

► *Sabotage clues and other
vital data are dug up by*

UNCLE SAM'S ECONOMIC SLEUTHS

BY MILLARD C. FAUGHT

IT is good military strategy to get there "fustest with the mostest" men. Conversely, it helps if the enemy gets there "lastest with the leastest" materials. The latter objective is part of the grand strategy of economic warfare. The high command of this type of war, for our side, is the Board of Economic Warfare. The Board is made up of Vice President Henry A. Wallace as chairman, plus the Secretaries of State, Treasury, War, Navy, Agriculture, and Commerce, and Attorney General Biddle, together with Coordinator of Inter-American Affairs Nelson Rockefeller, Lend-Lease Administrator Stettinius, and Donald Nelson of the WPB.

Chief practicing economic warrior is the militant Texan, Milo Perkins, who has a staff of three thousand, not including a lot of allies in the Departments of State and Commerce, the Tariff Commission, WPB and elsewhere.

Actually, economic warfare is such a battle-of-wits-with-no-holds-barred that almost anyone can help. "When you pool the col-

lective information of 132,000,000 intelligent, alert people you'd be surprised how much we know about our enemies," observed one BEW sleuth. So if you happen to have a picture of Aunt Susan standing on what is now a strategic bridge in Tokyo, with the waterfront in the background, perhaps you can help BEW do some research.

As a case in point, a United States exporting company recently reported to BEW that it had noted a sudden and peculiar increase in the shipment by parcel post of a certain type of needle to South America. Although each order was small, it was marked *Rush!*

This tidbit of information dovetailed neatly with a hunch that BEW already had. Some quick comparing of notes with the British Ministry of Economic Warfare and with our own intelligence services cracked the case. On one of its Rhineland raids, the RAF had dropped a block buster on the only factory in Nazi Europe making this special kind of needle. As a result, Hitler was trying, in a desperate

hurry, to get American needles to sew up his ersatz tents, parachutes, and figuratively his pants. Such needles are now on our list of materials requiring export licenses.

Strict control of exports is one of Uncle Sam's best economic weapons. Without an individual export license granted by BEW, no strategic materials or articles can be exported from the United States except by the Government. BEW reviews between six thousand and eight thousand applications daily, acting on every one within a few hours. This process is called "screening" and the fine mesh of scrutiny turns up all manner of specimens, good and bad. One day's sifting produced an order from His Imperial Majesty Haile Selassie, Emperor of Ethiopia, for one cloth-bound book. Cost, \$1.35. That shipment was licensed, but a king was turned down on his request for some bathtubs.

The "innocent" and "trivial" applications receive the same attention as do the biggest. A request to export three gallons of "mossy-foot solution" and a dozen machetes to Manaos, Brazil, may mean that until these supplies arrive for use by native *seringueiros*, who can spot densely hidden rubber trees by instinct, an elaborately-equipped expedition is being held up.

More intriguing are the innocuous looking requests that ultimately put Uncle Hawkshaw on the trail of Axis agents trying to obtain our own goods to use against us. More than eleven thousand foreign individuals and firms are on the U. S. "blacklist" and many are their ruses to obtain goods. There was the South American "barber" who was importing steel plate, and his neighbor, a dentist, whose practice apparently called for the use of several cases of high-speed ammunition.

II

Among the total catch turned in by BEW's export license screening, these are small fry compared to the Kidd Brothers of the Low Islands off Central America. The brothers are reputed to be the descendants of British pirates who originally settled the western islands and coasts along the Gulf of Mexico. And according to authentic sources in their community, the contemporary Kidds are "smugglers by heredity, training, and taste." Collectively, the family is a thorn in the side of the United Nations' economic warfare program in the Caribbean. One brother has a monopoly on the mahogany industry in a Central American country; an-

other brother dominates the boat building industry; the economy of the entire area seems to operate on Kidd oil — as do Axis submarines off the coast, if British and American suspicions are correct. The brothers, as well as several Kidd cousins, have been in and out of jail several times since the war began, but after each arrest, the current “evidence” seems to disintegrate and vanish into the Low Islands.

By every test, the Kidds and their enterprises would be on a blacklist. But Kidd mahogany and Kidd shipyards are necessary to economic undertakings in the Western Caribbean. The result is a cat-and-mouse type of working compromise whereby vital supplies are sometimes allowed to proceed to the Kidds but at the same time as accurate tabs as possible are kept on every boat built and every cargo carried by them.

Economic warfare is a dealer's choice, a table stakes sort of game in which the ends often justify bizarre means. A few months after Pearl Harbor, an application came in from a foreign firm of doubtful character asking licenses to export a strange assortment of seamen's stores and ship parts to a neutral but strategic island in the Pacific. BEW stalled on the license while a

check was made of activity on the island. The investigation revealed that two large fishing trawlers were operating from the place. More interesting still, both trawlers had two crews each — one nondescript crew for appearances in port and a Japanese crew for sea duty, while the boats were “fishing.” Moreover, the trawlers could have been converted into torpedo boats if they had received the goods ordered from the United States.

To prove that it can appreciate a good trick when it sees one, and still go the trickster one better, BEW first arranged to have the Jap crews sent home, then it released the goods. The illicit merchant, knowing that the fat was in the fire, had to go through with the deal. Final score — two well-equipped boats now operate from the island, bringing regular cargoes of valuable war commodities to the United States.

BEW also takes time to deal with rogues whose practices may hurt our trade relations. Several times a month, a letter will come in from some foreign firm of good standing, stating that it has received notice of an export license having been granted in their favor, but that it hasn't applied for such a license. This is usually all the tip-off BEW needs to put the finger on some

American fly-by-nighter who has rigged up a phony order using the foreign company's good name to obtain scarce goods for sale at exorbitant prices here at home.

Another favorite ruse is to get actual orders from foreign firms, obtain an export license at the price ceiling, then substitute a phony bill of lading charging the unwary foreign buyer twice the United States price ceiling for the goods. The State Department has a keen interest in seeing such chisellers caught because their scurrilous traffic is damaging our commercial reputation, so zealously guarded under the Good Neighbor policy.

III

BEW gets in some of its best Hawkshaw work tracking down "lost" materials within the United States. To date, it has found and made available for our own war use more than \$32,000,000 worth of materials much of which was owned by enemy nationals or by neutrals unable to export the goods. Tips from patriotic warehousemen and commercial firms, plus examination of storage receipts and other documents, have enabled BEW to locate such valuable items as ten million pounds of raw rubber, 915 tons of toluol, 126 military aircraft, three

million burlap bags, and even 8300 pounds of coffee.

One of the important hauls of foreign-owned goods was a large group of fighter and bomber planes intended for shipment to Thailand. These were requisitioned before that country was occupied by the Japanese.

Besides these various methods of keeping the Axis from getting war goods from us, yet at the same time allowing our friends to obtain their requirements, BEW plays the dog-in-the-manger game of preventing the enemy from getting useful war materials from anyone else. The trick is to get such goods first whether we need them or not. Usually we do.

Spain produces hides, wool, tungsten, tin and other strategic materials — all things that Hitler needs badly. But for months, his agents have been pacing the floors in their Madrid hotel rooms, cursing the Yankee horse traders who have been outbidding them. Not with gold, which is worthless for this kind of dealing, but with valuable commodities like oil for Spanish fishing boats, and with food — the number one weapon of modern war. During the past year, BEW has been able to buy \$32,000,000 worth of war goods within Axis-dominated Europe.

Last winter, BEW noted an unusual flurry of activity in the international fur business — about the time so many frost-bitten Nazis were becoming permanent inhabitants of Russia. First we embargoed the export of furs from the United States and then Uncle Sam turned fur trader all over the world and bought up all the rabbit skins and other pelts destined for “neutral” European markets.

We are underwriting the exportable surplus of Peru's long-staple cotton crops. It helps Peru's war economy. Before the war, Japan was Peru's best customer for this commodity. Nothing pleases our economic strategists more than to think up a new bottleneck for the ersatz Axis economists to squeeze through.

All told, orders have been issued for more than a billion dollars worth of strategic materials from abroad. Hundreds of tons of these, such as quartz, crystals, mica, tantalite, rubber, platinum and industrial diamonds have been brought back from all over the world in the “flying boxcars” of the air transport services.

By contrast, the Germans must

resort to all sorts of small time smuggling to obtain even needles. They will go to any lengths to get platinum for the ignition systems of their airplane motors.

One night a Baltimore jeweler received a call from New York, asking if he would sell \$2000 worth of platinum. The voice offered to send \$1000 by wire and pay the balance in two days, when the platinum would be called for. The jeweler agreed, but quickly tipped off the FBI. When the agent arrived to pick up his platinum, one G-man was clerking in the jewelry store, two more were in the back room, and another happened to park outside just in time to haul Hitler's agent off to the brig. The man was a “Greek sailor” on a neutral ship who was found to be doing quite an export business in platinum to Germany via his dirty sea bags and bunk mattress.

The Nazis and Japs have built up an impressive reputation as fifth columnists and saboteurs. But when it comes to the fine art of economic warfare, Uncle Hawshaw usually gets there “fustest” and comes back with the “mostest.”



WANTED: A DECLARATION OF INTERDEPENDENCE

BY EMERY REVES
Author of A Democratic Manifesto

WHEN the Atlantic Charter was first proclaimed, the democratic world was thrilled to the marrow. That thrill derived more from the event itself than from the contents of the proclamation. After a series of Brenner Pass conferences by Hitler and Mussolini, each the prelude to further Axis triumphs, the high-seas meeting between Roosevelt and Churchill was novel and dramatic; it held the promise of triumphs for the enemies of the Axis.

But the time has arrived for sober consideration of the text of the Charter. Discussion of the subject, indeed, is growing. Some ask whether the Atlantic Charter applies only to the Western world or to all mankind. Others object that the document is not clear and specific enough. But nearly all the divergent critics assume that the Charter as it stands is basically right and points the way to a better future.

It is precisely that assumption

which needs to be examined. Now that the United Nations have taken the offensive in a number of arenas of battle and the shape of victory is beginning to emerge, such an examination becomes especially urgent. Does the Atlantic Charter — does the world view implicit in that document — offer a new approach to the solution of international problems?

We all know, by this time that our military victory in 1918 was meaningless because we were unable to implement it with a workable peace. Military victory in this war, too, will be meaningless if we do not begin immediately to clarify principles on which a workable world order can be built.

The underlying idea of the Atlantic Charter is expressed in its third paragraph:

They (the President of the United States and the British Prime Minister) respect the right of all peoples to choose the form of government under which they will live; and they wish to