set for the selection of the jury in this case.

Justice Department files also reflected that the Allegheny County Retail Druggist Association case was under the supervision of GEORGE P. HADDOCK, Chief of the Trial Section, Antitrust Division, in Washington, and for a short period of time under the supervision of his assistant, DONALD P. McHUGH. Mr. HADDOCK advised on August 26, 1952, he has received no inquiry from HERBERT BERGSON or any member of his law firm in connection with the case. He further advised that a check of his files also disclosed no inquiry to any other member of the Justice Department in Washington. He added that if any such inquiry had been made, he believes he would be notified.

DONALD P. McHUGH, Assistant Chief of the Trial Section, Justice Department, when contacted on August 25, 1952, by Special Agents BERNARD E. BUSCHER and WILLIAM T. FORSYTH, stated he has had no contact with HERBERT BERGSON, HERBERT BORKLAND, PEYTON FORD or any member of their law firm relative to any Justice Department matters since they terminated their positions with that Department.

It is to be noted that the indictment relative to the Allegheny County Retail Druggist Association case was returned by the Grand Jury in October of 1951. HERBERT BERGSON's employment with the Justice Department was terminated on September 29, 1950; HERBERT BORKLAND's employment was terminated on November 24, 1950, and PEYTON FORD's employment was terminated on September 17, 1951. It is further noted that there is no indication in the files reviewed that any of the above-mentioned individuals had any connection with the instant case.

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RKL:FK(LUW)

TRI-STATE THEATERS

Information received from T-1, of known reliability, reflects that a representative of Tri-State Theaters, Des Moines, Iowa, recently has been in contact with the subject law firm.

Department of Justice files number 60-6-30-16-27, and 60-6-30-16 were reviewed at the Department of Justice on August 22, 1952, by SA ROBERT K. LEWIS.

These files reflect numerous letters from various individual theater owners in the Iowa and Nebraska area complaining about unfair practice of the large movie producers and other chain movie houses. The complaints involve "unreasonable clearance; bidding for and purchase of films, block booking, percentages, and unfair competition." Much of these files is concerned with the complaint of the Iowan theaters, Bettendorf, Iowa, that it was being given second run pictures later than its competitors. This complaint is variously referred to in the files as having arisen in the Tri-Cities area and Quad-City area.

The files contain acknowledgements from the Department of Justice to these various complainants and correspondence to various film producers requesting information. There is no indication of any litigation in this matter nor is there any indication that any of the subjects participated in any decision relating to them.

Several of the complaints in the file refer to violations of different provisions of a consent decree. It is noted that the file contains no copy of a consent decree nor any information relating to the provisions of such decree.

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BEB;GS:PCN(LUW)

CONTINENTAL CAN COMPANY

Confidential Informant T-1, of known reliability, advised that a representative of the Continental Can Company had recently been in contact with the subject, law firm.

In connection with the Continental Can Case, Justice Department files 60-358-34 were reviewed on August 22, 1952, by Special Agents GUSTAVE SARIDAKIS, WILLIAM E. FENIMORE, EDWARD JOSEPH HAYES and BERNARD E. BUSCHER.

These files dealt primarily with two cases tried in the Northern District of California charging violations of the Clayton and Sherman Antitrust Acts, one against the American Can Company and the other against the Continental Can Company. These cases attacked the alleged practices of tie-in closing machines with their can contracts; their long term total requirement contracts and the granting of allowances, discounts, rebates, et cetera, in connection with their total requirement contracts. The complaint charged Continental with having entered into a contract in restraint of trade in the manufacture and sale of cans, can making and closing machinery previously sold to the smaller manufacturers. Further, with having monopolized trade and manufacture in the manufacture of machinery and the sale of said machinery to smaller manufacturers. The basis of the charge was Continental since 1928 acquired three companies which were engaged in the manufacture of machinery subsequently sold to can manufacturers who compete with Continental. The effect of this acquisition was to deprive the independent can manufacturers of these three sources of machinery to make their cans, thus impairing the ability of these can manufacturers to produce and sell cans in competition with Continental.

An amended complaint was filed against the Continental Can Company on June 7, 1948, in the District Court of the United States for the Northern District of California, Southern Division, by WALLACE HOWLAND, Special Assistant to the Attorney General, Federal Office Building, San Francisco, California. The complaint was filed and proceedings instituted against Continental under Section 4 of the Act of Congress, July 2, 1890, C647, 26 Statute 209, as amended, entitled "An Act to Protect Trade and Commerce Against Unlawful Restraints and Monopolies;" said Act being commonly known as the Sherman Antitrust Act. The complaint was also filed under "An Act to Supplement Existing Laws Against Unlawful Restraints and Monopolies for Other Purposes." This Act is commonly known as the Clayton Act, in order to prevent continued violations by the defendant of Sections 1 and 2 of the Sherman Antitrust Act and Section 3 of the Clayton Act. The complaint reflects the violations occurred within the Northern District of California, Southern Division. Further, that the principal place of business of the Continental Can Company is at New York, New York, with a regular and established place of business at San Francisco, California.

An answer to this amended complaint was subsequently filed at the United States District Court, San Francisco, by Attorney MORRIS M. DOYLE of McCutchen, Thomas, Matthew, Griffiths and Greene, Balfour Building, 351 California Street, San Francisco, California.

The final judgment indicates United States of America, plaintiff vs. Continental Can Company, Incorporated, defendant, Civil Action Number 26346, was filed June 26, 1950, in the United States District Court for the Northern District of California. Plaintiff, United States of America, filed its complaint herein on August 27, 1946, and its amended complaint herein on June 7, 1948. Defendant, Continental Can Company, Incorporated, filed its answers to the complaint and amended complaint respectively. Without trial and pursuant to stipulation between plaintiff and defendant dated September 30, 1949, and filed herein October 7, 1949, and upon the consent of the defendant and not upon evidence, it is hereby ordered, adjudged and decreed as follows:

Injunctive Provisions

File - in

1. Defendant is hereby enjoined and restrained from: selling, leasing or making or adhering to any contract for the sale or lease of container closing machines, related equipment, auxiliary equipment, or any other equipment whether patented or unpatented, or fixing the price or rental charged therefor or discount from or rebate upon such price or rental, on or accompanied by any condition, agreement or understanding.

Requirements Contracts

Defendant is hereby enjoined and restrained from: entering into, adhering to or maintaining after January 1, 1951, any requirements contracts or any renewal thereof with the user of metal or fiber containers under which the container user is obligated to purchase containers for a period of more than one year; provided, however, that nothing in this judgment shall be construed to prevent the defendant from executing a further one year requirement contract within a period not in excess of ninety days prior to the time the further one year contract term begins.

The judgment also contains information pertaining to Supply Contracts, Single Plant Contracts, Container Pricing, Contract Differentials, Transactions with Customers, Loans and Guaranties, Terms and Credit to Customers, Technical Services, Container Facility Acquisition, Machine Facility Acquisitions which is not being set forth in its entirety.

The Justice Department files contained a letter dated September 13, 1949, from H. BARTOW FARR of the law firm Willkie, Owen, Farr, Gallagher and

Walton, 15 Broad Street, New York, to HERBERT A. BERGSON, Assistant Attorney General. The letter makes reference to a conference on September 7, 1949, and reflects FARR has been authorized by the Continental Can Company to make an offer to the Government which, if acceptable, Continental agreed to enter into an appropriate stipulation.

An additional letter from H. BARTOW FARR of the law firm Willkie, Owen, Farr, Gallagher and Walton, 15 Broad Street, New York, dated September 13, 1949, to HERBERT A. BERGSON, Assistant Attorney General, Antitrust Division, was contained in the file. In this letter, FARR wished to change the phrasing of his original letter to Mr. BERGSON in discussing the consent decree which is to be entered against Continental. If Continental's offer is acceptable to the Government, the next step would be to have Mr. HOWLAND and Mr. JANSEN of the Antitrust Division in San Francisco, California, to work out the formal stipulation with Continental's Associate Counsel there of Messrs. McCutchen, Thomas, Matthew, Griffiths and Greene.

The following office memorandum dated September 27, 1949, from WALLACE HOWLAND (San Francisco) to JAMES R. BROWNING was also contained in the files:

"Via our exchange of correspondence between Mr. BERGSON and H. BARTOW FARR, Esquire, Counsel for the defendant in the above action, the parties have agreed to a proposed stipulation postponing the trial of this case until after the final decision in United States v. American Can Company. GEORGE JANSEN has been authorized to work out the formal stipulation with defense counsel in New York City."

A memorandum dated October 4, 1949, from WILLIAM C. DIXON (Los Angeles) to WALLACE HOWLAND reflects that BERGSON informed DIXON that as a result of conferences between FARR of Continental, BALDRIDGE and himself it had been agreed to pass the Continental trial until ultimate disposition is made of the American Can Case. The memorandum further reflects DIXON had received copies of correspondence between BERGSON and FARR outlining the terms of the stipulation. In short, Continental has agreed to accept any judgment rendered against American except on the issues of any divestiture or dissolution and as to that the Government has reserved the right to litigate it.

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ELC:VFR

CONTINENTAL CAN COMPANY

It is noted at the outset that there are numerous Departmental files pertaining to investigations made into the business of Continental Can Company. The following files in this case were reviewed by Special Agent EDGAR L. CARTER:

File #146-39-9

Instant file involves correspondence in a Registration Act Case concerning one Dr. RAMON D. SOMOZA. It is noted that all correspondence in this file is dated prior to January 1, 1947, and, therefore, was not reviewed in connection with instant case.

File #146-39-48

The above file concerned the investigation of the Dewey & Almy Chemical Company, under character of, "Trading with the Enemy Act". This file contains material from March, 1944 to April 10, 1945, and is not pertinent to instant case.

File #146-51-2-98

Instant file concerned War Assets Administration sale of a government plant built during the war at West Allis, Wisconsin, and a second plant built at East Patterson, New Jersey. This file reflects that one bid received for the above plants was from the Continental Can Company and the Department of Justice was required to advise War Assets Administration if Continental's purchase would violate the Antitrust laws. Subjects' names are not mentioned in instant file and there is nothing contained in the same of pertinence to this investigation.

File #60-358-102

This file relates to the possibility of an international cartel in can-making machinery and efforts on the part of Continental to dominate foreign trade and commerce in the can-making machine industry. The investigation was closed on the recommendation of one MELVILLE C. WILLIAMS, Chief of the New York City Office of the Antitrust Division, on the basis of shortage of personnel and lack of probable economic importance. There is nothing pertinent to instant case contained in the above file.

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EJH:FK

The following file review was conducted by  
Special Agent EDWARD JOSEPH HAYES on August 22, 1952:

From a review of the file entitled Continental  
Can Company, Incorporated, vs. W. AVERELL HARRIMAN, Secretary  
of Commerce, et al, bearing Departmental Number 46-27-25-13  
the following information was obtained:

This file reflects that a motion for preliminary  
injunction to restrain the enforcement by the United States  
and all of its officers in the Department of Commerce of  
an order known as Direction 10 to Conservation Order M-81  
which was issued on January 31, 1948, was filed by attorneys  
for the Continental Can Company on March 24, 1948. It appears  
from a review of this preliminary injunction that under  
Direction 10 can manufacturers are restricted from making  
cans during the year 1948 and using the same amount of tin  
in the form of tin plate coating that they had been using  
in 1947. Furthermore, it appears that can manufacturers  
are in general limited to the amount of tin that can be  
used in canning and that they are prohibited from using  
tin plate cans for the packing of certain specific products.

The above mentioned preliminary injunction was  
signed by H. BARTOW FARR, MARK HUGHES, HELMER R. JOHNSON  
and FRED LLEWELLYN, as attorneys for the Continental Can  
Company. It was also noted that the law firm of Wilkie,  
Owen, Farr, Gallagher and Walter was listed as associate  
counsel on the preliminary injunction.

The law firm of Leon, Weil and Mahony, 336 Southern  
Building, Washington, D. C., was listed as Washington, D.C.  
legal counsel for the Continental Can Company as of this  
date.

On April 8, 1947, the United States Government  
filed a motion to dismiss the preliminary injunction on grounds

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EJH:DJM

that the United States District Court where the motion had been filed did not have jurisdiction and that the complaint of the Continental Can Company in general failed to state the cause of action upon which relief could be granted.

On April 22, 1948, United States District Judge ALAN GOLDSBOROUGH, Washington, D. C., granted the Government's motion to dismiss the case against the United States Government.

It was noted in this action that the attorney handling instant matter for the Government was EDWARD HICKEY, Attorney, Claims Division, United States Department of Justice.

It was further noted that as of April 29, 1948, the Continental Can Company, Incorporated, appealed Judge GOLDSBOROUGH'S decision to the United States Court of Appeals in the District of Columbia.

No further mention is made of this matter in instant file.

From a review of the above mentioned file, no mention was made of PEYTON FORD, HERBERT BERGSON or HERBERT BORKLAND, nor are there any indications that the Law Firm of the same name has represented Continental Can Company.

From a review of Departmental File Number 146-51-2-1647 which relates to the Continental Can Company's intended purchase of Plancor 11 (Plant 4) the following information is set out:

It appears that the Continental Can Company submitted a bid to the War Assets Administration to purchase the Wright Aeronautical Corporation Plant in East Paterson, New Jersey, which is referred to above as Plancor 11, in December of 1946. The War Assets Administration requested advice of the Antitrust Division, United States Department of Justice, whether or not it would be a violation of the Antitrust Laws to sell this plant to the Continental Can Company.



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On May 8, 1947, JOHN SONNETT, then Head of the Antitrust Division, United States Department of Justice, in a letter to JESS LARSON, War Assets Administration, advised that the sale of this plant would in effect constitute a violation of the Antitrust Laws.

It was noted that the sale of instant plant to Continental Can Company disclosed other bidders. No mention is made in this file of any action taken by subjects.

From a review of file number 77-26S-293 it was noted that an "Informers Action to Recover Forfeiture and Damages" was filed on August 4, 1949, in the Southern District of Indiana, at Indianapolis, Indiana, against Continental Can Company. This action was entitled the United States ex Rel Brettelle K. Elgin and Brettelle K. Elgin vs Continental Can Company, Incorporated. In this action plaintiffs attempted to recover from the defendant, Continental Can Company, forfeiture and damages for making false claims against the United States and the Department of the Treasury.

It was noted that on October 3, 1949, the United States withdrew as a co-plaintiff and as of October 20, 1950, the Court dismissed plaintiff's motion to dismiss an order of the Continental Can Company to recover costs from plaintiff.

At no time were subjects mentioned as counsel for the Continental Can Company in this action.

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ELC:NFR

The Department's files in connection with the following named company were reviewed at the Department on August 22, 1952, by Special Agent EDGAR L. CARTER:

UNITED STATES VS. GREAT WESTERN FOOD DISTRIBUTORS, INC.

It is noted that the Bureau furnished the Department with the name United States vs. Great Western Distributors, Inc., et al. The Department, from their indices, did not locate any files under this direct title. They did, however, make available file #60-115-40 in the case entitled United States vs. Great Western Food Distributors, Inc., et al, Chicago.

A review of this file reflects that the same pertains to a criminal action against instant company, being action #52CR238. The file contains correspondence from October 11, 1950 to July 11, 1952. There is no mention of the subjects' names in instant case and there is nothing contained in this file which is of pertinence to this investigation.

Two files were supplied concerning the United States vs. Great Western Packing Company of Los Angeles, California, File #5-12-1691 and File #146-18-50-1740. The first file mentioned refers to an income tax case involving the Great Western Packing Company and the Kardashian Brothers. There is no mention of the subjects' names and nothing pertinent to instant investigation is contained in either file.

The second of the above two files involves a claim of the Reconstruction Finance Corporation against the Great Western Packing Company of Los Angeles for recapture of moneys paid under a meat subsidy.

RE-INTERVIEW WITH NEWELL A. CLAPP,  
ACTING ASSISTANT ATTORNEY GENERAL,  
ANTI-TRUST DIVISION

Mr. NEWELL A. CLAPP, Acting Assistant Attorney General assigned to the Anti-Trust Division, was re-interviewed by Special Agents WILLIAM C. HIGGINS and EDWARD J. ARMBRUSTER at his office in the Department of Justice Building on August 27, 1952. Mr. CLAPP was informed that instant inquiry related to the previous interview with him on August 14, 1952, i. e., that the investigation was being made at the specific request of the Attorney General and related particularly to the activities of former Department of Justice officials, especially BERGSON, FORD, and BORKLAND.

It was explained to Mr. CLAPP that subsequent to the last interview with him by interviewing agents, a number of additional matters had developed which needed clarification from him inasmuch as in these instances Mr. CLAPP had participated in discussions or conversations at the Department when the cases were under consideration by the Justice Department.

Mr. CLAPP continued by saying that he was pleased to have an opportunity to explain or clarify any matter in which he participated or made any decisions, to the best of his recollection and knowledge.

Mr. CLAPP was then asked about the so-called Liquor Industry Investigation, especially with reference to the time when various members of his staff, including HODGES, BRANHAM, and himself, went to the hearing before the CHELF Committee relative to the allegation by BRANHAM that he, BRANHAM, had been intimidated by Justice Department officials in connection with his, BRANHAM's, view of the handling of the cases concerning the Liquor Industry.

Mr. CLAPP stated that he would first like to furnish a brief background outline of the Department's study of this industry which was initiated in 1943 and 1944. In this connection he stated that BRANHAM had handled small business complaints, among which he received complaints against the Liquor Industry and that BRANHAM had developed a philosophy that the answer to all industry ills could be found within the framework of the anti-trust statutes. Because of his connection and interest in the Liquor Industry, BRANHAM was temporarily assigned for a period of about three or four weeks to work with those attorneys in the Department who were delegated to make "survey" of the industry in 1943 and 1944 under the general direction of HOLMES BALDRIGE.

Mr. CLAPP stated that it was the unanimous opinion of the team, so assigned, that no basis for anti-trust action had been developed; i.e., but for the notable exception of BRANHAM who made it known that he still felt that the Liquor Industry should be investigated anti-trust-wise.

Continuing, Mr. CLAPP stated that in 1948-50 a similar survey, under the able direction of Mr. HODGES, was conducted and that the second team was composed of highly qualified and thoroughly competent attorneys well versed in the ramifications of the Liquor Industry. Mr. CLAPP stated that HODGES reported to him that it was the unanimous opinion of this second team that no known basis existed upon which to predicate anti-trust action as there were no violations disclosed as a result of a two-year survey terminated in 1950. Continuing, Mr. CLAPP stated that BRANHAM still harbored the opinion that some type of violation existed and made it known "on the hill" that violations existed; that the Department of Justice attorneys had whitewashed the possible violations in the Liquor Industry and that this information subsequently came to the attention of the CHELF Committee. As a result of this, STEPHEN MITCHELL, Counsel for the CHELF Committee, contacted the Justice Department requesting inspection of certain files and after noting the voluminous nature thereof, requested the Department to furnish a composite summary of the information to him. Mr. CLAPP said that a factual summary of the results of the 1944 and 1950 survey was drafted under the direction of Mr. HODGES and that the various members of the team were then requested to review this summary and note their opinion and/or objections, if any, thereon. Mr. CLAPP continued by saying that again it was the unanimous consensus of the attorneys that no basis for anti-trust action existed in the Liquor Industry at that time.

It was at this point, according to Mr. CLAPP, where BRANHAM initiated his circularization of a complaint; i.e., that BRANHAM alleged that the other attorneys, and in particular HODGES, were trying to unjustly pressure him into giving the Liquor Industry a clean bill of health. CLAPP stated that as a result of this complaint, the CHELF Committee considered that BRANHAM was going to be one of their star witnesses and in furtherance of delving into this investigation, requested various members of the Department of Justice to appear at a hearing before the CHELF Committee.

Mr. CLAPP recalled that sometime in May 1952, Mr. MITCHELL had advised him, CLAPP, that inasmuch as the Committee did not know the exact date that the hearing would take place that he, MITCHELL, would so inform CLAPP as to the date of the hearing. On the next

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day Mr. CLAPP advised, MITCHELL notified him that the hearing would commence at 10:00 A. M. that day. He said in furtherance of this, he instructed his secretary to so notify all interested attorneys, including BRANHAM, to come down to his office inasmuch as they would go to the CHELF Hearing in a group and the cars were waiting to take them up.

Mr. CLAPP advised that due to the difficulty he experienced in his endeavors to make BRANHAM understand that he was to appear at the hearing at 10:00 A. M., he, CLAPP, had instructed the others to go ahead and that he and BRANHAM would follow. He further said he waited for approximately fifteen minutes during which time he and his secretary and members in BRANHAM's office tried to locate BRANHAM without success. Mr. CLAPP further said that after he could not wait any longer, he proceeded to the hearing at which BRANHAM made a tardy appearance at approximately 10:30 A. M. Mr. CLAPP said the results of the hearing exonerated Mr. HODGES and the Committee and caused the CHELF Committee to question their former opinion of BRANHAM as being a possible star witness. Mr. CLAPP further said that he afterwards learned from a member of the Committee who commented upon BRANHAM's testimony and complaint stating to CLAPP that the result was "there wasn't a damn thing to it."

Mr. CLAPP stated, in answer to a query, that the Department's position in regard to the proposed American Broadcasting Company merger with United Paramount Theaters, Incorporated, was that no valid basis existed upon which to predicate or justify the Department's intervention or active participation concerning this proposed merger.

He said that the Department had two main avenues of fact-getting open to it concerning this case; namely, by active investigation, which would require the impractical reassignment of attorneys from other active cases; or, to gather in the details made manifest through the CHELF Committee Hearings. He said that this latter method was employed and based on an analysis of all available data, the Department has not yet seen the necessary evidence upon which to predicate intervention or active participation.

In answer to query, CLAPP advised that he could state unequivocally that prior to the actual receipt by the Federal Communications Commission of the application for the merger, no individual or individuals had attempted to contact or did contact him in an effort to "feel out" the Department and obtain the probable position which would be taken by the Department if such merger were authorized by the Federal Communications Commission

and then consummated; furthermore, he stated he had never heard of any other departmental employee as having been contacted concerning this matter.

In answer to another query, Mr. CLAPP stated that in regard to the U. S. Pipeline Company, a series of meetings occurred between company officials, BERGSON, and BORKLAND, and members of the Department of Justice. He said that although he had been previously contacted by Bureau Agents concerning this case, nevertheless, he wished to point out that the Department never gave the U. S. Pipeline or BERGSON a thing and that although a "railway release letter" had been furnished, the U. S. Pipeline Company, this letter was actually the Department's rather than the U. S. Pipeline Company's inasmuch as the company had "gone right down the line" and had changed its original proposals in order to conform to every stipulation that the Department demanded should be included in this "railway release letter."

CLAPP said that obviously BERGSON, BORKLAND, and the U. S. Pipeline Company did not receive one single consideration out of the series of conferences between them and the Department. He said, "naturally BERGSON and BORKLAND fought hard to secure the best possible decision for their client whom they were obligated to represent to the best of their ability; however, the facts speak for themselves and the Department's opinion or decision was not swayed or influenced by them in the slightest degree."

Also in answer to a query, Mr. CLAPP stated that in connection with the B. F. Goodrich Foreign Agreements Case and to the best of his recollection and without referral to the file the B. F. Goodrich Company had requested the Department to allow the company to continue to modify its foreign agreements contracts in order to comply with the provisions of the decision handed down in the TIMKEN Case.

CLAPP stated that the company, through its legal representative, BERGSON, advised the Department that it had manifested "good faith" in modifying its foreign agreements policies and desired the Department to inform the company that the Department would not initiate any anti-trust action against it in view of the company's self-modification program. CLAPP said the Department took the position that it could not comply with this request and would have to inspect and analyze B. F. Goodrich's files and that after inspection of these files the Department had to be in a position to adopt whatever policy or action it deemed appropriate.

CLAPP stated that here again the Department was not influenced or swayed in its final decision and definitely did not give in to the demands or the requests of the B. F. Goodrich Company.

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The other cases presently included within the scope of this investigation were presented to Mr. CLAPP for any comments he could make regarding the allegation that BERGSON, FORD, and BORKLAND possibly attempted to influence the decisions of the Department of Justice. He said that rather than to engage in a lengthy discussion concerning all these cases, he could best answer this by again reiterating his former denial of having any direct knowledge of, or any information pertaining to, any unethical practices, coercion, or personal influence applied by them to sway or change the decision or position of the Department of Justice or of any of its officials or employees either in the past or at the present time.

INTERVIEW WITH ELLIS LYONS

ELLIS LYONS, Acting Assistant Attorney General, was interviewed by Special Agents WILLIAM T. FORSYTH and BERNARD E. BUSCHER at his office in the Justice Building on August 25, 1952. ELLIS stated he was employed in the Claims Division, Department of Justice, from 1940 to 1948 with the exception of the time he spent in the Armed Services. He related that in 1946-1947 PEYTON FORD became Assistant to the Attorney General as Head of the Claims Division with HERBERT BERGSON as his First Assistant. In such positions, these individuals signed his mail.

LYONS advised he did not handle any cases with either BERGSON or FORD and that his association with them was of a routine office nature. He recalled nothing out of the ordinary in connection with this association nor did he have any knowledge of any case handled by either in which there appeared to be any irregularities. He added that while in the Claims Division he had numerous contacts with HERBERT BORKLAND, who was employed as an Attorney on the same level and had similar type cases. In this connection, he had numerous discussions with BORKLAND revelant to particular points of judgment which arose in the different cases. However, in all of these discussions BORKLAND acted in a normal manner in protecting the interest of the Department of Justice.

LYONS stated he has had no reason to question the activities of BERGSON, BORKLAND, or FORD and added if there were any irregularities in connection with any case handled by any of these individuals he had no knowledge of the same. He regards all as competent, reputable attorneys.

LYONS related that in his present position as Acting Assistant Attorney General he has no contact with employees of the Antitrust Section nor is he contacted by any outside sources concerning any cases pending or closed. He added he has not been contacted officially by BERGSON, FORD, or BORKLAND since they left their employment at the Department of Justice. He stated that in his present position he does not handle cases



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of an Antitrust nature, explaining that the majority of his work embodies decisions of cases involving other Government agencies. In summary, ELLIS LYONS stated he knows of no mishandling or irregularities in connection with any cases in the Department of Justice since he began his employment in 1940.

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HAMMOND E. CHAFFETZ

As mentioned in a previous report HAMMOND E. CHAFFETZ is an Attorney for the Standard Oil Company (Indiana) with office in Chicago, Illinois.

A review of the Personnel Records, Department of Justice, reflect CHAFFETZ entered on duty in the Department of Justice as a Law Clerk, Anti Trust Section on July 1, 1930, at a salary of \$2,000. He was promoted to Assistant Attorney, Anti Trust Section, December 23, 1930, at \$2,600. On October 16, 1931, he was made Special Assistant to the Attorney General, Anti Trust Division at \$3,600. He had salary increases on April 1, 1934; December 1, 1934; July 16, 1935, and July 1, 1936. His salary at that time was \$6,500 with a drawing account of \$166 per month. CHAFFETZ'S employment was terminated on August 20, 1938.

His personnel folder contained a press release dated July 8, 1938, which reflected CHAFFETZ'S resignation that was to become effective on July 15, 1938, was made known on the above date by Attorney General HOMER CUMMINGS. CHAFFETZ was leaving the Department to engage in private practice. He had been associated with the Anti Trust Division for a period of eight years, during which time he appeared for the Government in many Anti Trust Actions including the Madison, Wisconsin, Oil Case in which convictions of numerous major oil companies and their executives were recently obtained. He also represented the Government in several of its early cases that were brought to determine the constitutionality of the National Industrial Recovery Act.

Prior to joining the Legal Staff of the Department of Justice CHAFFETZ attended Harvard College and Harvard Law School where he graduated with honors. He was editor of the Harvard Law Review and resided in Massachusetts prior to his joining the Department of Justice.

The personnel file also contained the following memorandum dated June 29, 1938, to Mr. JOHNSON AVERY from MATHEW MC GUIRE, Special Assistant to the Attorney General:

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Supplementing our conversation re HAMMOND CHAFFETZ, I understand it is the Attorney General's desire with respect to CHAFFETZ that he be compensated in the lump sum of \$1000 for his services in the recent oil case in Madison, Wisconsin.

This will necessitate the working out of some sort of appointment in order to keep the matter officially correct in this regard.

The following letter dated September 29, 1936, marked confidential, unaddressed and unsigned was also noted in the personnel file:

. Check up with Mr. COLLINS to get rid of CHAFFETZ after the election. This must be done very discreetly. We must determine if his services can be terminated, and how.

During a review of the above file no information was noted which would indicate any association between HAMMOND E. CHAFFETZ, HERBERT A. BERGSON, HERBERT BORKLAND and PEYTON FORD.

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DOROTHY G. OBERMAN

A review of Personnel Records, National Security Resources Board, Old State Department Building, 17th and Pennsylvania Avenue, N. W., was made by Special Agents GUSTAVE SARIDAKIS and BERNARD E. BUSCHER on August 22, 1952.

These records reflect DOROTHY G. OBERMAN, formerly DOROTHY BELCHER, made application for employment at the Department of Justice on February 16, 1935.

On November 22, 1935, she was transferred from the Farm Credit Administration to the Department of Justice in the capacity of a Stenographer. On June 16, 1941, she was transferred as Senior Stenographer to the position of Clerk Stenographer in the Office of the Assistant to the Attorney General. On April 14, 1944, she was serving as Secretary to the Chief of the Legislative Section in the Office of the Assistant Solicitor General. On July 28, 1946, she was promoted to CAF 6 as Secretary to the Administrative Assistant, Office of the Assistant to the Attorney General. On October 11, 1946, she was transferred to the Solicitor General's Office as Secretary Stenographer. On an efficiency rating report dated July 1, 1947, she was rated as excellent by HERBERT BERGSON, then Chief Legal Consultant.

On May 18, 1947, she was re-assigned to the Claims Division as Clerk Stenographer. On December 29, 1947, she was promoted to CAF 7 and transferred to the Office of the Assistant to the Attorney General as a Divisional Secretary. On June 21, 1948, she was given an excellent efficiency rating by HERBERT A. BERGSON the Special Assistant to the Attorney General and PEYTON FORD, Assistant to the Attorney General.

On June 13, 1948, she was transferred to the Anti Trust Section as Secretary. On July 28, 1948, she was made Confidential Assistant in the Anti Trust Section. On June 15, 1949, and August 23, 1950, she was again rated excellent by BERGSON and UNDERHILL.

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OBERMAN separated from the Department of Justice on January 1, 1951, to accept a position with the Office of Defense Mobilization where she entered on duty on January 2, 1951. Her forwarding address was indicated as 4222 - 14th Street, N. W. She terminated her employment with that Department on June 12, 1951, to return to her former position in private industry.

Information obtained from OBERMAN'S application for employment located in the Security Files of the National Security Resources Board reflects she was born August 10, 1907, Charleston, West Virginia. Her maiden name was DOROTHY GOODMAN and she was also known as DOROTHY BELCHER.

From November 22, 1935, to January 1, 1951, she was employed at the Department of Justice; from November 1, 1950, to January 2, 1951, she was employed as Office Manager for the law firm of BERGSON, ADAMS and BORKLAND, 918 - 16th Street, N. W.

OBERMAN'S personnel file contained a letter from JOSEPH W. MUSTICK, Security Officer, National Security Resources Board to BRYAN LA PLANTE, Atomic Energy Commission, which requested "Q" clearance for HERBERT A. BERGSON and DOROTHY G. OBERMAN.

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ALAN YORK/COLE

A review of the Personnel Records at the Department of Justice reflects COLE made application for appointment in the Anti Trust Section of the Justice Department on January 3, 1949. His address at that time was 1461 - 57th Street, Brooklyn, New York, and his birth date was listed as October 7, 1922, in New York City. At the time of the application COLE was a student at the Yale Law School where he enrolled in 1946. He served in the U. S. Army from June 17, 1943, until April 27, 1946. Investigation by the Federal Bureau of Investigation in connection with COLE'S application reflected his name prior to September, 1939, was ALAN YORK/COHEN.

His file contained a letter dated December 27, 1948, which he had written to HERBERT BORKLAND in which he stated ROBERT L. STEARN had advised him that BORKLAND was the person to see in regard to his appointment. A return letter from LE ROY MC CAULEY, Executive Assistant to the Attorney General, advised COLE no positions were available at the present time.

A notation in ink was noted in COLE'S personnel file reflecting he had been a trainee in the Anti Trust Section of the Department of Justice. His EOD date and date of termination were not indicated; however, ETHEL BRASWELL, Department of Justice, who made the above file available advised COLE was employed as a trainee from approximately March 7, 1949, to September 3, 1949, at which time his file was sent to the U. S. Marshal, Supreme Court.

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ENCLOSURES:

TO THE BUREAU:

Two photostatic copies of Exhibit No. DJ 1700, which are the minutes of a special meeting of the Board of Directors of E. Leitz Company, Inc., February 9, 1951.

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INFORMANT

T-1: Toll calls listed to the telephones at the office of the subjects, 918 16th Streets, N.W.:

Tri-State Theaters on May 23, 1952.

Continental Can Company on June 26, 1952.

REFERENCE: Report of Special Agent THOMAS J. JENKINS, dated August 23, 1952, at Washington, D. C.