FEDERAL BUREAU OF INVESTIGATION

ARMAND HAMMER/ OCCIDENTAL PETROLEUM

PART 4 OF 12

FILE NUMBER: 61-280 (SECTION 4 OF 6)

61-280

Section 4

Armand Hammer

CONFIDENTIAL

SAC, New York (100-60586) March 28, 1952

RECORDED - 142

Director, FBI (61-280) 142

ARMAND HAMMER, wa.
INTERNAL SECURITY - R

38585

67C

Reference is made to the report of SA [redacted] at New York, dated March 20, 1952, in the captioned matter.

The following corrections were made at the Bureau in connection with this report. These corrections should also be made in connection with the copies of this report in the possession of the offices receiving the same:

[redacted]

61

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Class. & Ext. By [illegible]
Reason-FCIM II, 1-2.4,2
Date of Review 11-10-91

MAR 29 1 45 PM '52
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MAR 29 1952
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cc - Legal Attache
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CONFIDENTIAL

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cc - Omaha
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Memphis (105-65)

cc - Foreign Service Desk

RWS:rmc

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4-750 (2-7-79)

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The New York Office should continue to give this matter preferred attention in order that it may be brought to a logical conclusion in the immediate future.

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FEDERAL BUREAU OF INVESTIGATION

[redacted] - CONFIDENTIAL

Form No. 1
THIS CASE ORIGINATED AT NEW YORK

FILE NO. eg

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEW YORK	MAR 20 1952	2/5,6,8,19,25, 26,28;3/4-18/52	[redacted]

TITLE: ARMAND HAMMER, wa.

F 38579

CHARACTER OF CASE: INTERNAL SECURITY - R

SYNOPSIS OF FACTS:

[redacted] Statement concerning background and activities of subject; donations made by HAMMER interests; review of subject's book, "The Quest of the Romanoff Treasure"; and results of subject's interview on 3/6/52 set out.

- P -

DETAILS:

BACKGROUND OF SUBJECT

[redacted]

APPROVED AND FORWARDED: SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES

61-280-1-142

RECORDED - 141
INDEXED - 85

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2 - Los Angeles
3 - New York (100-60586)

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The records of the New York State Education Department, Bureau of the Professional Licensure, Medical Division, reflect that subject was born May 21, 1898 at New York City, attended the Columbia University College of Physicians and Surgeons, graduating in September 1921, and was licensed as a physician with Medical License #18127 issued on January 31, 1924. His license is currently valid and his office address is listed as 183 West 4th Street, New York City.

"Who's Who in American Jewry" reflected that subject was President from 1921 to 1931 of the A. Hammer, Inc., which owned manufacturing and mining concessions in Russia and maintained trade between the United States and that country. Subject assertedly represented the United States Rubber Company, Ford Motor Company, and other American firms. He was listed as a dealer in jewels, art, and objects from the Russian Royal Palace as President of the Hammer Galleries, Inc., New York City. He was also the author of the book, "The Quest of the Romanoff Treasure" and numerous articles. He married OLGA, daughter of Baron VON ROOT, in May 1924.

The "International Who's Who" disclosed that VICTOR JULIUS HAMMER was secretary of the Hammer Galleries and had attended Colgate and Princeton Universities. He was described as spending seven years in Russia with his brothers, ARMAND and HARRY, as being the first American concessionaires in that country operating large Ural asbestos mines and conducting export and import business under the firm name of Allied American Corporation.

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ACTIVITIES OF SUBJECT

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[redacted]

A check of the "New York Times" newspaper morgue by SA [redacted] disclosed an article in the "New York Times" of June 14, 1922 captioned, "Says He Got Soviet Grant From Lenin". The article stated, "Dr. ARMAND HAMMER, who gave his address as the Hotel Ansonia, arrived here from Russia yesterday on the MAJESTIC of the White Star Line with the announcement that Premier LENIN had granted him a mining concession in the section near Ekaterinburg on the Asiatic side of the Ural Mountains equal in extent to the state of Rhode Island."

b7C

The article further stated that subject had traveled to Soviet Russia a few months earlier as secretary of Allied American Corporation, 165 Broadway, New York City, to negotiate for this concession. The article stated that subject declined to discuss the identities of those who were financing the project but stated they were Americans seeking business opportunities in Soviet Russia and not interested in politics. He had inspected the land to be developed with LUDWIG C.A.K. MARTENS, member of the All-Russian Executive Committee, and former unofficial Ambassador of the Soviet government in the United States.

The article further disclosed that Allied American Corporation, which company subject stated he represented, was not then listed in the current corporation directories.

SA [redacted] ascertained at the Immigration and Naturalization Service, 70 Columbus Avenue, New York City, on March 14, 1952, that a recheck of their ship manifest records disclosed manifest #7-64-7137, which reflected that ARMAND HAMMER, age 24, arrived in New York City on June 13, 1922 on the SS MAJESTIC, with United States passport #22967. He was listed as a United States citizen, having been born May 21, 1898 at New York City.

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BENJAMIN GITLOW, Communist Party candidate for Vice President, 1924 to 1928, [redacted] in his book, "I Confess", stated on page 27 that Dr. JULIUS HAMMER was a member of a fifteen-man committee named on February 16, 1919 in New York City to organize the left wing section of the Socialist Party, Local Greater New York. This group, according to GITLOW, proposed to transform the Socialist Party into a Bolshevik party and recommended a Bolshevik revolution in the United States and affiliation with the Communist Party in Russia.

On page 59, GITLOW stated the first headquarters for the Communist Labor Party organized in the fall of 1919, was established at 108 East 12th Street, New York City, in a house rented to that organization and later given to it by Dr. JULIUS HAMMER.

GITLOW also pointed out that Dr. JULIUS HAMMER made heavy financial contributions to and was an adviser of LUDWIG C.A.K. MARTENS, an official representative of the Soviet government, who opened a Soviet Bureau in January 1919 at 110 West 40th Street, New York City. The purpose of this "embassy", made possible by Dr. HAMMER's generous financial interest, was to re-establish trade between the United States and Russia and to aid Communists in the United States in putting out Soviet propaganda.

GITLOW stated on page 63 that Dr. JULIUS HAMMER supplied Liberty Bonds sufficient to make bail of $10,000 to get GITLOW out of jail after he was arrested in November 1919 for Communist activities. He stated that after he was sentenced to Sing Sing, Dr. JULIUS HAMMER was also jailed shortly thereafter for an illegal abortion. While in Sing Sing, Dr. JULIUS HAMMER was a close associate of other Communists then imprisoned there.

On pages 563 and 569, GITLOW stated he met Dr. JULIUS HAMMER again in Moscow in 1929 and received a small amount of money from him for Communist Party dues and subscriptions. It was through Dr. JULIUS HAMMER and his son ARMAND that GITLOW first received definite word in Moscow that he had been expelled from the Communist Party by the Central

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Executive Committee of the Party. GITLOW stated that ARMAND HAMMER had received advance notice of this news through WALTER DURANTY, "New York Times" correspondent in Moscow.

EUGENE LYONS, in his book, "Assignment in Utopia", states that WALTER DURANTY, correspondent for the "New York Times" in Moscow in the 1920's and 1930's, generally followed a pro-Russian line in his dispatches and overlooked or tended to minimize the obvious faults and extreme terroristic actions of the Communist regime at that time.

[redacted]

COMMUNICATIONS INDUSTRY EMPLOYED BY (EMPL CARD)

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EUGENE LYONS, in his book, "Assignment in Utopia", on page 67, stated that "among the concessionaires (foreigners receiving industrial concessions in Russia in the 1920's), the HAMMER family, father, mother, and sons, held first place. Drawn to Russia from New York by their genuine interest in the revolution, the HAMMERS had found it a fertile field for their commercial talents; they risked their modest capital in the new Russia long before others ventured it. First as foreign

"trade intermediaries, then as pencil manufacturers on a concession basis, they mixed the business of helping themselves with the pleasure of helping Russia. In a great house on Sadovaya Kudrinskaya, they dispensed hospitality with a baronial hand."

LYONS stated that he had resided in the HAMMER home.

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The February 1947 issue of the "American Review of Soviet Medicine" reflects the name of Dr. JULIUS HAMMER as one of a group of persons helping in the preparation and translation of articles for the magazine. The "American Review of Soviet Medicine" is the official publication of the American-Soviet Medical Society.

The December 1943 issue of this publication reported that the Medical Panel of the 10th anniversary Congress of the National Council of American-Soviet Friendship met in New York City on November 7, 1943. This panel was organized in cooperation with the American-Soviet Medical Society.

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"Armand Hammer received a B. S. degree in 1919 and an M. D. in 1921 from Columbia University. He is a member of Phi Sigma Delta (Columbia chapter) and the honorary fraternity, Alpha Omega Alpha (the medical equivalent of Phi Beta Kappa). He has never practised medicine although licensed to do so. Armand Hammer's first wife, whom he married in Russia in 1925, was Baroness Olga Von Root, daughter of a Czarist general. The marriage terminated in divorce in 1942. They have one son, Julian, 22 years of age, a student at Marshall College, Huntington, West Virginia. Armand Hammer was married to his present wife in New York City in 1943. She is the former Angela C. Carey, the daughter of the late James W. Carey, a Pittsburgh oil man. Dr. and Mrs. Armand Hammer reside on an 800 acre farm, called Shadow Isle Farm, in Red Bank, New Jersey, where they have lived for the past eight years and where Mrs. Hammer resided for several years prior to their marriage. Shadow Isle Farm is one of the nation's leading purebred cattle breeding estiblishments, specializing in Black Angus. Hammer has served two terms as President of the New Jersey Aberdeen-Angus Association. He is a member of the Board of Governors of the Monmouth Memorial Hospital of Long Branch, New Jersey, and of the Monmouth County Organization for Social Services of Red Bank, New Jersey. He is also a director of the First Bank and Trust Company of Perth Amboy, New Jersey.

"Dr. and Mrs. Armand Hammer have been very active in their community, both in charitable work and as active supporters of the Republican party in Monmouth County. In 1937 Archbishop Spellman appointed Armand Hammer a member of the Cardinal's Committee of the Laity for the Catholic Charities. Mr. Emil Schram, President of the New York Stock Exchange appointed Dr. Hammer as Chairman of the Wine & Spirits Division of the Visiting Nurse Service of Greater New York in September 1946. In the spring of 1947 Hammer was Chairman of the Wine and Spirits Division of the United Jewish Appeal and in the same year he was also Chairman of the New York City Wine and Spirits Committee of American Aid to France. In the fall of 1947 Armand Hammer was appointed by President Truman as a member of the Citizens Food Committee under the Chairmanship of Charles Luckman. In the spring of 1946 Dr. Hammer donated a million pounds of flour to UNRRA for the relief of the starving children in Europe. He also helped the Chairman of UNRRA, Mr. LaGuardia, organize the distillers and, raise a hundred million pounds of grain,

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of which United Distillers contributed their pro rata share, amounting to over 6,000,000 pounds of grain. President Truman received Dr. Hammer at the White House on July 19, 1946, to personally thank him for this work.

"Armand Hammer's business career started in 1919 while he was going to Medical School. His father, Dr. Julius Hammer, a busy New York physician, had a few years previously invested part of his savings in a manufacturing pharmaceutical company called the Allied Drug and Chemical Corporation. In the spring of 1919 this company was practically insolvent and on the verge of bankruptcy. Dr. Julius Hammer thereupon bought the shares of his partner for a small sum and turned the company and the shares over to his sons to see if they could salvage something. Harry had just returned from overseas as a veteran of World War I. He was a pharmacist, having graduated from Columbia University College of Pharmacy in 1914. He had been employed by the Liggett Drug Company as a manager of one of their stores before enlisting. During the war he was in charge of the pharmacy at Base Hospital No. 3., sponsored by Mt. Sinai Hospital of New York, under the command of Major George Baehr who is at present a prominent surgeon in New York. Harry attained the rank of Sergeant 1st Class at the time he was demobilized. Armand Hammer also enlisted, serving in the R.O.T.C. (Reserve Officers Training Corps) at Columbia but his unit was demobilized by the Armistice before it was ready for overseas service. Both Armand and Harry received honorable discharges.

"Under the management of the Hammer brothers the Allied Drug and Chemical Corporation made rapid progress, helped by a post war boom. The Hammer brothers had the assistance of two top executives in the drug field, Alfred Van Horn, formerly of Van Horn and Sawtell, later absorbed by Johnson & Johnson of New Brunswick, New Jersey, and Benjamin Maslon, a pharmacist and attorney. Mr. Van Horn was President of the corporation, Mr. Maslon Vice President, Mr. Harry Hammer Treasurer and Armand Hammer Secretary. In 1923 the Hammer brothers sold the Allied Drug and Chemical Corporation to Alfred Van Horn and Benjamin Maslon and thereafter the Hammers had no further connection with this business.

"The Hammer brothers were never mixed up in political activities of any kind. Neither one has ever been a member of

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the Communist Party and they have avoided all Soviet and Communistic Front Organizations. In the twenties they both joined the Masons, the Criterion Lodge of New York. Armand dropped out but Harry remained active, reaching third degree.

"Their father, Dr. Julius Hammer, now deceased, who started life as a factory worker, was an old socialist and was active in socialist party politics from 1900 to 1920. He later became a left wing socialist. None of his sons ever shared their father's political views and, in fact, this was a subject of frequent family disagreements. Because of their father's political past and because of the fact that the Hammer brothers did an extensive business with Russia from 1921 to 1930, they have been made the subject of considerable gossip and unfounded rumor. This is extremely unfair as hundreds of other foreigners were similarly engaged in business with the Soviets during this period, including some very prominent Americans such as Harry F. Sinclair, W. Averell Harriman and others. If proof were needed to show that the Hammer brothers were regarded by the Russians as no different from any other American capitalists doing business in Russia, it can be easily demonstrated by the following facts:

"Armand Hammer and his company were the subject of repeated attacks in the Russian official newspapers during their business stay in Russia. If the Hammer brothers were close to the Soviet Government, surely the Government-controlled newspapers would not have printed these repeated attacks, some of which were very vicious. Attached herewith is a typical example of such a scurrilous attack, namely, a photostat of an article in Pravda, the official newspaper of the Russian Communist Party, dated March 9, 1924. This article heaps abuse and ridicule on the American Mr. Hammer with his English stallion, his French wines and his Egyptian cigarettes, who is accused of exploiting the Russian workers in the company's asbestos mines. It also makes mention of the fact that for the twenty-three months prior to the date of this article another newspaper in Moscow had been continually attacking Mr. Hammer and his company.

"A second illustration of the way the Russians regarded the Hammer brothers is the following case. Mr. Victor Hammer married a Russian girl in Moscow in 1925 and they had a

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son. The boy was registered at the American Embassy in Berlin. In 1929 Victor and his wife were divorced and Victor returned to the United States. After the Hammers sold out their business in Russia in 1930 and left the country, Victor tried to get his son out of Russia and over to America. The boy's mother gave her consent but the Russians refused to recognize the boy's American passport and would not let him leave Russia. Victor has tried in every conceivable way to get his son out. He enlisted the efforts of General Walter Bedell Smith who was the American Ambassador to Russia from 1946 to 1949. Ambassador Smith told Victor Hammer the case was hopeless. It is hard to imagine anything so cruel and inhuman as a father being separated from his only son. The boy is now 25 years of age and still unable even to see his father. Certainly if the Hammers had been close to the Russian Communist Government they would have had enough influence to get this boy, an American citizen, out of Russia.

"Fortunately, Armand Hammer has a complete printed record of his business experiences in Russia in the form of a book he wrote and published first in 1932. The foreword is by Walter Duranty, New York Times correspondent. In it Duranty states, 'He (Armand Hammer) came to Moscow at what was perhaps the most critical period in Soviet history, when exhaustion, caused by civil war and foreign intervention and blocade, was about to culminate in the great famine of 1921, and Lenin himself was compelled to make a profound, if temporary, sacrifice of socialist theory and return to a system of private enterprise at first not superficially remote as Capitalism.'

"'This change, which was called the New Exonomic Policy (NEP), was officially inaugurated by a decree published on the 9th of August, 1921, but "free trade", as it was called, that is private enterprise had already been in force for some months, quite soon indeed after the revolts at Kronstadt and Tambof in the spring. Lenin had a long struggle to convince his followers that the change was necessary. One of his arguments was that it would facilitate economic relations with the outer world, an inflow of foreign capital in the form of concession agreements. Dr. Hammer tells how he talked with the Bolshevik leader and was the first American to sign such a concession in the summer of 1921.'

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"Duranty concludes with these words, 'It was my fortune to see much of what Dr. Hammer tells and in some cases to share part of it with him. I can guarantee that he has set down on paper a true and faithful record, and have much pleasure in recommending the book most heartily to everyone who is interested in the U.S.S.R. and in signing myself, his friend, Walter Duranty.' If there were any doubts in Mr. Duranty's mind about Armand Hammer's loyalty to the United States, it is not likely that Mr. Duranty would have given Hammer and his book such unqualified endorsement. Nobody could conceivably accuse Mr. Duranty of being a Communist. He spent about ten years in Russia, working for the New York Times. Surely he was in a position to know if Armand Hammer was anything but a loyal American citizen who did business in the U.S.S.R. just as many other Americans were doing at that time.

"Dr. Hammer states in his book, on page 3, the reasons for his first trip to Russia in the summer of 1921, 'A chemical concern controlled by my family had supplied the Soviet with medicine and chemicals denied them by Clemenceau's "barbed-wire fence" blocade. It was partly for that reason that I was going to Moscow to make arrangements for further shipments and terms of payment. But still more because in the enthusiasm of my new physician's diploma, I was planning field hospital relief work among the famine refugees streaming into the Volga towns from their fields burnt barren by eight weeks of drought.'

"The chemical concern referred to above was the Allied Drug and Chemical Corporation, which had done some business with the unrecognized head of the Russian Diplomatic Mission to this country, Mr. Ludwig Martens. Mr. Martens at the time was placing orders for machinery, drugs and supplies for shipment to Soviet Russia. Like many other American companies, the Hammers and their company competed for some of this business. The Allied Drug and Chemical Corporation sold some drugs to the Russians as well as some oil drilling machinery. The total volume of business done by the Allied Drug and Chemical Corporation with the Russians was approximately $100,000, of which approximately $75,000, representing the value of the oil well machinery, was uncollected at the time Martens and his delegation suddenly left the country at the request of the United States Government. One of the reasons

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Armand Hammer went to Russia was to try to collect this money, and perhaps to develop some more business for his company. Besides, he had just received his medical degree and considered it would give him valuable experience as a future doctor to do work among the famine sufferers. It was very difficult for any foreigner to get a visa for Russia at that time and Hammer conceived the idea of buying some surplus field hospital equipment from the United States War Department which he offered to take over with him when applying for a visa. In addition, Armand Hammer enlisted the support of Charles Recht, the American attorney for Ludwig Martens. Mr. Recht asked Dr. Hammer if he would take along a copy of the newsreel film showing the departure of the Marten's delegation, together with an open letter to Mr. Martens. Hammer readily agreed to do this favor for Mr. Recht, believing it would facilitate his getting his visa which had to be applied for in Berlin, at the Soviet Embassy. It developed later that because of this offer to transmit a letter and newsreel film which had been publicly shown in thousands of movie houses, Hammer was under suspicion of being a 'Soviet Courier'.

"When Armand Hammer arrived at Southampton on board the Aquitania on the first leg of his journey to Russia, he was met by a representative of Scotland Yard and was not permitted to land until he had been questioned on the reasons for his trip and his baggage examined. All this is told in a humorous vein in Hammer's book on pages 4 to 11. He writes on page 6, 'Then suddenly it flashed upon me. Before leaving New York, Recht had suggested that Martens, who was now in Russia, might be amused to see the film that he been taken of his departure on the celebrated "Soviet Ark" a year before. It had been a public spectacle, exceedingly public, and accompanied by the usual newspaper ballyhoo, so it never entered my head to refuse.' He continues on page 7, 'I quickly realized how it all had happened. Without thinking of possible consequences I'd sent from New York to the Berlin representative of the Soviets a cable saying I was coming, hoped to go to Moscow, and was bringing the Recht film for Martens. I believe I had some kind of idea that would smooth the way for me a little.' Hammer considered the whole affair a lark and gave his steward enough tips to get some letters ashore, explaining his plight to the American Consul. Hammer writes of this on page 9, 'Looking backwards it all seemed rather childish. But I wasn't

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--much more than a kid, remember, and it all happened suddenly. Anyhow, the faithful Rimmer took my letters ashore, and fed me like Elijah's ravens. I suppose too, Scotland Yard gave itself a private view of my film and found there was nothing in it to distress King George. (Though I never got it back and Martens never saw it.) But two days later I was suddenly released by the detective, who apologized for the inconvenience caused me and said I could get my papers back by calling at "headquarters". As soon as I reached London I took a cab to Scotland Yard and was immediately ushered into the private office of an important looking official who apologized very effusively, repeating in his refined English, "It was just a misunderstanding". Apparently he thought his greyish-tinged hair gave him the authority to warn me in a fatherly tone of the unwisdom of trying to do business with the "Bolshies". He said knowingly: "I have been in Russia during the Kerensky regime and the Bolshevik revolution, and I can assure you that any business man who is insane enough to send his goods to Russia, will have them seized by the Bolsheviks and will certainly never be paid for them."

"As I left his office to return to my hotel on the Strand, the newspapers were shouting, "Extra, Extra. "British delegation of business men leaving for Russia." "Business commencing under new Anglo-Russian Trade Agreement."

"After ten days delay in Germany waiting for a Russian visa Hammer proceeded to Moscow by way of Latvia. Hammer's description of Moscow after three years of Soviet communistic rule was certainly not very flattering to the Communists and would hardly be written by any follower of the 'party line'. On page 28 he writes, 'If there were evidences of poverty and suffering in Berlin, Moscow was utter desolation. The streets were almost deserted and great holes yawned in the roadways and sidewalks. The houses looked ready to fall to pieces, unpainted, many with patches of plaster falling away, and roofs half stripped of tiles. On many streets the walls and fronts of the houses were scarred by bullets of rifle and machine-gun fire. From nearly every window protruded the end of a tin stove-pipe whose smoke made an ugly black flare on the wall. The stores were all empty, their windows broken or their fronts hidden with boarding.'

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"'As we neared the center of the town there were more people but little traffic, save for an occasional wagon and a shabby cab. The people seemed clad in rags, hardly any wore stockings or shoes but had wrappings of dirty cloth around their feet and legs; others wore felt boots; the children were all barefoot. No one seemed to smile, everybody looked dirty and dejected.'

"Hammer described his room at the Hotel Savoy as follows (pages 32 and 34). 'Never in my life have I seen a hotel less worthy of the name "Savoy" than this was. We staggered under our burden up dirty stone stairs along a grimy passage into a filthy room. A bedstead and mattress but no sheets or blankets, a grease-stained table with a cloth top, and two rickety chairs and a cupboard, otherwise the room was bare. The wooden floor was uncarpeted, and paper was hanging in damp strips from the wall.'

"'Although I did not know it, this room was to be my home for the next ten days, and never, I can assure you, was home less sweet. There was not only dirt, there were rats and mice and smaller vermin in prodigious quantities.'...

"'I rang the bell and after a long interval a slatternly girl appeared. I made signs to her to try and clean up the room, especially the horrible looking mattress, and put on the sheets and blankets I had brought with me. She looked at me. I offered her money - a row of coupons - she shook her head. I was at my wits' end, but suddenly she caught sight of some cakes of soap in my open bag and burst into a flood of Russian. I gather that soap was better currency than Soviet paper money, and made signs that she would receive a cake if she fixed the room as I wanted her to.'

"'Well, she did her best, which wasn't much, and went off triumphantly with the soap. Gradually in the next few days, by the same means, I got the room cleaned up a little, and some more furniture brought in, but it was still pretty terrible - especially the bedbugs.'----

"'There was the ruin of a bathroom attached to my room - that was where most of the rats lived-but of course, no water. One could, however, get hot water from a stove in a

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little sort of kitchen place at the end of the corridor where some of the guests used to cook on small portable kerosene stoves or "primus" as they are called in Russian. But they would only give each person one kettleful to make tea, or maybe to shave with, if he had the soap and a razor. I now understood why the people of Moscow looked so dirty.'

"Hammer received a food ticket and went to one of the Government food depots. He describes the scene on page 35, 'I took it (the food ticket) around to the food depot, to find a line of about one hundred people waiting. That wasn't encouraging, so I strolled up to the front of the line to see what they were getting. A hunk of black bread that looked as if it were made out of mud and sawdust and a handful of mouldy potatoes; that was all. Most of the people in the line were women, shabbily dressed. Some with babies in their arms, others with children holding to their skirts.'

"Hammer finally saw the Minister of Health and made the offer of the medical equipment he had brought with him, together with his services, in the famine area. There were all kinds of delays and red tape to overcome. Just when Hammer was getting discouraged and began thinking of going home, he was invited to go on and expedition with a special train which was being sent to investigate conditions in the industrial region of the Ural Mountains (page 38). The chief of the expedition was the same Ludwig Martens who had been expelled from the United States as the unofficial Soviet Ambassador. An engineer by profession, he was now in charge of the Soviet metallurgic industry (page 40). Hammer describes the terrible famine scenes he witnessed on this trip. He writes on page 44,

"'I received direct eye-witness knowledge of what a Russian famine meant. Children with their limbs shrivelled to the size of sticks and their bellies horribly bloated by eating grass and herbs, which they were unable to digest, clustered 'round our windows begging piteously for bread-for life itself-in a dreadful ceaseless whine. We could not help them. Here and there it was possible to give one youngster a meal, but if we had distributed every scrap of food on our train, it would have been as nothing to feed this multitude.'

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"'I was to see many dreaful sights in the famine region, but the memory of that Ekaterinburg station is burnt deep in my brain. Two things stand out in the vision of horror. The busy stretcherbearers carying the dead into one of the waiting rooms where they were stacked up in tiers like the carcasses of animals to await the carts that would take them to burial in a nameless grave, and the black ravens circling ceaselessly above.'

"'The world knows that thanks to the aid of America, especially the American Relief Administration, and their own most desperate efforts, the Russians were able to avert the calamity of famine in no small degree. Without that help and those efforts, ten to fifteen million persons would have perished, whereas it happened that the death toll did not exceed one million'.

"Hammer saw warehouses filled with furs and other exportable materials while people were starving from lack of food. He writes (pages 46 to 48),

"'I asked some of my friends on the train why they didn't export some of this stuff abroad and buy grain in return, "It is impossible", they cried. "The European blocade against us has just been lifted. It would take us too long to organize the sale of these goods and the purchase of food in return"'

"'Then there came to me the idea which changed my life. "Why", I said, "I can arrange it for you through a concern owned by my family, if you like. They can also buy foodstuffs. Is there anyone here with authority to make a contract?"

"'A meeting of the Ekaterinburg Soviet was hastily convened.'

"'It was estimated that a million bushels of wheat were needed to save the Ural population from starvation and tide them over until the next harvest. I was told that each ship bringing a cargo of grain would be reloaded for its return trip with a cargo of goods. Would we agree? The members of the Soviet looked at me appealingly. My answer was the sending of a lengthy cable to New York, explaining the

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nature of the transaction to our firm and requesting that they charter the first available vessels to transport so many thousands tons of grain to Petrograd. I informed them that these ships would be loaded for the return journey with an approximately equivalent value of furs, hides and other goods. We were to get a small commission on both sides of the transaction but my heart had been so wrung by what I had seen that the thought of doing business, or making a profit did not enter my head at that time. All I wanted was to convince our business associates at home that they could send food to Russia without serious loss and to show the Russians how to utilize the raw materials they had on hand in such abundance to save the Ural population from starving.'

While on this expedition Dr. Hammer's attention was called to an abandoned asbestos mining property which could probably be worked on a concession basis (pages 49 and 50). Dr. Hammer writes, 'During the month I spent in the Urals I visted, among other properties, some asbestos deposits in the neighborhood of Alapayevsk, where a number of the Czar's relatives and some high dignitaries were executed in the summer of 1918 and their bodies thrown into a quarry. It was suggested to me that these asbestos deposits which had formerely belonged to the State railroads, might interest American investors on a concession basis. The whole outfit, buildings and plant, was pretty much as it had been left after the revolution. The property was not being worked, but I could see for myself that it had great possibilities, and might easily be developed. One of my friends on the train, a Russian mining engineer who had formerly worked in the neighborhood, explained to me how valuable this property might become with proper development, and I must admit his facts and figures interested me considerably'.

"'But I was still thinking about doing famine relief work, and simply earmarked his information as of possible interest to business people in America.'

"The news of Dr. Hammer's grain barter contract reached the ears of Premier Lenin (page 52) and on his return to Moscow Dr. Hammer was invited to meet the Soviet leader. Hammer describes the changed condition he found in Moscow even during the short absence from the city, as a result of

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the abandonment of communism and the newly introduced NEP (New Economic Policy). Hammer's description of the way private enterprise worked miracles after the failure of Communism doesn't sound like a supporter of the Soviet cause. On page 55, he writes, 'It was nearing the end of August, 1921, when I returned to Moscow. I had been away a little more than a month but short as the time was, I rubbed my eyes in astonishment. Was this Moscow, the city of squalor and sadness, that I had left? Now the streets that had been so deserted were thronged with people. Everyone seemed in a hurry, full of purpose, with eager faces. Everywhere one saw workmen tearing down the boarding from the fronts of stores, repairing broken windows, painting, plastering. From high-piled wagons goods were being unloaded into the stores. Everywhere one heard the sound of hammering.'

"'My fellow travelers, no less surprised than I, made inquiries, "NEP, NEP", was the answer. The New Economic Policy had just been introduced by Lenin, despite considerable opposition from some of his associates.'

"'It provided for State Socialism rather than communism and maintained the control of the state over industry and business. It did, however, open the door to private initiative and allow people to work and do business in the old-fashioned way - for money and to be paid accordingly, instead of the moneyless ticket system that had been tried previously. Its immediate effect was to bring forth untold quantities of goods of every variety which suddenly appeared as if by magic. The shelves of stores formerly empty were overloaded with articles which had not been seen since the days of the Bolshevik revolution four years before. In addition, to a great variety of food products and delicacies, one could buy the choicest French wines, liqueurs and the best of Havana cigars. The finest English cloth lay side by side with the most expensive French perfumes. It took the magic of the NEP to bring forth these goods from their hiding places in cellars, barns and secret hoards.'

"'In its early days too, NEP offered a wider latitude than was subsequently the case of private store-keepers, and it is not too much to say that this eleventh hour measure gave the first impetus to the economic rehabilitation of Russia.'

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"Hammer describes his meeting with the Bolshevik leader on pages 60 to 68. Hammer was very much impressed with the sincerity of Lenin and believed he honestly wanted to make it possible for foreign capital to operate profitably in Russia. Lenin dissauded Hammer from doing medical relief work and urged him to become the first American concessionaire under the New Economic Policy. Lenin told Dr. Hammer, page 63, 'We have plenty of doctors. What we want here is American business men who can do things as you are doing. Your sending us ships with grain means saving the lives of men, women and little children who would otherwise helplessly perish this winter. To the gratitude of these agonized people I add my humble thanks on behalf of my government'. Lenin stopped abruptly - apparently to control the tears which gathered in his eyes. 'What we really need', his voice rang stronger and his eyes brightened again, 'is American capital and technical aid to get our wheels turning once more. Is it not so?'

"'I said that from what I had seen in the Urals there was plenty of available material and manpower; that many factories were in much better shape than I had expected.'

"'Lenin nodded. "Yes", he said, "that's it. The civil war slowed everything down and now we must start in afresh. The New Economic Policy demands a fresh development of our economic possibilities. We hope to accelerate the process by a system of industrial and commercial concessions to foreigners. It will give great opportunities to the United States. Have you thought of that at all?"

"'I said that one of the friends on the train, a mining engineer, had wished to interest me in an asbestos proposition which seemed to have a most hopeful future. I added a few words about my own affairs being insignificant.'

"'Lenin checked me. "Not at all", he said, "That is not the point. Someone must break the ice. Why don't you take an asbestos concession yourself". Lenin wrote Dr. Hammer several letters, all of which are published in Dr. Hammer's book.

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"Armand Hammer was joined in Russia by a new employee of the Allied Drug and Chemical Corporation, a Russian speaking American named Boris Mishell. A concession agreement for the operation of the asbestos property was signed and Hammer left for the United States, leaving Mishell to organize the office and to collect the balance due to Allied Drug and Chemical Corporation. Mishell was successful in collecting this money which represented payment for the oil well machinery sold to Martens as mentioned above. This machinery had been originally bought during World War I by the purchasing agent for the Russian Imperial Government, Mr. Von Morenschild, from the National Supply Company and the Hughes Drilling Machine Company. The Hammers bought it from Von Morenschild who had it stored in a warehouse in Brooklyn, N. Y., and shipped it to Novorosisk in 1920.

"Upon arrival in New York Hammer began to think of the possibilities offered as Russian representative for American machinery manufacturers. He writes on pages 101, 102 and 103. 'I knew that the Soviet Government was strongly supporting a campaign for the mechanization of agriculture. Tractors were needed in large quantitites. It so happened that one of my uncles, now retired from business, had held, before the war, a Ford agency in Southern Russia. I asked him whether he thought Mr. Ford would be interested in renewing connections with the Russian market. He told me frankly that Mr. Ford's attitude towards the Bolsheviks was not friendly, but offered, if I wished, to arrange for me to meet him. I accepted and the meeting was arranged.

"'I went to Detroit, where I was met by Mr. Sorenson, one of the Ford executives, who drove me out to Dearborn. There, in the office of the Dearborn Independent, I met Mr. Cameron, the editor, and a few minutes later Mr. Henry Ford entered the office, where we had a short talk. Mr. Ford began by saying curtly that although the Russian market had undoubted possibilities, he would prefer to wait for a change of regime before doing business with Russia.

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"I was not long out of college, and like most youngsters regarded Henry Ford as a great and marvelous figure in American industry, but I found courage to reply, "Well, Mr. Ford, if you're waiting for a change of regime in Russia you won't do any business there for a long time."

"'Mr. Ford gave me a keen glance. "You seem very sure," he said, "why do you say that?"

"I explained as best I could, and although he didn't appear to agree with me, he seemed interested and asked me out to lunch with him.

"As a result Dr. Hammer obtained the agency for all Ford products in Soviet Russia. He also made similar arrangements with several other American manufacturers to represent them in Russia, some of whom sent their own experts to be attached to Dr. Hammer's office in Moscow. Among these were the Moline Plow Co., Moline, Illinois, the U. S. Plywood Machinery Company, New York, and Berth Levi Company, New York.

"Armand Hammer and Harry Hammer decided to organize the Allied American Corporation in New York with $500,000 paid in capital. The Hammers eventually represented about thirty American firms, including, in addition to those mentioned above, the Oliver Plow Company, South Bend, Indiana, the U. S. Rubber Company Export Department, New York, the Allis Chalmers Company, Wilwaukee, Wisconsin, the Underwood Typewriter Company, New York, the Greenfield Tap and Die Company, Greenfield, Massachusetts, Norton Grinding Wheel Company, Worcester, Massachusetts, American Milling Company, Cleveland, Ohio, American Rule Company, New York, Nicholson File Company, Providence, Rhode Island, National Supply Company, and others.

"In 1922 Armand Hammer was back in Russia where he was joined by his younger brother Victor. By 1923 the Hammer brothers were doing a thriving business. They organized the Allied American Fur Sales Agency with Sutta and Fuchs, large New York fur merchants and jointly exported over a million dollars in furs. Hammer writes on pages 174 and 176 of his book.

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"'Before the summer of '23 was ended, we conceived the project of forming our growing commercial and agency business into a regular corporation to act on a concession basis. On July 14th we signed a contract with Mr. Frumkin, Acting Commissar of the Foreign Trade Monopoly Department. The Commissar, Mr. Krassin, had tole me I could obtain this contract on condition that I guaranteed to export from Russia the equivalent of our annual imports from America. The minimum sum of export and import which we guaranteed was one million two hundred thousand dollars making a total turnover of two million four hundred thousand dollars per annum. The contract was yearly with a clause providing for renewal.'

"'In the two years of '23 to '25 we had a total turnover of twelve and a half million dollars. Our exports were principally furs, as we had established fur-collecting stations thoughout Siberia, but also included a great variety of other products. Imports consisted chiefly of machinery, automobiles, tractors and other means of production.

"'This contract aroused considerable interest in Washington circles regarding furture possibilities of the development of trade between the United States and Russia. It was about this time that a group of American Senators visited Moscow, of course, unofficially. There was Senator Ladd, Senator King and Congressman Freear in the party which had come to investigate conditions and see "whether Russia was heaven or hell", as Senator King remarked - it had been depicted as both by friends and enemies in the United States.

"'We invited them to meet a score or more of prominent Russians, including Krasnochokof, then President of the Commercial Bank, Gomberg, head of the Moscow stock exchange, and some German, Polish and Russian private business men. The Senators' impressions were, I think, favorable on the whole, and I heard that they issued a report after their return to Washington of a fairly optimistic character. Senator

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"King evidently found it difficult to believe that state socialism would accomplish as much as private initiative. He put the case squarely one night at my house. "What would happen to the United States, for instance", he asked "if the Government interfered with private enterprise the way it does here." Many of the Russians tried to answer him, but they did not succeed in changing his opinion.

"Until his death several years ago Senator King remained a staunch friend of Dr. Hammer. He frequently consulted Dr. Hammer to get his views on Russian problems and other foreign affairs. In the early part of World War II Senator King arranged for Armand Hammer to visit the White House and confer with President Franklin D. Roosevelt about plans to aid Britain. At Senator King's request Armand Hammer worked out a plan how the United States could give financial aid to England in return for leases of military bases in the Western Hemisphere. A plan for Lend-Lease was later worked out by the President and his advisors. A printed copy of Armand Hammer's plan, dated June 11, 1940, which was distributed by Senator William H. King is attached herewith.

"Here was Dr. Hammer urging immediate aid to Great Britain eighteen months before Pearl Harbor, and pointing out the danger of eventual attack by a victorious Germany in alliance with Italy, Japan and Russia (See page 7 and again page 15 of printed pamphlet in appendix). If Hammer were 'pro-Soviet' he would hardly be urging such action when Russia was practically an ally of Germany. This was before Hitler suddenly reversed his policy of friendship with Russia and made a surprise attack on the Russians.

"When the Russians formed the Amtorg Trading Corporation in New York in the early twenties, Hammer was informed by the Russian Minister of Foreign Trade that the Russian Government was going to take over all export and import business. Hammer was advised to interest his company in industry rather than trade if he wanted to continue doing business with Russia (pages 178 and 179). In looking around for some article to manufacture that was in short supply Armand Hammer got the idea of manufacturing lead pencils. There wasn't a single pencil factory in all of Russia, so Hammer proceeded to get a concession for manufacturing this product. He went to Germany and engaged a group of skilled specialists in this field and ordered his machinery in Nuremberg, the heart of the German pencil industry. Within six months' time he was successfully manufacturing lead pencils in Moscow. See pages 180 to 187 of Hammer's book.

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In two years the A. Hammer pencil factory was doing an annual business of four million dollars in pencils. The output of the factory grew large enough not only to take care of Russia's internal requirements but to export pencils as well to England, Persia, China and the Far East (page 207). The business was very profitable, showing an average annual profit of over a million dollars before taxes. By the end of 1929 Hammer had expanded into different allied products so that the single pencil factory had grown into a group of five units making automatic pencils, steel pens, celluloid draftsmen's articles and metal stampings (page 209). The factory employed almost 1000 people.

"The Hammer pencil concession was not the only factory making large profits. Owing to the shortage of certain manufactured articles, there were several thriving factories operated by private capital. One of the most successful was a button factory operated as a concession. The owner was able to get several million dollars out of Russia and he himself now resides in New York. He is George Gregory of 350 Fifth Avenue, New York City, and no one is more anti-communist or anti-Russian than he is.

"When the Hammer pencil concession balance sheet was published according to law and it was seen how much profit the Hammers were making, they came in for a lot of abuse in the newspapers (page 208). Besides, the Hammers were having difficulty with the Government in getting permission to buy and transfer foreign currency abroad to pay for needed imported raw materials and equipment. Under Stalin the Government was reversing Lenin's policy of encouraging foreign capital to invest in Russia. Armand Hammer saw the handwriting on the wall and had entered into negotiations with the Government to buy him out. He finally sold out on the basis of book value and payment was made partly in cash and partly in notes in foreign currency, final payment being made in August 1931.

"Victor Hammer had a flair for art and shortly after his arrival in Russia the Hammers started buying antiques to furnish their homes. They found they could purchase objects of art below the world market price because of the general poverty of the Russian people. In 1928 a New York antique dealer, Mr. E. Sakho, visited the Hammers in Moscow and after seeing the things they had bought, offered them a partnership

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arrangement. Armand set up his brother Victor in this business with Mr. E. Sakho and the first shipments were made to New York in 1929. The first year the business was very successful. However, when the 1929 stock market crash occurred the Hammer's partner offered to sell out his share which they acquired. From then on the Hammers started buying heavily. When the Hammers sold out their pencil factory to the Government they inserted a clause permitting them to take out their household articles. Under this heading the Hammers proceeded to take out the furnishings of their homes, including paintings, antique furniture, silver, china and art objects which they had accumulated during nine years' residence.

"The Hammers had always considered it a good hedge against depreciation of Russian currency to buy tangible art objects and antiques. There were several shops in Moscow where these objects could be purchased. As foreigners were the principal buyers and there were not many tourists, it was principally the foreign embassies which competed for the many opportunities. To export the articles was usually not too difficult, the shop furnishing the export license upon payment of an export tax. If the article had museum character it was more difficult and had to be passed by a Government art commission. Later on the stores would sell only in dollars if the articles were intended for export.

"After the Hammers had sold out their Russian holdings Armand Hammer remained in Paris for about a year where he traded in Russian notes which were sold as low as 30% per annum discount. In the early thirties Armand Hammer returned to New York and concentrated on developing the Hammer art business with his brothers. The Hammers held successful sales in the leading department stores of the country in the early thirties. Among these stores were Scruggs, Vandervoort and Barney, St. Louis, Missouri, Marshall Field & Company, Chicago, Illinois (where the Hammers maintained a department for over a year), J. L. Hudson & Company, Detroit, Michigan, Halle Brothers, Cleveland, Ohio, Bullocks Wilshire, Los Angels, California, The Emporium, San Francisco, California, Wm. Hengerer, Buffalo, NY

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New York, Kaufmann's, Pittsburgh, Pennsylvania, Hutzler's Baltimore, Maryland, Woodward and Lothrop, Washington, D.C. and many others. Surely if there was any 'red' taint to the Hammers these reputable stores would not have participated in the sale of the Hammers' art collections under their joint names. In 1933 the Hammers signed up for a three weeks sale at Lord and Taylor, New York. It was so successful that the Hammers stayed on for several years, opening a branch store jointly with Lord & Taylor in the Waldorf-Astoria Hotel. Finally in 1935 the Hammers opened their own galleries at 682 Fifth Avenue, New York, signing a ten year sub-lease with Revillon Freres in a building owned by John D. Rockefeller, Jr. If there were any doubt about the Hammers' reputation or loyalty to this country, Mr. Rockefeller's agents who made a careful investigation of the Hammers would not have approved and signed the lease jointly with Revillon Freres. After about 16 years in the Fifth Avenue galleries, the Hammers have recently moved to 51 East 57th Street where they now occupy three floors on a 21 year lease. The Hammers' clientele is the 'Who's Who' of America and surely not the type of people who would have anything to do with the Hammers if there was any question about their reputation or loyalty to this country.

"Victor Hammer made two trips to Russia, one in 1931 and another in 1934, to buy jewelry, paintings and art objects. He was treated no differently than the many merchants of foreign countries, including the United States, who went to Europe for the same purpose. Each time the competition was keener and the merchandise more difficult to acquire. If there is any criticism of the Hammers for buying so called 'confiscated art objects' from the Russians, the same

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criticism should be levelled against such men as the late Andrew Mellon who even while a member of the Cabinet paid millions of dollars to the Soviets for paintings which are now part of the National Gallery in Washington and one of our Government's proudest possession. Since 1934 Victor Hammer has repeatedly been refused a visa by the Russians. This has been an especially severe blow to Victor as it has meant he could no longer see his son in Moscow which was always some consolation for the fact that the Russians wouldn't let the boy out of the country.

"In 1940 the trustees of William Randolph Hearst appointed the Hammers their exclusive agents for the liquidation of the Hearst Art Collection which was estimated to have cost the publisher fifty million dollars. Mr. Hearst's violent antipathy toward Communism and the Soviets is so well known it needs no comment. His trustees made a thorough check of the Hammer brothers before entrusting this many million dollar art collection to them for sale. Surely if there were any doubt about the Hammers' reputation and loyalty to this country Mr. Hearst and his trustees would not have given the Hammers this contract. The Hammers made a joint deal with Gimbel Brothers of New York to handle the sale of the Hearst Collection in their store under the direction of the Hammers. This was so successful it led to many other joint ventures between Gimbel Brothers and the Hammer Galleries, including the sale of the Clarence H. Mackay Art Collection for the Mackay estate, the furnishings of the Yacht Corsair for J.P. Morgan who donated the proceeds to Bundles for Britain and many other collections. The Gimbels and the Hammers operated jointly an auction gallery, the Kende Galleries at Gimbel Brothers store.

"In 1933 the Hammers built a cooperage factory in Brooklyn, later moved to Milltown, New Jersey. They successfully manufactured oak barrels for the beer and whiskey trade. The Hammers at first used Russian white oak purchased from the Amtorg as American dried oak was not available. Later this oak proved to be unsuitable. As supplies of dried American white oak became available the Hammer factory switched to home materials. This business was incorporated under the name of the A. Hammer Cooperage Corporation, a New York corporation. This

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company and its affiliate, the Milltown Cooperage Company, received several loans from the Reconstruction Finance Corporation during the time Mr. Jesse Jones was Chairman. All these loans were satisfactorily paid off. The Reconstruction Finance Corporation under Mr. Jones was very careful about the moral risk of any applicants for loans. If any further proof were needed as to what the Reconstruction Finance Corporation thought of the Hammers, there is additional proof in the fact that the Reconstruction Finance Corporation engaged the Hammer Galleries to liquidate certain painting collections taken over as collateral or a defaulted loan. The A. Hammer Cooperage Corporation name was later changed to the United Distillers of America, Inc. and this company entered the liquor business in 1943. The rise of the United Distillers of America, Inc. has been exceedingly rapid and today they have achieved a place of national prominence in the distilling field, both in the beverage and in the industrial branches. At present United Distillers is completing a six million gallon alcohol contract for the Rubber Reserve of the Reconstruction Finance Corporation. During the last war all seven of United's distilleries, located in Kentucky (2), in Louisiana (2), in Pennsylvania (1), in New York (1), in Maryland (1), and in New Hampshire (1), operated at full capacity most of the time, producing millions of gallons of alcohol for the Government on a cost plus basis. This alcohol was greatly needed for synthetic rubber, smokeless powder and other war purposes.

"In its desire to diversify its business and expand into the chemical field the United Distillers recently put in a bid for an idle ammonia plant owned by the United States Army and known as the Morgantown Ordnance Works of Morgantown, West Virginia. Although United was the highest bidder and had complied with all the conditions of the sealed bid, including depositing the necessary certified check, the Army turned down United and negotiated a lease with the Mathieson Chemical Company who had not even filed a bid or deposited a check.

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The Army's excuse was that there was some doubt as to United's technical and financial ability. Acting on the complaint of United, there were extensive hearings held by the House Armed Services Committee. A copy of the record is attached. Letters from their three banks were presented by United, showing they enjoyed a credit of seven figures in each. (See photostats in appendix.) United also offered a performance bond (pages 368 of record). As for United's technical ability, the Chairman of the Sub-Committee hearing, Congressman Clemente, addressed Undersecretary Alexander (page 218) as follows:

"'Mr. Clemente: Wait a minute. Whoever your experts are on technical grounds and whoever yourexperts on financial grounds are, I don't know, and I don't know the background and I'm not going to callenge it. But from my observation when a man with a reputation of Dr. Brown, (President of United Distillers Ammonia Subsidiary) tells me he has engaged four or five men who have been in the chemical field for years, a man who has operated the Morgantown Ordnance Works for himself, I take that as some proof of the (ir) capability to do (the job.)' Chairman Vinson, although not present at any of the hearings, wrote his fellow members asking them to approve by mail the Mathieson lease. His letter and a copy of United's telegraphic reply is attached herewith. By a narrow margin of five votes in a Committe of 35 members the House Armed Services Committee has agreed to go along with Chairman Vinson and approve the lease between Mathieson and the Army even though Mr. Vihson himself said, "United was jilted at the church door" and "had cause for complaint". The Army was scolded because of its improprieties and told not to do it again. The Senate Armed Services Committee has not yet given its approval. There is reason to believe that the gossip and unfounded rumors about the Hammers being pro Soviet or pro Communist have been used by competitors of United in a whispering campaign brought to the attention of the House and Senate Armed Services Committee members.

"There is also reason to believe that these rumors are based on false information maliciously furnished investigative agencies of the Government by persons unfriendly to the Hammers.

"In view of the facts set forth in this memorandum, all of which can be substantiated, a thorough investigation

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should be made evaluating these facts in the light of any other information which may have been accumulated without proper verification. One of the bits of gossip used to discredit the Hammer brothers is the fact that their father, Dr. Julius Hammer, was convicted in 1919 of performing an illegal operation on a woman patient who subsequently died and he served two years in Sing Sing prison when his sentence was commuted. Later Dr. Julius Hammer was granted a full pardon by Governor Alfred E. Smith who conducted a full investigation and was convinced that Dr. Hammer had been unjustly convicted. At the time of his conviction two hundred leading physicians petitioned the Court on his behalf, stating that they would all have performed the operation in question under the same circumstances as Dr. Julius Hammer performed it. Two other reputable physicians testified at the trial that they had performed the same operation on the same woman in previous years as this woman could not bear children without endangering her life. Subsequently, after being released from prison, Dr. Julius Hammer was reinstated by the Board of Regents of New York as a practising physician. At the time of his reinstatement Governor Smith wrote to the Board of Regents, urging this action and stating he had investigated Dr. Julius Hammer's case thoroughly and was convinced of this innocence. Attached are photostate copies of letters to the Board of Regents from Governor Alfred E. Smith, James W. Gerard and Bernards S. Barron, the attorney engaged by the group of 200 physicians. Also attached are obituary notices which appeared in New York papers at the time of Dr. Julius Hammer's death. Regardless of the reputation of Dr. Julius Hammer when he was alive, and the fact that he served a prison sentence, and even assuming that he was a radical and 'pro Soviet', it is extremely unfair to hold this against his sons who have been loyal Americans all their lives and who have no sympathy with communism or with the Russian regime.

"Attached are photostat copies of letters written to James C. Wilson, President of the First Bank and Trust Company of Perth Amboy, New Jersey, regarding the character of Armand Hammer, Harry J. Hammer and Victor J. Hammer, by J. Schroeder, President of the Barbizon Plaza Hotel; Beardsley Ruml, former Chairman of the Board of R. H. Macy Company and former Chairman of the Board of the Federal Reserve Bank; A. M.

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Rosenthal, former President of Nedick's Stores, Inc.; Frederic A. Gimbel, former Vice President of Gimbel Brothers; Martin F. Huberth, President of the Hearst Corporation; and Charles B. McCabe, President and Publisher of the New York Mirror.

"With reference to Armand Hammer's friendship with Beardsley Ruml, the following incident is worth noting to show Armand Hammer's attitude toward the Soviets. It happened during the last war, when President Roosevelt and his principal advisor, Harry Hopkins, believed you could do business with Stalin. Ruml was a member of the President's National Planning and Resources Board. He invited Dr. Hammer to read a paper to this board at one of their regular meetings in Washington, covering Hammer's evaluation of Russia now and in the future. Dr. Hammer warned the members of the Board that Russia could not be trusted and once the war was over Russia would be back at the old stand, trying to spread world revolution and International Communism. President Roosevelt's uncle, Mr. Delano, was Chairman of this board and took objection to Dr. Hammer's remarks, so that a lively argument ensued.

"The gossip about the Hammers has even involved their wives, especially the present Mrs. Victor Hammer. Mr. Harry Hammer is married to the former Bette Barber of Vicksburg, Mississippi, who was formerly Society Editor of the Jackson Daily News of Jackson, Mississippi and before that with The Times-Picayune of New Orleans, Louisiana. The husband of her sister, John D. Sullivan, is connected with the Bureau of Federal Investigation in Clarksdale, Mississippi. Mrs. Victor Hammer is known on radio and television as Ireene Wicker, 'the Singing Lady'. Her name was listed in a publication called Red Channels and Counterattack as having been a sponsor of Benjamin Davis, a Communist, for election as a councilman in New York City on the American Labor Party ticket. When this was called to Miss Wicker's attention she immediately contacted Counterattack publishers, convinced them of the inaccuracy of their information and a joint press release was issued, reading as follows:

"In the issue of COUNTERATTACK for October 27th, it publishers, in the interest of their play, have the following to say with reference to the inclusion of the name of IREENE WICKER, the Singing Lady of radio and television, in the booklet RED CHANNELS.

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COMMUNICATIONS INDUSTRY "Charles McCabe" EMPLOYED BY New York Mirror (EMPL. CARD)

COMMUNICATIONS INDUSTRY "Bette Hammer" EMPLOYED BY "Jackson Daily News - Jackson, Miss." "Times-Picayune" New Orleans, La. (EMPL. CARD)

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"'IREENE WICKER, the "Singing Lady" of radio and TV, has made the following statement to COUNTERATTACK:

"'"I emphatically declare that I am not, never have been and never could be a Communist or a Communist sympathizer in any sense of these terms. The fundamental doctrine of Communism is abhorrent to me. It is in direct opposition to the American principles which I have always upheld and advocated."

"'The statement in RED CHANNELS that the Daily Worker of September 15, 1945 reported her as a sponsor of the Artists, Writers and Professional Division of the Committee for the Reelection of BENJAMIN J. DAVIS is true, Miss Wicker says. She states, however, that she was not aware of this fact until the publication of RED CHANNELS.

"'She absolutely denies the Daily Worker report that she was a sponsor of this Committee. She also denies categorically that she ever supported Davis for reelection or that she gave his campaign committee permission to use her name....or that she knew her name had been used by the Committee.

"'Miss Wicker wrote a letter to the Daily Worker demanding a retraction of its report that she sponsored the Davis Committee. She received a reply from DAVID FREEDMAN of the law firm of UNGER, FREEDMAN and FLEISCHER, attorneys for the Daily Worker, which states that the Worker story was based on a news release from the Davis Committee which did not contain the signatures of the sponsors listed. FREEDMAN said that the Daily Worker "regrets very much if that publication contained any error of fact."

"'COUNTERATTACK wishes to repeat that RED CHANNELS did not call Miss WICKER, or any other person mentioned in the report, a Communist or a Communist sympathizer. RED CHANNELS did give specific instances of how and where the names listed had been used by the Communists to promote Communist causes'"

(c)

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Subject's Book, "The Quest of the Romanoff Treasure"

The New York Public Library made available "The Quest of the Romanoff Treasure" written by ARMAND HAMMER, copyright 1932, printed in the United States by Stratford Press, Inc., New York.

The above book contained a foreword written by WALTER DURANTY, a portion of which was set out in the statement furnished by [redacted] (6) The foreword noted that subject entered Russia during the most critical period in Soviet history when Lenin was compelled to make a change due to exhaustion of the country and so forth, culminating in the great famine of 1921. The new program was inaugurated by the decree on August 9, 1921 and was called the New Economic Policy (N. E. P.). DURANTY noted the book was an interesting and valuable record and perhaps the most valuable DURANTY had read.

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In Chapter 1, subject noted that he was twenty-three years of age when he made his first visit to England and Europe in 1921. He noted on page 2 that through CHARLES RECHT, Attorney for the Russian Diplomatic Mission in New York, and LUDWIG MARTENS, its Chief, "we" had been in fairly close touch with Russian affairs.

Subject noted a chemical concern controlled by his family had supplied the Soviet Government with medicine and chemicals through Clemenceau's "barbed-wire" blockade. Subject noted that it was partly for that reason that he was going to Russia in order to arrange for further shipments of merchandise and terms of payment, as well as to perform field hospital work in that country.

Subject noted that when his ship arrived in England, he was met by a Scotland Yard representative and noted that it was his first, but not his last, experience of Europe's post-war officialdom.

He stated he was carrying a film of MARTENS' departure from the United States and was doing so at the suggestion of CHARLES RECHT. He noted that MARTENS' departure had been a matter of public knowledge. He felt that by carrying this film, it might smooth the way a bit for his entrance into Russia and he had also sent a message beforehand. He stated he was held captive on the boat for two days, after which the entire incident was considered a misunderstanding and he was released.

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In Chapter 2, subject described the poverty and suffering which were then taking place in Germany, and page 15 in this chapter carried a photograph of subject and LUCY BRANUM and two Russian members of his staff. He was delayed for ten days in Germany, awaiting his Russian visa which he subsequently received from LITVINOFF.

Many sources ~~attempted~~ tried to discourage him on his venture into Russia, including Mr. MISHEL, who was then the European representative of his family's business. When he finally arrived at the Russian border, he was met by a Russian guard who had known of his arrival and assisted him with his baggage and clearance.

In Chapter 3 subject states he was met in Moscow by a man named WOLFE, a representative of the Anglo-American Department of the Soviet Foreign Office, who worked under a man named WEINSTEIN. The latter had received a letter from CHARLES RECHT concerning the subject.

In this chapter subject also mentioned that a man by the name of CAGAN was WEINSTEIN'S assistant and also mentioned comrade CHICHERIN who was Foreign Commissar for the Russian Government. He mentioned also making friends with one GAYVOV, who was in the Russian Foreign Office. Subject mentioned it was share and share alike in Moscow for both the officials and the general public, and described his stay in the Savoy Hotel. During this period, he also mentioned meeting Dr. SEMASHKO, who was Commissar of Public Health in Russia. Subject noted that his subsequent trip through the Ural Mountains was arranged by WEINSTEIN.

In Chapter 4 subject stated that his trip through the Ural Mountains was for the purpose of investigating conditions in the industrial regions located in that area. LUDWIG MARTENS who was then in charge of Soviet Metallurgic Industry was the chief of the expedition and he had several Russian assistants. There were two other Americans in the party, one A. A. HELLER, a writer who sympathized with the new Russian regime, and Miss LUCY BRANUM, a social worker and former suffragist.

This chapter contained a photograph of subject's passport to Russia, which indicated he was Secretary of the Allied American Corporation and the first stock company to receive a franchise from Russia, namely asbestos.

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Subject noted that when this expedition arrived at Ekaterinburg, he noted a starving population and the warehouses loaded with furs, at which time he contacted appropriate officials and arranged for the exchange of American grain for these furs. He mentioned that he was hailed as a hero from then on and subsequently made a speech in that town which MARTENS had to translate. He had been on this expedition for a little more than one month when the trip was cut short by LENIN who contacted MARTENS concerning the aforementioned grain transaction.

In Chapter 5 subject noted that he returned to Moscow in August, 1921, when the N. E. P. was beginning to take effect. He stated there was considerable repairing and business activity of all types being carried on and the Russian people seemed endowed with a new life. It was during that month he first met LENIN and obtained his asbestos contract.

In describing his impression of LENIN, subject stated he refused to consider him ruthless, cold, cruel, and fanatical, but felt he held human sympathy, warm magnetism, lacking self-assertion and self-interest.

In Chapter 6 subject noted he received different treatment after his interview with LENIN and it was soon thereafter that he moved to the "Sugar King's Palace" which had been a residence belonging to a man who had acquired wealth under the old regime.

It was at this time an Englishman named MACKENZIE, who had been a correspondent for the "Chicago Daily News," was residing at the Sugar King's Palace, as well as himself. It was during this period that he obtained a visa for his business manager MISHEL to enter Russia and also was when he drew the agreement for his asbestos concession.

In Chapter 7 subject stated the contract for the first American concession was signed on October 28, 1921 in the Russian Foreign Office. The contract carried the signatures of LITVINOV, Vice-Commissar of Foreign Affairs, and also ROGDANOV, then Chairman of Supreme Council of People's Commissars, who later became President of the Amtorg Trading Corporation. The contract was countersigned by LENIN and other secretaries.

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After the signing of the above contract, subject met TROTSKY in order to arrange for guards for his property under the terms of the above agreement. TROTSKY impressed him as a man of remarkable but imperious character with great ability and unflinching will, but a degree of fanaticism, of which LENIN had given no sign.

He mentioned hiring one ANNA IVANOVNA as an employee in his industry, mentioning that she had enlisted in the Red Army to serve through the Civil War without anyone being aware of her sex.

In Chapter 8 subject described the grain and fur exchange effected at Reval, Russia, and described some of the conditions and equipment that were necessary for the operation of his asbestos concession. He also mentioned his meeting with HENRY FORD in the United States during the period subject was acting as a representative of American business concerns in Moscow. He added that he returned to Moscow in the spring of 1922 and was back at his residence there on March 21st.

In Chapter 9 subject continued comments on the problems and conditions existing in Russia and mentioned one solution afforded by DJERJINSKY, Manager of Cheka, who had removed one transportation obstacle by having a railroad official shot.

At this time the first shipment of tractors which subject had arranged through HENRY FORD arrived in Russia and subject met BAXMUTOV, who was engaged in raising cotton, and BILL SHATOFF, a former Chicago anarchist who had arrived in Russia in 1918 and was then the president of a bank in that country. He noted that SHATOFF was not a member of the Communist Party, but was fully trusted by the Bolshevists.

He also mentioned meeting VOROSHILOV who was then Commander of the Southeastern Section of the Red Army, later becoming Commissar for the Army and Navy, and was a member of the Politburo for the Communist Party.

He also mentioned meeting MIKOYEN, who was then secretary of the local Communist Party, and later became Commissar, Home and Foreign Trade, and one of the leading officials of the Communist Party.

The above meetings were effected on the occasion of the introduction of the first shipment of American tractors into Russia.

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He noted that the asbestos concession was to last for twenty-five years, but had not fared well at first.

In Chapter 10 subject commented that there had been a delay in one shipment of their products, at which time he obtained a letter of introduction from STALIN to ZINOVIEV, then President of Petrograd, which position was equivalent to governor in this country. He obtained a mandate issued by LENIN'S Chief Deputy TSIYUROOPA which they were able to use in later dealings to considerable advantage.

Subject also met LENIN'S chief physician, Professor FOERSTER and Dr. NANSEN, explorer and philanthropist.

Subject commented that during the summer of 1922, when LENIN was gravely ill, he remembered subject and his activities. He subsequently died following the Christmas of 1923.

In Chapter 11 subject mentions that he was approached by German oil interests in the summer of 1922, who wanted him to represent them in Russia. At that time he was in Berlin, Germany, preparing to return to Russia. One of the Germans whom he contacted in Hamburg, Germany, concerning the above matter was SOBLATNIG.

He subsequently returned to Russia and in the summer of 1923 mentioned his contacts with HARRY SINCLAIR, Senator FALL, and ARCHIE ROOSEVELT, all of whom were interested in Russian oil. He added that MASON DAY subsequently joined the above group and was a representative of SINCLAIR'S oil interests.

In Chapter 12 subject describes his visit to the asbestos mines in the winter of 1922, accompanied by his brother, VICTOR, who was then fresh from Princeton. He set out considerable detail surrounding the general philosophy of the former land owners and various clothing requirements and mechanical improvements they effected.

In Chapter 13 subject mentioned there was considerable dishonesty and corruptness among officials in the Russian Government and discussed his limited association with CAGAN, of Gostorg, who was then in the State Training Department and who ultimately committed suicide.

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Subject also commented meeting SHINEMAN, who was President of the State Bank, and SOKOLNIKOFF, Minister of Finance.

In Chapter 14 subject discussed the Agricultural Exposition held in Moscow in the summer of 1923, and commented that he was proud of the American flag which was flying over one of the exhibits.

On July 14, 1923, he signed a two-year trade contract with Mr. FRUMKIN, Acting Commissar of the Foreign Trade Monopoly Department, and Mr. LEONID KRASSIN, Commissar of that agency.

He also mentioned introducing the visiting Senators LADD, KING, and Congressman FREAR, of the United States, to KRASNOCHOKOF, then President of the Commercial Bank, and GOMBERG, Head of the Moscow Stock Exchange, and other businessmen of different nationalities.

In Chapter 15 subject described KRASSIN as an old, trusted member of the Bolshevik Party, and described his visit with him concerning the above trade contract. KRASSIN explained that as a result of the development of trade between Arcos and Amtorg, it became undesirable to do business through foreigners. He, therefore, desired subject to terminate the activities of the Allied American Corporation and enter into industrial production.

It was at this point that subject obtained the idea for his pencil factory. In making arrangements for the pencil concession, he visited YOFFE, who was Vice-President of the Central Concession Committee under TROTSKY. He commented that YOFFE was one of the ablest Bolshevik leaders, and subsequently committed suicide in 1927. Subject stated that the final agreement for his pencil factory was signed in October, 1925 by LITVINOF for the Commissariat of Foreign Affairs, and PIATIKOF who was later President of the State Bank.

Subject commented that a Russian state pencil concern was supposed to have had the contract to take over an old factory which was then in existence, but their operations were too slow and subject received the concession in their place. The above

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agency opposed HAMMER'S efforts concerning the above venture and inaugurated a press campaign against "foreign capitalists who try to exploit Russia's wealth".

Subject stated that after signing the above contract he went to Nuremberg, Germany, in November of 1925 to learn about the manufacture of pencils.

In Chapter 16 subject describes his experiences in securing the necessary personnel in Nuremberg to work in his pencil factory in Russia, finally accomplishing same. He then went to Birmingham, England, to obtain assistance for establishing the pen division of his above concern. He finally returned to Moscow in early 1926.

In chapter 17 subject mentions that a manufacturers' problem in Russia is one of production rather than sales.

He established piece work production in his pencil factory in Moscow and mentioned that the labor contracts which they signed bound both employer and employee alike. In 1925 they increased production from fifty one million pencils to seventy two million pencils, and production of steel pens from ten million to ninety five million. As a result of these efforts their earnings were in excess of a million dollars and they subsequently received criticism in the Soviet press.

Subject noted that in 1928 he was visited by a delegation of American college presidents and professors, headed by Professor JOHN DEWEY. They stayed as his guest at the "Brown House" which was a palatial residence in Moscow, formerly the headquarters of Colonel JOHN HASKELL which subject leased from the Russian Government after HASKELL'S departure,

On the occasion of this visit by the American delegation he entertained LUNACHARSKY, Minister of Education, at his residence.

Subject commented that by 1929 their business had expanded into many different branches and with this expansion and the increasing need for credit by customers and themselves, as well as the unfavorable foreign financial situation the best solution appeared to be to sell out to the U. S. S. R. Subject entered into negotiations with KAMENEV, President of the Main Concession Commission, and after long negotiations a price was agreed upon with a final settlement being made in August, 1931.

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In Chapter 18 subject noted the above agreement included a clause allowing a removal of his household effects including his collection of art treasures. He mentioned that collecting art objects was one of the chief hobbies of his brother and himself.

In Chapter 19 subject described the crown jewels of ROMANOFF and some of the other possessions retained by the former Czar.

Commencing on page 230 and following on successive pages, subject states:

"I make bold to summarize my opinion of conditions in Russia as I see them after nine years experience.

"As far as anyone can tell, the Soviet Government appears to be entirely stable. It not only has invariably met all its obligations, but, according to all indications will continue to do so. The new regime is not universally popular -- what government is? -- but it rests on a much wider and more solid foundation than is generally believed abroad. Instead, as most people think, of a relatively small group who have seized power and hold it through the army and the secret police, that is by force, the Soviet Government has behind it over ten million organized workers who are the most vigorous and energetic element in Russian National Life. The peasants, especially in the more prosperous sections, are more lukewarm and like farmers all over the world, grumble about the disparity of prices between farm products and manufactured goods. But the nationwide campaign of education and help to the poorer peasants, who are being grouped into collectivities and supplied with seed, tractors and implements and taught how to develop their land to the best advantage, will, I am convinced, bear fruit before long.

"There is too a psychological element of stability which seems to have been somewhat overlooked by the outer world in its estimate of conditions in Russia. This country has had its revolution, has realized the wildest dream of the wildest strike leader or labor agitator. The working class has seized power and attempted to put into being the theory of integral Communism as a practical system of politics and economics.

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"The attempt failed and it was found necessary to revert to N. E. P., that is to a system more nearly approximating the capitalist development of other countries. Under N. E. P., Communism was replaced by a form of state socialism which permitted private profit and for a time encouraged individual initiative. As the socialist state has felt itself getting stronger in recent years, it has gradually suppressed the private trader through excessive taxation and other means. During all these years the workers have been flattered to think that the power is in their hands. They have no incentive to strike for they would injure their interests. In short, by a curious paradox, Soviet Russia, the country of revolution, is today the least revolutionary of countries...

"It is still too early to say that the Russian experiment of government-ownership on a vast scale is or will be successful. Will the Soviet leaders find it possible to stimulate private initiative and responsibility by sufficiently increasing the material reward for the individual? This is dangerous ground for the Communist because it tends to create class distinction. Nevertheless, some progress seems to have been made along this path as, for example, the almost universal introduction of piecework among the workers, and the increased salaries and privileges to the engineers, the so-called 'Specialists who were formerly discriminated against and in some cases even treated with contempt. Mistakes are made but it is to the credit of the Bolsheviks that they seem able to learn from their mistakes. During the past few years industrial progress has been rapid, real and continuous. New factories are constantly being built and new industries developed.

"In 1929 the Soviet embarked upon an ambitious five-year plan of economic development in which every branch of production, finance and commerce had been minutely surveyed with a view to its improvement and development to the greatest possible extent. Considerable progress has been made under the stimulus of reaching this goal, but there is no doubt that Russia will need many more five-year plans before the needs of her people will be satisfied.

"Whatever may be said of a socialist system, the centralized control of the sources of supply and production has much to recommend it. Will some scheme of such centralized

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"control be evolved to take the place of our present wasteful and planless system of over-production? The present world-wide economic crisis would seem to indicate that we may yet have to borrow a page from Russia's five-year plan.

"I am betraying no secrets when I say that Russia looks to the United States for assistance in working out her gigantic program--perhaps unique in history, if one excepts the less sharply coordinated but equally grandoise schemes of Peter the Great.

"American technical advice and equipment, perhaps later, it is hoped, American financial support, will be welcomed. Not only is there a traditional friendship between the two peoples, and a lively gratitude in the hearts of millions of Russians who owe their lives to the generous aid of America in the work of the American Relief Administration, but also it is realized that Americans have successfully conquered the same difficulties of developing the natural resources of a vast territory which face Russia today."

The book in its earlier portions contained photographs of three letters, received by subject from LENIN. The dates appearing on these photographs reflected the first letter addressed to "Dear Mr. Armand Hammer!" carried the date "3 XI 1921". The second letter, addressed to "Dear Comrade Hammer" was dated "10 V 1922". The third letter, addressed to "Comrade Zinoviev" also bore the date "10 V 1922". Subject listed the aforementioned letters on pages 240 and 241 of the appendix as follows:

(1).

"Dear Mr. Armand Hammer!

"Comrade Reinstein tells me you are leaving Moscow tonight. I am very sorry I am occupied at a session of the Central Committee of our Party. I am extremely sorry I am unable to see you once more & greet you.

"Once more best greetings to you & your friends in connection with flour for our workers & your concession. The beginning is extremely important. I hope it will be the beginning of extreme importance.

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"With best wishes,
yours truly

"LENIN

"P.S. I beg to apologize for my extremely bad English."

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(2).

"Dear Comrade Hammer!

"Excuse me please; I have been very ill; now I am much better. I enclose for you my letter to Comrade Zinoviev or for other comrades in Petrograd if Zinoviev has left Petrograd.

"My best wishes for the full success of your first concession; such success would be of great importance also for trade relations between our Republic & United States.

"Thanking you once more I beg to apologize for my bad English. Please address letters & telegrams to my secretary (Fotieva or Smolianinoff); I shall instruct them.

"Yours truly,

"LENIN"

Petrograd

(3).

"To Comrade Zinoviev

"I beg to you to help the comrade Armand Hammer; it is extremely important for us that his first concession would be a full success.

"Yours

"LENIN"

INTERVIEW OF SUBJECT

Subject appeared at the New York Office on March 6, 1952 and furnished the following information concerning his background and activities:

He stated his great grandfather had been one of the richest men in Russia, and when he died, he left the majority of his wealth to subject's grandfather, JACOB W. HAMMER.

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JACOB HAMMER later invested most of his wealth in salt mines in the Caspian Sea which at that time were regarded as a very sound investment. Shortly after doing so, however, a major catastrophe befell this venture such as a flood or similar happening and these salt mines were destroyed along with his grandfather's investment.

After this misfortune, JACOB HAMMER decided to start life anew and came to the United States, arriving in the early 1870's.

Shortly after arriving in this country, JACOB HAMMER became a representative of the Metropolitan Life Insurance Company or possibly Equitable, which position he held until he died at the age of seventy-four or seventy-six. He had obtained United States citizenship and would never permit any of his family to speak or use the Russian language in his presence. He was very proud of his United States citizenship, became a "staunch Republican" and subject did not believe he ever missed voting in a single election.

Subject noted that the family name was always HAMMER, and that the Russian translation for HAMMER is MOLOT. He added the family was in no way related to MOLOTOV, the present Foreign Minister of Russia.

Subject's father, JULIUS HAMMER, accompanied his parents, arriving in the United States in his early infancy. One of his first jobs was with a foundry located in Bridgeport, Connecticut. Subject did not recall the exact nature of this position, other than it was definitely back-breaking manual labor. JULIUS was swinging a heavy hammer either breaking molds or similar work, and it was while he held this job that he first became interested in the Socialist Labor Party. It seemed that the longer he worked on that job, the more he became convinced that the lot of the working man should be improved, and he never fully overcame some of those early opinions he formed. Subject stated he could recall when he and all his family would attend some of the picnics and other Socialist outings that were held during that period.

Subject commented that JULIUS' political beliefs were always a source of argument between JULIUS and his father, JACOB.

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When the family resided at 1488 Washington Avenue, Bronx, New York, JACOB had his insurance office across the street. ARMAND and his brothers used to overhear numerous arguments in which JACOB upheld the United States Government as being the best type in existence and he used to get ARMAND and his brothers aside and impress upon them the fact that they were much better off in the United States than they would be in Russia.

Subject stated this particularly impressed him because JACOB had been quite wealthy and maintained a standard of living in that country which he never equaled in the United States whereas JULIUS had lived here most of his life. Nevertheless, he heard JACOB comment many times on how much better off they were in the United States than they would be in Russia, and JACOB'S beliefs formed a more pronounced influence on subject and his brothers' later political views than did those of their father, JULIUS.

After leaving the foundry, JULIUS went to work for a drugstore located on the Bowery in New York City. During this period, he went to night school and became a pharmacist. During his early twenties, he purchased several drugstores and later studied medicine at Columbia University. He graduated from Columbia about 1900 and went into practice as a physician. He sold the drugstores he had owned, at this time and continued in practice for the next seventeen or eighteen years. JULIUS developed an enormous practice and became quite wealthy during this period. He never travelled to any extent, and the family owned no property either in New York or Ohio to his knowledge. He never returned to Russia at any time during this period, nor did he travel much in the United States due to his practice.

In approximately 1916 or early 1917, JULIUS HAMMER became interested in the Allied Drug and Chemical Company and formed a partnership to operate same with one FINGERHOOD, whose first name subject could not recall. The business did very badly and JULIUS poured most of his wealth into it. He finally bought out his partner in 1918 and decided to turn the business over to the subject who was then attending Columbia Medical School, and HARRY HAMMER, subject's brother, who had just been discharged from the United States Army at the close of World War I, to see what they could do with the business.

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Subject stated that JULIUS had retained his Socialistic ideas all during his career from the time he worked in the aforementioned foundry. He had been a member of the old Socialist Labor Party, later becoming a member of the Socialist Party. When this party split during those early years, JULIUS went with the Left Wing Section, though subject did not believe he was one of the original instigators or leaders in this split. Subject stated that it was probably through his above activity that JULIUS HAMMER first met LUDWIG MARTENS and CHARLES RECHT who he later introduced to subject. MARTENS and RECHT were considered good business connections by them at the time, and their concern, the Allied Drug and Chemical Company, was one of the first to grant the Russians merchandise on credit.

Subject stated that he had heard stories to the effect that his father had donated possibly $75,000.00 to MARTENS during his association with him, but these were completely untrue. In the first place, his father had dissipated most of his wealth in the Allied Drug and Chemical Company and during 1919 he was almost financially insolvent. Secondly, the Allied Drug and Chemical Company had a legitimate business transaction with LUDWIG MARTENS involving a similar amount more or less, and he believed it was a result of this business transaction that such stories had originated.

Subject explained during World War I a man by the name of VON MOHRENSCHILD (fnu) was a purchasing agent for the Czarist Government in Russia, and, as such, had purchased some oil well machinery from the National Supply Company and the Hughes Drilling Machine Company to be shipped to Russia. After purchasing same and before making shipment, the Czarist Government was overthrown and as a result VON MOHRENSCHILD had the machinery placed in a warehouse in Brooklyn, and remained in the United States since he would not recognize the new regime. Accordingly, subject later purchased this machinery from VON MOHRENSCHILD and sold it to MARTENS and it was shipped to Novorisk, Russia, in 1920 or early 1921. The original sale may have been for $100,000.00 or more, but a partial payment had been made by MARTENS and the $75,000.00 was the balance owed which may also have been partially for drugs and chemicals also sold by Allied.

Subject injected that if only a man were to save every piece of correspondence that he had written or received during his lifetime, he would easily be able to refute such stories as the above.

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Returning to the Allied Drug and Chemical Company, subject noted that his father's partner, FINGERHOOD, had not shared his father's political views, and, if anything, was just the opposite, their relationship being strictly business. FINGERHOOD in later years brought suit for a half million dollars against ARMAND and HARRY, but the case was dismissed. He believed FINGERHOOD to be alive and in business today.

When ARMAND and HARRY took over the business in 1918, it was on an equal ownership basis, which arrangement has carried through their entire lives and exists even to this day. VICTOR later joined them in some of their enterprises and he was always taken care of, but the ownership in any of their concerns has always been vested equally between subject and his brother, HARRY. At the start of their operation of Allied Drug and Chemical Company, HARRY handled the manufacturing end of the business and subject took charge of sales. At that time, their sales to the Russian Government formed only a small part of their total business. It was in an effort to increase this business, as well as secure the aforementioned $75,000.00 owed their concern, that he first travelled to Russia in 1921.

He departed from the United States on July 4, 1921 on the SS ACQUITANIA and was carrying a film and an open letter from the Technical Aid Society to be delivered to LUDWIG MARTENS from CHARLES RECHT. He carried these, he stated, only as a favor to both the above individuals figuring that it might ease his entrance into Russia and assist him in accomplishing his mission.

He remained in Russia until October or November of 1921, at which time he returned to the United States and he and HARRY formed the Allied American Corporation. They began this company with $500,000.00 paid in capital and later secured contracts from the Ford Motor Company and other large American concerns. He then returned to Russia again, possibly in the spring of 1922.

He could not recall ever having attended a dinner in honor of CHARLES RECHT in June of 1922, but stated he did remember that his newly formed organization had held a dinner at the Beaux Arts Hotel in New York City around that time, at which affair he was guest of honor and made a speech. He stated RECHT might possibly have attended same, but it was so long ago that he no

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longer recalled who all were present. He stated, however, that it received considerable publicity at the time and there were articles in many of the newspapers concerning it, and his new venture in Russia. Many prominent business leaders had attended and they were overwhelmed with the business possibilities that Russia afforded at that time.

BORIS MISHEL accompanied subject when he returned to Russia in 1922. MISHEL was Business Manager for the Allied American Corporation at the time, and subject noted that it was MISHEL who actually effected the recovery of the $75,000.00 which the Russian Government owed them at the time.

Subject introduced MISHEL to LUDWIG MARTENS in Russia and through MARTENS and the various government agencies he had to contact, MISHEL recovered the money. The collection did not pose too great a problem at the time, for it was then that they were exchanging grain from the United States for Russian furs, and they simply threatened to suspend grain shipments pending receipt of the money owed them, and since the Russians were in dire need of the grain, they cooperated.

Subject first hired BORIS MISHEL through an old schoolmate, DANIEL MISHEL, with whom he attended Columbia Medical School in New York City. DANIEL and he were good friends and during the period subject was both attending school and working with Allied, DANIEL used to furnish him with the notes he had taken from class lectures that subject missed attending, and they collaborated on various courses. BORIS MISHEL was either a cousin or uncle of DANIEL'S and it was through the above association that he met and later hired BORIS as Manager of Allied. He added that BORIS had died six or seven years ago.

Concerning his trips to Russia, subject stated that to the best of his recollection, he made the first trip in 1921, possibly two in 1922, one in 1923, and 1924, none from 1925 to 1929 until his return to the United States in 1930 or the end of 1929. He stated that on none of these trips, with the exception of the first previously described, did he ever carry messages, funds, or perform any missions or services for the Russian Government or act as a courier in any way. This was also true of the other members of his family so far as he knew.

He added that VICTOR went to Russia in 1922 and remained uninterruptedly until 1928 when he returned to the United States

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and started the L' Hermitage and later managed the Hammer Galleries. HARRY went over in 1923 and then to London, England, in 1924 where he remained until 1928 when he also returned to the United States. HARRY made no trips to Russia in the interim to subject's recollection. His parents, JULIUS and ROSE HAMMER went to Russia at the end of 1923 or 1924 where they remained until he sold out in 1930.

Subject stated that he actually managed the operations of the Allied American Corporation in Russia, and that while his father had a desk in the office, he acted primarily as interpreter, as well as occasionally contributing medical articles to various Russian papers. The company maintained offices in New York, Moscow, Riga, Berlin and London. He stated that ALEXANDER GOMBERG was the Manager of the Riga office and he was also an uncle of the subject. GOMBERG had been the Ford representative in Odessa, Russia, prior to the revolution, but had escaped from Russia and was a rabid anti-Communist. It was through his uncle that he hired MIRON GOLDBERG as manager of their Berlin office. SYDNEY BENABAU was the manager of the London office and subject believed HARRY may have hired him.

He advised, however, that he felt each manager was completely loyal to him and also anti-Communist. Each office had as many as a dozen employees and was autonomous. There were no transfers of funds except in the normal course of business activity. He added that he was quite certain that no funds were ever transferred through the Allied American Corporation to finance espionage or Communist Party activity in either the United States or Great Britain to his knowledge, and he did not believe such a transfer would have been possible without his knowing it.

He did not recall ever having done business with the Moness Chemical Company in New York City and did not know JACOB MONESS. He added that his father could not have done business with that concern without his knowledge, and he never heard his father mention either JACOB MONESS or the Moness Chemical Company, and knew of no monetary loans or contributions made to them.

He recalled that on one occasion, perhaps in 1925 or 1926, the Allied American Corporation sold some wool to ARCOS

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in London in a transaction involving possibly a million dollars. ARCOS was the purchasing agency for the Russian cooperatives and was completely autonomous which explained why they would make the transaction with the London Office of Allied American Corporation instead of in Moscow. He added that BENABAU made the contact with ARCOS and completed the transaction. He had no recollection of Allied American ever doing business with Amtorg Trading Corporation either in their Russian office or any other branches.

In commenting on the various individuals he mentioned in his book, he stated that only two of these were ever in the United States to his knowledge. He recalled reading many years ago that MIKOYEN, who had been a secretary of a local Communist Party in Russia and later became Commissar of Home and Foreign Trade in Russia and one of the leading Russian Communist Party officials, was in the United States, but he could not remember where he saw the information, why he made the trip here, or any other details concerning his presence in this country.

The only other individual was LITVINOV, then Vice-Commissar of Foreign Affairs and one of the signers of his pencil factory concession, who later came to the United States as an official representative of the Soviet Government.

Neither of the above individuals ever contacted him at any time, nor he them. He stated they would have had no reason to do so, and would not have regarded him as a good business contact because they had ample contacts of their own through Amtorg.

He added that he had no knowledge of any other members of the Communist Party in Russia, Bolsheviks, officials of the Soviet Government or any individuals who could conceivably be acting as espionage agents or engaging in subversive activity as either visiting or residing in the United States at any time since his return to Russia, up to and including the present.

Subject could not recall the first name of the ADAMS he mentioned in his book, but stated he was an American engineer

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who had operated an automobile factory near Moscow, and he did not believe he was identical with ARTHUR ALEXANDROVICH ADAMS, the notorious Russian espionage agent.

He stated his relationship with the various Russian representatives he mentioned had at all times been strictly business, and it was next to impossible to entertain them in the sense of inviting them into your home for dinner or similar activity. The primary reason was because all the foreign businessmen were regarded with suspicion and none of the Russian officials cared to mingle with them any more than necessary for fear suspicion would be cast on them also.

Subject commented that LUNACHARSKY only came to his home the one evening when subject was entertaining a group of American professors who were visiting Russia, and that was primarily because he was then the Russian Minister of Education.

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As additional examples of the suspicion with which he was regarded, he stated at one time while he was living in Moscow he observed a motorcycle with a sidecar containing Russian police which would follow him wherever he traveled. He finally protested to the head of the concessions committee concerning same, and after some delay was informed that they were supposed to be bodyguards for his own protection. However, shortly after his protest the practice stopped and he entertained little doubt but what they were checking on his activities.

Also, ALICE FOULIS, whose maiden name he could not recall, had been his private secretary for many years in Russia. She later met and married JACK FOULIS, who was on HERBERT HOOVER's staff in Moscow and later employed by Army intelligence service, and terminated her employment with subject shortly thereafter.

When she was leaving, she informed him that during the entire period she had worked for him she was required every evening to take his trash or wastebasket down to a member of the Russian Secret Police who would collect it from her. She was warned not to advise him of this action during her employment with him but felt that since she was leaving, she could safely inform him of same.

Subject added that ALICE FOULIS' parents had been United States citizens who had returned to Russia and were living there when he secured her employment. She and her husband returned to the United States after their marriage and JACK later worked for subject in the United States. He subsequently became one of the deputy administrators for the War Production Board and is believed to be with the Department of Agriculture, owning his own home in Washington, D. C. at the present time.

Lastly, subject stated he enjoyed no immunity from the Russians as mentioned above and added that LURYEA, a Russian who had been his right-hand man and treasurer of his company, was arrested in the middle of the night in some illegal activity in which he was the innocent victim, and it was only with extreme difficulty that he was able to establish LURYEA's

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innocence in the eyes of the Russian police. Subject commented that he was always able to use the threat of withdrawing from Russia entirely in instances such as the above, and since the Russians did not want any disturbances that would damage their reputation, thus causing loss of foreign trade, they would usually acceed to reasonable demands.

Subject stated that while they were working in Russia both he and VICTOR married Russian girls. VICTOR was married to VARVARA HAMMER and they had one son born approximately 1926 whom they named ARMAND HAMMER, after the subject. Subject married Baroness OLGA VON ROOT and they also had one son whom they named JULES. VICTOR subsequently divorced his wife and later returned to the United States, leaving both his wife and son in Russia, later attempting to have his son also brought to the United States.

Subject stated the boy had been registered at the United States Embassy at birth, but the Russians refused to recognize his American citizenship. The stringency of their rules in this regard fluctuated from time to time, however, and during the periods of leniency when VICTOR might have effected his son's release, his mother would not give her consent unless she too could come to the United States, which could not be arranged. Later, when she saw the possibility of her coming was hopeless, she granted consent for the boy to leave, but by this time the restrictions were rigidly enforced and it was not possible to arrange for the departure of his son.

Subject stated he managed to get his own wife and son out by a pretext of taking a vacation in France, from which they never returned, but he stated it would have been too risky for him to attempt to bring VICTOR's son as well. He commented that VICTOR made several subsequent trips to Russia, possibly in 1934 and the last in 1936, to secure art treasures and visit the boy but after 1936 he could not obtain a visa and has been unable to see him since.

He was able, through General BEDELL SMITH, who was then Ambassador to Russia, to get some money to the boy. It was next to impossible to send his son money through the normal manner, since the rate of exchange of American currency for

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Russian was so unfavorable. He stated the Soviet Government never suggested any ransom or the performance of any obligation as a condition to the release of VICTOR's boy. He added that J. D. STAMM, formerly Secretary to Ambassador DAVIES in Russia, was quite familiar with VICTOR's efforts to obtain his son's release and stated STAMM now resides 120 East 95th Street, New York City.

Subject left Russia in the latter part of 1929 or early 1930, at which time he went to France where he remained for approximately one year. During this time he was engaged in purchasing Russian acceptances which were then being sold at from twenty to twenty-four per cent discount by foreign businessmen. He felt certain that the Russians would honor these obligations because he knew they were trying to establish and maintain foreign credit and could not afford to default on these obligations.

This venture was quite profitable and he continued it even after arriving in the United States, and for a time he would contact various business concerns in this country suggesting that they make their transactions with the Russian Government with his willingness to accept the Russian notes at discount in mind, which some of them did.

He explained that they would price their products to the Russians in such a manner that his discount was taken in consideration. In other words, the concerns would price their products so that the Russian down payment and subject's discounted price on the note of the balance to be paid would equal the normal selling price of the product. The advantage to the business concerns was that they received full immediate cash payment for their products at their normal selling price without having to incur any risk of default on the balance.

Subject stated that while engaged in this activity in France, he mingled with various Russian refugees who had information on these notes. They acted more or less in the capacity of "runners" who would locate and arrange for subject to purchase same, thereby receiving a small commission from either the seller or subject. Most of these refugees were opposed to the Russian Government then in existence and none of them were Soviet agents to his knowledge. He was certain that he never made any payments to them as such.

Engaging in the aforementioned activity, he had no contact with the Soviet Commercial Mission in Paris since they were strongly opposed to his activity due to its effect on the

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credit of the Soviet Government. He did not recall knowing or contacting anyone by the name of SAMSON MAUSON in Paris. He did, however, remember one SAMPSON MANSON who he arranged to get out of Russia in 1925 or 1926, during the period subject was operating the Allied American Corporation.

MANSON was a rather well-to-do Russian businessman and as such had many valuable business contacts outside of Russia. He recalled that MANSON was very corpulent and had what you might term a "pot-belly." During the above period, MANSON approached him one day in Russia with a picture that MANSON's son had brought home with him from the Russian school he attended. The picture was of MANSON and had a knife sticking in his stomach and had been passed out to the class as a sample of what was going to happen to the capitalists. MANSON felt quite badly about the entire matter and commented to subject that that was what they were teaching his son.

Subject stated he never forgot that incident and it is probably the primary reason he remembered SAMPSON's name. He did, however, effect SAMPSON's departure from Russia, and SAMPSON was also able to take his family with him, though subject could not recall the specific details. He felt that SAMPSON would be able to secure additional business for the Allied American Corporation; however, Allied's activities were terminated shortly thereafter and he had no further contacts with him.

SAMPSON never had time to secure business for Allied and subject never heard from him later nor contacted him when he was in Paris. He added that SAMPSON was the only individual whose release from Russia he effected and he received no word of SAMPSON's later activities. He felt certain, however, that SAMPSON retained little sympathy for the Soviet Government.

Subject stated that after he returned to the United States, he formed the A. Hammer Cooperage Corporation which was his start in the business of manufacturing alcohol. They were having difficulty in securing the appropriate wood to be used in the construction of the barrels and so subject, remembering forests in Russia containing the appropriate type of wood, contacted Amtorg to arrange for the purchase of barrel staves.

They received some shipments as a result of the above, but the wood did not stand up and later other American

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manufacturers got into business and made a more desirable product. Subject commented that it was during this period that he was involved in litigation with the Trust Company of North America, and he furnished a letter dated July 23, 1945 from Mr. T. J. AHEARN, Jr., Assistant Manager of the New York Loan Agency of the Reconstruction Finance Corporation during 1934.

This letter stated in part that in September 1934, when Mr. DANIEL J. MAHONEY was Manager and Mr. T. J. AHEARN, Jr. was Assistant Manager of the New York Loan Agency of the Reconstruction Finance Corporation, the A. Hammer Cooperage Corporation filed an application for a loan of $50,000.00. Because of litigation that was then pending between the Trust Company of North America and the A. Hammer Cooperage Corporation, the Reconstruction Finance Corporation was unable to grant a loan until said litigation was terminated. On September 30, 1936, the Reconstruction Finance Corporation authorized a loan of $40,000.00 to the A. Hammer Cooperage Corporation.

The letter continued that Mr. J. M. MINES, owner of the National Stave and Heading Company, located possibly in Nashville, Tennessee, was one of the largest creditors of the A. Hammer Cooperage Corporation. MINES complained of what he characterized as unethical banking practices being employed by the Trust Company of North America. As a result of this complaint, the then president of the Trust Company of North America was interrogated by Mr. MAHONEY and Mr. AHEARN in the presence of Dr. HAMMER.

The letter noted that an article appearing in the "New York Times" of March 28, 1935, reported that Dr. HAMMER had negotiated with the Trust Company for funds with which to finance the importation of barrel staves from Russia, and that when the first consignment of staves arrived, the Trust Company repudiated its agreement.

The article noted that these negotiations resulted in terms so unfavorable to the Hammer Company that the bank was able to collect more than $50,000.00 in bonuses for $100,000.00 worth of financing in about one year. In addition, the company was obliged to pay about $25,000.00 more for each additional $100,000.00 worth of financing.

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The article also reported the decision of Supreme Court Justice Mc COOEY, in which he refused to liquidate the A. Hammer Cooperage Corporation on the application of the Trust Company. In his opinion, Justice Mc COOEY stated, "that said agreement was not entered into voluntarily by the defendant but the execution thereof was procured by the plaintiff by reason of fraud, misrepresentation, compulsion, force and duress and by unconscionable acts practiced by the plaintiff and its officers." The Trust Company was the plaintiff in this case and A. Hammer Cooperage Corporation the defendant.

The letter added that in Mr. AHEARN's opinion, Dr. HAMMER was a business executive of unusual ability and unquestionable honesty and integrity.

The above letter is retained in the files of the New York Office.

Subject advised that the A. Hammer Cooperage Corporation was the predecessor to the United Distillers of America, which he and HARRY HAMMER own. He explained there are three companies, the United Distillers of America, which is the holding company incorporated in Delaware; the United Distillers of America, which is the New York company incorporated in that state, and the United Distillers of America, Limited, which is incorporated in Maryland.

He explained that HARRY and himself completely control the finances of these companies, although they do have RAYMOND C. DICKIESON who acts as comptroller. DICKIESON is the only one outside of HARRY and himself who has authority to sign company checks and he usually does so. He stated this arrangement has been true since 1945 and possibly earlier, and that those three would be the only ones with authority to make charitable or other contributions. He stated that to his knowledge neither he, his companies nor other members of his family have ever made such donations to the Communist Party or Communist front organizations, and that if any such donations were made, it was without his knowledge.

Subject stated that he has not done any business with Amtorg, other than the barrel staves mentioned above, any time since his return from Russia. He stated that United

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Distillers do occasionally charter ships for the transportation of industrial alcohol, but they do not have any broker handle such matters. SAMUEL PORTNOY is their traffic manager and he handles all such items. He added that he and HARRY select most of the executive personnel and that HARRY BARRON, MISHA STONE and JOHN BEARDSLEY all came to United from Seagrams about seven or eight years ago. Employees below the executive level are hired by RAYMOND C. DICKIESON and Miss MINDEL SUSSMAN, their office manager.

Subject advised that all of his personnel are absolutely loyal Americans and he would not hire or keep them in his employ if they were not. He commented that a Communist sympathizer is either a rogue or a fool, and in either event he would not want to associate with them or have them working for him.

Subject stated that even as far back as his days in medical school, he could not recall ever having belonged to any clubs or organizations which would now appear or could be considered subversive in any sense of the word. He stated he had a high scholastic record, was a member of Alpha Omega Alpha and was offered one of the two interneships at Bellevue Hospital, New York City, that were tendered graduates of Columbia at that time and were considered quite an honor to receive. He never accepted same due to his activities with the Allied Drug and Chemical Company, although he later took a two-week refresher course at Bellevue in order to pass the State Medical Board examination prior to the time when interneship was one of the conditions for obtaining a license to practice medicine.

He stated that while associated with the Allied Drug and Chemical Company, CHARLES RECHT and LUDWIG MARTENS were the only Russian representatives his father mentioned or to whom his father introduced him, to his recollection. He could not recall his father ever donating money to RECHT, MARTENS, ABRAM JAKIRA, WILLIAM Z. FOSTER or the Central Bureau for Technical Aid to Russia. He never heard his father mention JAKIRA or FOSTER, nor does he know them himself.

He stated that his father was financially incapable of making any substantial financial contributions to the above

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or any organizations during 1919 or at any time later in his life up until his death because of the loss of his money in the Allied Drug and Chemical Company. His father never regained his wealth and he and HARRY always took care of him financially. His father never had control of very large sums of money thereafter. He added that after his father returned from Russia, he was able to clear himself of his earlier conviction and resumed practice with an office in the Wellington Hotel in New York City, which he maintained with an assistant up until his death.

He noted that his father may have been a "joiner" insofar as Communist front organizations were concerned but stated this was always a "sore" subject with the other members of the family and he did not know any specific organizations to which his father belonged. Subject never met nor heard his father or anyone else mention JACOB M. MONESS, JULIUS HERMAN, HEYMANN LACHOWSKY, JOSEPH T. FEINSTEIN or ALEXANDER I. KOVALEV. The name BOJATZJ was totally unfamiliar to him and he never knew of an employee by that name with Allied American Corporation, nor was it ever used as a code name or cable address.

He stated the address Krasnaia Presnia 6/2 KVI Moscow was unfamiliar to him and he never resided or conducted business at such an address, nor did he ever recall visiting same. He stated he has never contacted nor been contacted by any representatives of the Soviet Government in this country either as members of Amtorg, the Soviet Embassy, United Nations delegates from Russia or any other residents of Russia or members of the Soviet Government, other than his relationship with Amtorg previously described.

While in Russia, he never trained German police dogs or any other animals either for the Soviet police or as a personal hobby to his recollection.

Concerning the letters appearing in his book received from LENIN, he stated that the one addressed to him as "Dear Comrade Hammer" was sent to him prior to the one addressed to him as "Dear Mr. Armand Hammer."

Subject stated that the Hammer Galleries are self-sustaining, are now operated by VICTOR HAMMER, and he knows of

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no Communist activity in connection therewith. The Galleries, as are their other enterprises, are owned by HARRY and himself but they have always taken care of VICTOR.

Subject stated that he could have been a member of the Institute of Pacific Relations in 1937, although he does not believe so. He stated that was a strange organization insofar as knowing what its objectives and purposes were, and it was not generally considered subversive at its inception. He never attended a stockholders meeting of the Peoples Radio Foundation held in 1946 at the Hotel Albert in New York City, nor a fall dinner of the Joint Anti-Fascist Refugee Committee at the Waldorf Astoria in that same year. If his father did, it was without his knowledge.

He also stated that he had no knowledge of HARRY HAMMER ever being involved in the sale of oil to Mexico during 1939 or at any other time, to his knowledge. He added that he is completely convinced of the loyalty of his brothers and their wives to the United States Government and does not believe they would in any way be involved in Communist or Communist front activity.

He stated that he was glad to get back to the United States after his experiences in Russia and said that he would not change the last two paragraphs of his book even today. He was naturally guarded in some of the statements he made in his book because he felt that he might want to do business with the Russians again sometime and, therefore, it would be foolish to incur their ill will.

He added that he would do business with the Russians even today, so long as it was not against the interests of the United States. In other words, he would not sell them any war weapons if he were manufacturing same, but if they wanted to buy whiskey from him, he would be willing to sell it to them. He stated that all through his life he has never known Russia to default on a single bona fide business obligation, and that while their promises in the realm of politics might not always be reliable, he would consider them a good credit risk in the business sense.

Subject advised that he is convinced that had LENIN remained alive, Russia would eventually have became a republic.

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He believes that STALIN's present system and his anti-new world policy must ultimately collapse. Even assuming the Russians are sincere and honest in their present form of government, they are going against the principles of human nature and that government cannot survive. He noted the principle of private property has made the United States what it is today.

He added that the United States made a serious mistake in not having a showdown with Russia when they first developed the atom bomb. That would have been a controlling factor in negotiations at that time, whereas now that both sides have it, the issue of which country has the larger number is of relatively minor importance.

Subject indicated his willingness to answer any questions concerning his activities and named the following individuals as references for additional information concerning his background and activities:

Judge BOTEIN, Supreme Court Justice who married ARMAND HAMMER and his wife.

Congressman EMANUEL CELLER, who was Chairman of the House Judiciary Committee.

IRVING FRIEDMAN, 35 Ryerson Street, Brooklyn, who served overseas with HARRY HAMMER during World War I.

GEORGE GREGORY, born in Russia, who operated the same type of arrangement as ARMAND enjoyed in Russia, only his enterprise involved the manufacture of buttons. His current office is located in the Empire State Building, New York City.

LOUIS BROIDO, Executive Vice President of Gimbel Brothers, whom subject has known since his art dealings with that store.

KARL BICKEL, former President of the United Press Association, whom subject met through his art purchases and who now resides on the west coast of Florida.

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Judge HAROLD KENNEDY, who was their attorney in the Trust Company of North America litigation.

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Description

The following description was obtained from observation and interrogation of subject:

Name:	Dr. ARMAND HAMMER
Born:	May 21, 1898, New York City
Height:	5' 8"
Weight:	190 lbs.
Hair:	Black, graying
Eyes:	Blue gray
Complexion:	Ruddy
Scars and marks:	None known

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Residence:	Alexander Drive, River Plaza, Red Bank, New Jersey and 183 West Fourth Street (used occasionally when staying in New York City)
Marital Status:	Married; Wife: Mrs. ANGELA CAREY HAMMER
Immediate Relatives:	JULIAN HAMMER (Son) (Birth name JULES, born in Moscow in 1928 or 1929.)

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- [ ] For your information:
- [x] The following number is to be used for reference regarding these pages:
  61-280-142 pgs. 96 thru 100

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FBI/DOJ

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

FEB 20 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. Nease
Miss Gandy

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11-10-91 BY [illegible]

[redacted]

WASH 13 FROM NEW YORK 20 3-49 PM

DIRECTOR DEFERRED

ARMAND HAMMER, WA, IS DASH R. BUFILE SIXTY ONE DASH TWO EIGHT ZERO. REBULET FEB. EIGHT LAST AND NYTEL FEB. EIGHTEEN LAST. OFFICES OF SUBJECT AND UNITED DISTILLERS OF AMERICA OCCUPY ENTIRE SEVENTY EIGHTH FLOOR OF EMPIRE STATE BUILDING, NYC, AND INTERVIEW WILL BE CONDUCTED IN SUBJECT-S OFFICE AT HIS REQUEST. SUBJECT APPEARED RECEPTIVE TO INTERVIEW BUT DECLINED TO APPEAR AT NYO FOR REASONS OF HEALTH. THE PROBABILITY THAT FORTH COMING INTERVIEW WILL BE RECORDED BY SUBJECT ISSUBMITTED FOR THE BUREAU-S OBSERVATION. NO INFORMATION PRESENTLY AVAILABLE TO VERIFY ABOVE OTHER THAN IT APPEARS LOGICAL FROM REVIEW OF SUBJECT-S PAST ACTIVITIES AND HIS APPARENT INTENSE INTEREST IN THIS MATTER. HIS ACCESS TO COUNSEL IS ALSO NOTED. ACCORDINGLY, UACB, INTERVIEW WILL BE CONDUCTED IN PRESENCE OF SUBJECT-S ATTORNEY IF HE REQUESTS SAME AND WILL BE CONDUCTED BY ONE AGENT THIS OFFICE PER INSTRUCTIONS IN REBULET.

SCHEIDT

APR 15 1952

61-250-143

APR 3 1952

[redacted]

HOLD

CORR PLS THIRD LINE FROM BOTTOM FIFTH WD SHD BE "UACB"

FEBRUARY 22, 1952 - URGENT

SAC, NEW YORK

61-280 143

ARMAND HAMMER, WA, INTERNAL SECURITY DASH R. NEW YORK FILE ONE HUNDRED DASH SIX NAUGHT FIVE EIGHT SIX. REURTEL OF FEBRUARY TWENTY, LAST, WHICH ADVISED THAT SUBJECT WOULD BE UNABLE TO COME TO THE NEW YORK OFFICE FOR INTERVIEW QUOTE FOR REASONS OF HEALTH UNQUOTE. YOU ARE INSTRUCTED TO RECONTACT THE SUBJECT AND ADVISE HIM THAT SENATOR STYLES BRIDGES HAS SUPPLIED THE BUREAU WITH A STATEMENT CONCERNING THE SUBJECT'S BACKGROUND AND ACTIVITIES. SENATOR BRIDGES INDICATED THAT THE SUBJECT WANTED THIS STATEMENT FILED AT THE BUREAU AS IT CONTAINED ANSWERS AND EXPLANATIONS TO QUESTIONS WHICH MIGHT HAVE BEEN RAISED REGARDING THE SUBJECT'S LOYALTY. IN VIEW OF THE APPARENT DESIRE OF THE SUBJECT TO REBUT OR EXPLAIN SPECIFIC ALLEGATIONS AGAINST HIM, THE SUBJECT IS BEING GIVEN THIS OPPORTUNITY TO DO SO. IF HE IS SINCERELY INTERESTED IN SUPPLYING THE BUREAU WITH THIS INFORMATION, HE MAY DO SO BY COMING TO THE NEW YORK OFFICE FOR INTERVIEW. IT IS NOTED THAT THIS INTERVIEW SHOULD BE CONDUCTED WITHIN THE CONFINES OF THE NEW YORK OFFICE. SUTEL BUREAU WHEN THESE INSTRUCTIONS HAVE BEEN CARRIED OUT AND ADVISE OF SUBJECT'S REACTION TO THE SAME.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 11-10-81 BY SP1 ASK/gp

HOOVER

APR 11 1952

17

RECEIVED - DIRECTOR F B I U.S. DEPT. OF JUSTICE FEB 22 5 10 PM '52

Tolson
Ladd 61-280
Nichols
Belmont
Clegg
Glavin
Harbo RWS:BRG
Rosen
Tracy
Mohr
Tele. Rm.
Nease
Gandy

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

FEB 22 1952

Were Sent 2-22-52

TELETYPE

APR 15 1952

6-10-PM

STANDARD FORM NO. 64

CONFIDENTIAL

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director

DATE: February 21, 1952

FROM : D. M. Ladd

SUBJECT: ARMAND HAMMER, wa.
INTERNAL SECURITY - R

PURPOSE:

To bring to your attention New York Office teletype of February 20, 1952, in the captioned matter, in which it was stated that the subject appeared receptive to an interview; but, declined to appear at the New York Office for interview "for reasons of health." The subject requested the interview to be conducted in his office, in the Empire State Building, New York City. This presents a possibility of the recording of this interview by the subject and ready access to his attorney without giving prior notification. A teletype to the New York Office is attached advising them to recontact the subject and advise him that Senator Styles Bridges has supplied the Bureau with a statement regarding the subject's background and activities. Senator Bridges indicated that the subject wanted this statement filed at the Bureau as it contained answers and explanations to questions which might have been raised regarding the subject's loyalty. In view of the apparent desire of the subject to rebut or explain specific allegations against him, the subject is being given this opportunity to do so. If he is sincerely interested in supplying the Bureau with this information, he may do so by coming to the New York Office for interview. This interview should be conducted within the confines of the New York Office.

Class. & Ext. By SP/ASR/
Reason-FCIM II, 1-2.4.2

BACKGROUND:

[redacted]

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE.

61-

RECORDED - 118

INDEXED - 118

61-280-177

RWS:gmu:amk:brg
Attachments
61-280

EX-98

APR 15 1952

[redacted]

67C

CONFIDENTIAL

On January 21, 1952, Senator Styles Bridges delivered to the Director a statement concerning the subject's background and activities. Senator Bridges indicated that the subject wanted this statement filed at the Bureau as it contained answers and explanations to questions which might have been raised regarding the subject's loyalty. In view of this apparent desire of the subject to rebut or explain specific allegations against him, a memorandum to the Director dated February 6, 1952, attached a letter to the New York Office which instructed the New York Office to interview the subject. This interview was scheduled for March 3, 1952. (61-280-14, 16, 17, 47, 66, 71)

CURRENT DEVELOPMENT:

New York Office teletype of February 20, 1952, advised that Hammer appeared receptive to the proposed interview; but, declined to appear at the New York Office for interview "for reasons of health." Subject requested that the interview be conducted in his office.

OBSERVATIONS:

An interview of the subject in his office presents the possibility of the subject recording this interview and in addition, he may have ready access to an attorney without giving prior notification. It does not appear that the subject should be allowed to dominate this situation and dictate the conditions of the interview, which is being held at this time to give the subject an opportunity to rebut allegations made against him. In view of the information developed regarding the unscrupulous business dealings of Hammer, he may wish to be in a position to embarrass the Bureau by a recording of instant interview and otherwise use this recording for his own purposes.

RECOMMENDATION:

It is recommended that the attached teletype be transmitted to the New York Office. This teletype instructs the New York Office to recontact the subject and advise him that Senator Styles Bridges has supplied the Bureau with a statement concerning the subject's background and activities.

Senator Bridges indicated that the subject wanted this statement filed at the Bureau as it contained answers and explanations to questions which might have been raised regarding the subject's loyalty. In view of the apparent desire of the subject to rebut or explain specific allegations against him, the subject is being given this opportunity to do so. If he is sincerely interested in supplying the Bureau with this information, he may do so by coming to the New York Office for interview. This interview should be conducted within the confines of the New York Office.

You will recall that the referenced memorandum to the Director of February 6, 1952, recommended that Senator Bridges not be briefed again in this matter until the subject had been interviewed in connection with the specific allegations against him. It was also recommended that the subject's explanations be resolved by an interview and the results disseminated to pertinent agencies in investigative report form. Action in these matters will be taken after it is determined whether the subject will come to the New York Office for interview. You will be kept advised of developments in this regard.

He should come to our office. At was at this instance we re-entered this matter. See that Sen. Bridges is ultimately advised of Hammer's attitude.

4.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. A. H. BELMONT AB

DATE: February 27, 1952

FROM : MR. L. L. LAUGHLIN

SUBJECT: ARMAND HAMMER, wa.
INTERNAL SECURITY - R

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

I called the New York Office today to determine whether Armand Hammer had been interviewed as yet. [redacted] advised that arrangements originally had been made to interview Mr. Hammer on March 3, but that he has requested a postponement until 11:00 A.M. on March 6, at which time he is to be interviewed in [redacted] the New York Office.

b7C

I instructed [redacted] to advise the Bureau promptly of the results of this interview.

b7C

b7C

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11-10-51 BY SP1BSK/jr

LLL:mer

CC: Mr. Ladd

Legat, Havana, Cuba adv. Bur when rep. may be expected 4/18/52 RWS

RECORDED - 118

11-280-145

APR 11 1952

17

EX-98

Confirm Set to NY 2/28/52

b7C [redacted]

5-MM

134

57 APR 15 1952

4-750 (2-7-79)

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FBI/DOJ

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI (61-280)

DATE: April 9, 1952

FROM : SAC, New York (100-60586)

SUBJECT: ARMAND HAMMER, wa.
INTERNAL SECURITY - R

Rebulet 3/28/52.

Corrections on New York reports have been made in accordance with instructions set out in relet.

For the information of all offices receiving copies of this letter, the Bureau in relet has directed that this investigation be given preferred attention in order that it may be brought to a logical conclusion in the immediate future. Accordingly, all offices are requested to expedite coverage of outstanding leads in their respective divisions and surep.

cc: Kansas City
Miami
New Haven
Springfield
Washington Field

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11-10-81 BY SP1 DSC/g

RECORDED-137 | 61-280-147
EX-25
APR 10 1952
31

HANDLED BY TOP DESK

HEH:EG

69 APR 17 1952

4-750 (2-7-79)

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FBI/DOJ

STANDARD FORM No. 64

CONFIDENTIAL

Office Memorandum • UNITED STATES GOVERNMENT

TO : THE DIRECTOR

DATE: March 13, 1952

FROM : MR. D. M. LADD

SUBJECT: ARMAND HAMMER, wa.
INTERNAL SECURITY - R

Tolson
Ladd
Clegg
Glavin
Nichols
Rosen
Tracy
Harbo
Belmont
Mohr
Tele. Room

67C [redacted]

PURPOSE:

[redacted]

67C
D

Class. & Ext. By SP1BSK/ajr
Reason-FCIM II, 1-2.4.2 2
Date of Review [illegible]

BACKGROUND:

[redacted] 61 (c)

On January 21, 1952, Senator Styles Bridges delivered to the Director a statement prepared by Armand Hammer. This statement set forth the background and activities of Hammer and had for its apparent purpose the rebutting of allegations made against him. Armand Hammer came to the New York Office for interview in connection with the specific allegations against him on March 6, 1952, after previously refusing to do so for reasons of health. The New York Office is preparing a report in this matter setting forth Hammer's answers to specific allegations. This will be brought to your attention and the briefing of Senator Bridges, as well as the dissemination of this report handled upon its receipt at the Bureau. (61-280-14, 16, 17, 47, 66, 71; cable from Paris 2-29-52 in captioned matter)

[redacted]

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE.

RECORDED: 61-280-150

RWS:gmu
61-280

memo from Mr. [redacted] 4/7/52

HANDLE

EX-18 67C

APR 28 1952 CONFIDENTIAL

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4-750 (2-7-79)

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FBI/DOJ

STANDARD FORM NO. 64

CONFIDENTIAL

Office Memorandum • UNITED STATES GOVERNMENT

TO : THE DIRECTOR

DATE: March 29, 1952

FROM : MR. D. M. LADD

SUBJECT: ARMAND HAMMER, aka
Dr. Armand Hammer
INTERNAL SECURITY - R

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

67c [redacted]

PURPOSE:

To bring to your attention the results of the interview [redacted] of Armand Hammer by the New York Office. You will recall that Senator Styles Bridges delivered a statement to you on January 21, 1952, and he advised that Hammer wanted this statement filed with the Bureau as it included explanations to questions of Hammer's loyalty. In view of this apparent desire of the subject to rebut or explain specific allegations against him, subject was interviewed at the New York Office on March 6, 1952. The result of this interview is incorporated in investigative report form and is being disseminated to agencies that previously have been furnished information concerning Armand Hammer along with other pertinent information developed. A blind memorandum is attached setting forth the pertinent background, allegations and results of the interview with Armand Hammer for the briefing of Senator Bridges in connection with this matter. [redacted] It is recommended that Senator Bridges be apprised of the uncooperative attitude of Armand Hammer when originally contacted for interview. Senator Bridges also should be advised that investigation in this matter will continue for the purpose of determining the facts, particularly in those instances in which discrepancies exist, between the allegations and Armand Hammer's explanations. The fact that the results of the interview of Armand Hammer is being disseminated to agencies previously receiving information concerning him, should be brought to the attention of Senator Bridges.

Class. & Ext. By SP1BSK/jm
Reason-FCIM II, 1-2.4.2
Date of Review 11-12-91

BACKGROUND:

[redacted]

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

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RWS:
61-280

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61 MAY 5 1952

CONFIDENTIAL

EX-18

On March 6, 1952, Armand Hammer was interviewed at the New York Office and advised that he met Ludwig Martens and Charles Recht through his father. It is noted that Martens claimed to be the unofficial Soviet Ambassador to the United States, and Charles Recht was named as his attorney. Hammer denied the allegation that $75,000 was recovered from the Soviet Government for money loaned in the United States for Communist purposes. He claimed that this money was recovered from oil machinery sales to Ludwig Martens. Hammer admitted carrying a letter and film to Ludwig Martens in Russia in 1921, on behalf of Charles Recht, to facilitate Hammer's entry into the Soviet Union. Hammer denied any connection with the Moness Chemical Company or Jacob Moness in New York City; denied any contact with the Soviet Commercial Mission in Paris; denied training dogs for the Soviet police; denied contacts with Soviet agents; and denied carrying any messages or funds for the Soviets other than that previously mentioned. Hammer claimed only one business dealing each with the Soviet trading concerns, Arcos in London, and Amtorg in New York City. The more recent of these dealings was in the early 1930's. Hammer denied any knowledge of Communist Party donations or activities by any member of his family, including himself. Hammer stated that he could have been a member of the Institute of Pacific Relations in 1937. (Report of Special Agent [redacted] at New York, dated March 20, 1952.)

b7C

[redacted]

b7C, D

CONSIDERATIONS:

[redacted]

b7C D

CONFIDENTIAL

b7C,D

[redacted]

7C

It is noted that an investigation of United Distillers of America, Inc., United Distillers of America, Limited, and the West Shore Wine and Liquor Company, holdings of Armand Hammer, was initiated by the Bureau of Internal Revenue upon a complaint received in 1946. Before this investigation had progressed to any extent, amended returns were filed and the investigation was discontinued. (Ibid 47, 58)

RECOMMENDATION:

It is recommended that Senator Styles Bridges be briefed as to the facts in this matter in accordance with the facts included in the attached blind memorandum [redacted] Senator Bridges should be apprised of the uncooperative attitude of Armand Hammer when he was originally contacted in regard to an interview at our New York Office. It is noted that Hammer claimed that he could not come to the New York Office for reasons of health. In addition, Senator Bridges should be advised that the investigation in this matter is continuing for the purpose of determining the facts, particularly in those instances in which discrepancies exist between the allegations and Armand Hammer's explanations. Pertinent developments in this connection will be brought to your attention. Senator Bridges should also be advised that the result of the interview of Armand Hammer is being disseminated to agencies previously receiving information regarding Armand Hammer.

b7D, c

Handled [illegible] Memo to [illegible] 4/15/5[illegible] Agree [illegible] I concur. [illegible]

CONFIDENTIAL

~~CONFIDENTIAL~~

~~SECRET~~

March 31, 1952

RE: ARMAND HAMMER, aka
Dr. Armand Hammer

BACKGROUND AND ACTIVITIES:

670 [redacted] advised that Armand Hammer was born on May 21, 1898, in New York City, the son of Dr. Julius and Rose Hammer.

[redacted] advised that Armand Hammer was assigned to the Student Army Training Corps at Columbia University, New York City, during World War I. [redacted] advised that Armand Hammer received an M.D. degree from Columbia University in June, 1921, and was licensed to practice medicine in the State of New York in 1924.

670 [redacted] advised that prior to 1920, Dr. Julius Hammer assumed complete financial control of the Allied Drug and Chemical Corporation and turned over the operation of this firm to his sons. [redacted] Dr. Julius Hammer assumed complete control of this concern in 1919. 670

670 [redacted] advised that in 1921, Armand Hammer went to Russia, reportedly to establish a field hospital there.

[redacted]

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~~CONFIDENTIAL~~

Class. & Ext. By SPI ASK/mr
Reason-FCIM II, 1-2.4.2,2,3
Date of Review ~~11-10-81~~ 3-31-82
61-280-152 11-12-81

670

b7D [redacted] after his arrival in Russia, Armand Hammer negotiated an exchange of wheat from the United States for a quantity of Russian furs. [redacted] Armand Hammer secured a monopoly to develop asbestos properties in the vicinity of Ekaterinberg, Russia, through the cooperation of Premier Lenin. b7

According to information supplied by the Associated Press under the date of November 5, 1921, Armand Hammer, in the company of Ludwig Martens, visited the asbestos site at Ekaterinberg, Russia.

The June 14, 1922, issue of the "New York Times" and other newspaper accounts, reported that Armand Hammer had returned to the United States and had stated that Premier Lenin had granted him an asbestos concession. According to these accounts, Armand Hammer also displayed a personal letter written to him by Premier Lenin wishing Armand Hammer success in his first concession in the Soviet Union and described this project as of utmost importance for the future trade relations between the Soviet Union and the United States. These accounts further stated that Armand Hammer had advised the press that he had conferred with officials of the Soviet Government and advised them that he was a capitalist and that he was in the Soviet Union to make money.

b7D [redacted] the Hammers formed the Allied American Corporation in 1922 with Armand Hammer serving as Vice President and Secretary. [redacted] his concern acted as an agent in Russia for several prominent United States business concerns [redacted]

b1

[redacted]

b1

[redacted] all of the Hammers, Dr. and Mrs. Julius, Armand, Harry and Victor spent some time in the Soviet Union in the 1920's, in connection with their business enterprises. [redacted] Armand and Victor Hammer married Russian girls, and each had one son as a result of these marriages. [redacted] Armand Hammer married Baroness Olga Von Root, who along with their son, Jules, came to the United States. [redacted] Victor's former wife, Varvara, and their son, Armand, remained in the Soviet Union.

b7D

[redacted] Armand and Victor Hammer remarried United States citizens.

b7D

[redacted] Armand Hammer was President of the concern, A. Hammer, Inc., which was formed in 1927 for the purpose of operating a pencil factory enterprise in Russia. [redacted] in approximately 1930, this enterprise was sold to the Russian Government.

b7D

[redacted]

b1

b1

[redacted]

b7D

[redacted] during the course of Armand Hammer's stay in Russia, he collected various jewels, antiques and art treasures which were sold in the United States. In this connection, [redacted] Armand Hammer was associated with various enterprises to retail this merchandise as well as other merchandise of this nature collected by prominent persons in the United States. [redacted] these enterprises finally resulted in the formation of Hammer Galleries, Inc., chartered in the State of New York in 1924. [redacted] identified Armand Hammer as President of this concern.

According to information appearing in the March 28, 1935, issue of the "New York Times" and other newspaper accounts, the A. Hammer Cooperage Corporation secured a contract with the Amtorg Trading Corporation to purchase Soviet barrel staves.

b7D

[redacted] the A. Hammer Cooperage Corporation was formed in 1933, in the State of New York. [redacted] this concern was succeeded by the Milltown Cooperage Company and organized as a New Jersey corporation.

[redacted] the United Distillers of America, Inc., succeeded the Milltown Cooperage Company and the former concern was described as the parent corporation for several distillery enterprises. [redacted]

4-750 (2-7-79)

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FBI/DOJ

CONFIDENTIAL

SECRET

INTERVIEW OF ARMAND HAMMER:

On March 6, 1952, Armand Hammer furnished the following information:

Hammer advised that his father, Dr. Julius Hammer, had been a member of the old Socialist Labor Party and subsequently became a member of the Socialist Party. When the latter party split, Dr. Julius Hammer associated himself with the "left wing section" and it was probably through this activity that Dr. Julius Hammer met Ludwig Martens and Charles Recht. Dr. Julius Hammer subsequently introduced Armand Hammer to these individuals who were considered good business contacts. The Hammers' concern, Allied Drug and Chemical Corporation, was one of the first concerns to grant the Russians credit.

Hammer stated that he could not recall his father donating any money to Charles Recht, Ludwig Martens, the Central Bureau for Technical Aid to Russia, or others in this category. Further, Armand Hammer claimed that his father would have been financially incapable of making substantial contributions of any nature during 1919, or subsequently, due to his father's loss of money in the Allied Drug and Chemical Corporation. Armand Hammer advised that the Allied Drug and Chemical Corporation had sold oil machinery to Ludwig Martens for delivery to the Soviet Union. This machinery was delivered in 1920 or early 1921, and approximately $75,000 was owed by Martens in connection with this shipment. In order to recover this amount and to increase their business, Armand Hammer advised that he made a trip to the Soviet Union in 1921. He departed from the United States on July 4, 1921, and was carrying a film and an open letter from the "Technical Aid Society" to be delivered to Ludwig Martens from Charles Recht. Armand Hammer advised that he carried these items as a favor to both individuals involved, believing that this might ease his entrance into the Soviet Union and assist him in accomplishing his mission. He remained in the Soviet Union until October or November, 1921, and then returned to the United States. The Allied American Corporation was then formed and secured several contracts with large American concerns. Hammer could not recall having attended a dinner in honor of Charles Recht in June of 1922; however, he stated that his newly formed concern had held a dinner during that approximate time and Charles Recht might have been in attendance. Boris Mishell, business manager for the Allied American Corporation at that time, returned to Russia with Armand Hammer in 1922. Hammer introduced Boris Mishell to Ludwig Martens in Russia, and Mishell subsequently recovered instant $75,000. It is noted that Boris Mishell is deceased.

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Armand Hammer did not recall doing business with the Moness Chemical Company in New York City, and did not know Jacob Moness. He advised that his father could not have done business with that concern without his knowledge, as his father and mother went to Russia with him in 1923 or 1924, and remained there until 1930. Armand Hammer recalled that on one occasion, perhaps in 1925 or 1926, the Allied Chemical Corporation sold some wool to Arcos in London, England. This transaction involved approximately a million dollars. Hammer stated that on none of his trips to Russia, with the exception of the first trip as previously described, did he ever carry messages or funds; perform any missions or services for the Russian Government; or act as a courier in any way. He stated that to his knowledge this also applied to other members of his family.

Armand Hammer advised that he left Russia in 1929 or early 1930, and went to France, where he remained for approximately one year. In France, and subsequently in the United States, Hammer indicated that he engaged in buying "Russian acceptances" which were being sold at a discount by foreign businessmen. While in France, Hammer advised he mingled with various Russian refugees who had information concerning these acceptances. He stated that most of these refugees were opposed to the Soviet Government, and none were Soviet agents to his knowledge. Hammer stated that he had never made any payments to these persons as Soviet agents and had no contact with the Soviet Commercial Mission in Paris. In connection with his Paris activities, Hammer denied knowing Samson Mauson; however, he advised that he had helped Sampson Manson get out of Russia in 1925 or 1926. He described Manson as a Russian businessman.

Hammer advised that after returning to the United States he formed the A. Hammer Cooperage Corporation, which started a business of manufacturing alcohol. They were having difficulty in securing appropriate wood for the construction of barrels in connection with this enterprise and so an arrangement was made to purchase barrel staves from the Amtorg Trading Corporation. Hammer termed this arrangement unsatisfactory and indicated that it was subsequently terminated. Hammer claimed that he had done no other business with Amtorg since his return to the United States.

Armand Hammer stated that his father might have been a "joiner" insofar as Communist Party front organizations were concerned; but, this was always a "sore subject" with other members of the family. Hammer stated that to his knowledge, neither he, his companies, nor members of his family, have ever made contributions to the Communist Party or Communist front organizations.

Armand Hammer denied that he had trained any dogs for the Soviet police; denied being contacted by Soviet representatives other than previously described; denied attending meetings of the People's Radio Foundation or the Joint Anti-Fascist Refugee Committee; and denied any knowledge of Harry Hammer being involved in the sale of oil to Mexico during 1939, or any other time. Hammer stated that he could have been a member of the Institute of Pacific Relations in 1937; however, he does not believe so. Hammer stated that he would do business with the Russians today, so long as it was not against the interests of the United States. He would not sell them any war weapons, if he manufactured the same; but, he would sell whiskey to the Russians, if they were willing to buy it. He stated that while the promises of the Russians in the realm of politics may not always be reliable, he considered them a good credit risk in the business sense.

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Tolson

DATE: April 16, 1952

FROM : L. B. Nichols

SUBJECT: ARMAND HAMMER, WA.
INTERNAL SECURITY - R

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

[redacted]

67c

cc: Mr. Ladd

LBN:hmc

61-280-153

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 11-12-81 BY

RECORDED - 5

EX-18

APR 21 1954

[redacted]

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61 MAY 5 1952

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FBI/DOJ

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT NEW YORK

FILE NO. 61-280

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEWARK	5/22/52	4/1,4,14;5/8, 12/52,5/20/52	[redacted] 67C

TITLE: ARMAND HAMMER, was.

AGENCY State - Army
REQ. REC'D 4-28-58
REP'T FORW. 5-1-58
BY

CHARACTER OF CASE: INTERNAL SECURITY - R

SYNOPSIS OF FACTS: Interview with HAMMER in New York on 3/6/52 reflects father was a partner with one "FINGERHOOD" in the Allied Drug & Chemical Co. HAMMER hired BORIS MISHEL as business manager for Allied American Corp. because of friendship with DANIEL MISHEL, a classmate at Columbia University. [redacted]

RWS - 6/9/52

connected page 3 to N.Y. Record RWS - 6/9/52

67C

AGENCY ICC-NY
REQ. REC'D 10-1-51
REP'T FORW. 11-14-51

AGENCY CDSI DIST OFF 4
REQ. REC'D. 2-24-58
REP'T FORW. 3-6-58 - R U C -
BY

Gov. C.S. - Ins. Rel. re Julius argument Hammer 6/10/5

DETAILS: ARMAND HAMMER was interviewed in the New York Office on 3/6/52, at which time he stated his father, JULIUS HAMMER, had formed a partnership with one "FINGERHOOD" in 1916 or 1917, which was known as the Allied Drug & Chemical Co. HAMMER was unable to recall the first name of FINGERHOOD. HAMMER also advised during this interview that he had hired one BORIS MISHEL as Business Manager for the Allied America Corp. and that MISHEL was instrumental in recovering $75,000 for the company which was owed it by the Russian Government. He also stated that BORIS MISHEL was first hired through his classmate at Columbia University, DANIEL MISHEL.

N.Y. Rep. will be Sub 8/1/52 Rec

DECLASSIFIED BY 201-45649 ON 11-12-81

61-280-160

APPROVED AND FORWARDED: S.K. McKee — SPECIAL AGENT IN CHARGE

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