

Thyssen Has \$3,000,000 Cash in New York Vaults

Union Banking Corp. May
Hide Nest Egg for High
Nazis He Once Backed

By M. J. Racusin

In the tides of economic warfare now surging over the world, the New York Herald Tribune has discovered that Fritz Thyssen, the German industrialist who was Adolf Hitler's original patron on a prodigal scale a decade ago, has \$3,000,000 in American cash salted away in the bank vaults of downtown New York.

In the American colony of Thyssen enterprises perhaps the most interesting is the Union Banking Corporation, 39 Broadway, nominal guardian of the \$3,000,000 cache, all in United States currency—a sort of nest egg for Herr Thyssen or perhaps for some of his high-placed Nazi friends when the present troublous days are over.

Among other Thyssen interests in New York are half a dozen corporations engaged in the shipping, export and import trades, centering chiefly about the coal and steel industries and operating under the wing of the Union Banking Corporation. These organizations did a



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Fritz Thyssen

thriving business in rolling up dollars for Herr Thyssen in years past, but have been brought virtually to a standstill during the last year by the war.

One of the most fascinating as-
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~~B.B.H. & Co's relations~~
with Fritz Thyssen's
Union Banking Corp.,
39 Broadway, of which
E. Roland Harriman,
Harold D. Pennington,
Prescott Bush and
Ray Morris were directors,
along with Cornelius
Lievense, H. J. Kouwenhoven
and J. G. Broeninger, rep-
resenting the Thyssen interests

Thyssen Has \$3,000,000 Cash In Bank He Set Up Here in 1924

(Continued from page one)

pects of this story is the mystery surrounding the real ownership of the Thyssen fortune. At the moment, of course, no one can get at this Thyssen nest egg, because it is part of the \$4,500,000,000 foreign assets frozen by the United States government, since Adolf Hitler's armies began overrunning Europe.

Government circles assert that the assets of the Union Banking Corporation and its subsidiaries were frozen because capital and control came from a Netherlands institution called the Bank voor Handel en Scheepvaart (Bank for Trade and Shipping) in Rotterdam, one of the Thyssen string of banking houses on the Continent. It was subject to the freezing order, however, as a Dutch corporation, and not as a German-owned property.

As the custodian of all Dutch property outside the Netherlands, the Netherlands government in exile represents that it, too, would seem to have some rights in the matter. Nevertheless all of Fritz Thyssen's properties were confiscated by the Nazi regime back in 1939, and thus it might appear that the assets here are legally a part of the German government's assets in the United States.

Rotterdam Bank Bombed

The Thyssen bank in Rotterdam which nominally owned the New York corporation was bombed out of existence by the invading Nazis in May, 1940. No one in New York professes to know what has happened to the officers of the Rotterdam institution. Not a word of instruction or advice has come from abroad.

Perhaps it wasn't Herr Thyssen's money at all, some persons suggest. Maybe he sent it here for safekeeping for some of the Nazi bigwigs—perhaps for Goering, for Goebbels, for Himmler, or even Hitler himself. No matter how the story comes out, the United States government has the situation in hand. "Very penny of known Thyssen assets is frozen, under the strictest control."

There are many Americans in responsible positions who do not think that the rift between Herr Thyssen and the Nazis was genuine at all, preferring to believe that Thyssen was in reality a sort of economic advance agent of the Hitler forces, a financial surveyor and softener-up posing as a refugee.

Reliable private information is that Thyssen has been wandering about Switzerland, France and other European countries before and after the Nazi armies arrived without much hindrance from the Hitler government. Thyssen is now in Germany—not under confinement, free to move about, but closely watched—perhaps a willing prisoner, perhaps a hostage for his wealth throughout the world.

Herr Thyssen's venture in the American business world dates back to August, 1924, when, without flourish or ruse, the Union Banking Corporation, a capital stock of \$400,000, the largest of its kind in the United States, was organized.

In Europe there appeared a company to appear on the board of directors of this corporation, the names of several partners of the private banking house of Brown Brothers Harriman & Co., 59 Wall Street.

Enlisted Harriman in 1925

This circumstance dates back to a chance meeting in Europe in 1925 between Fritz Thyssen and W. Averell Harriman, a partner of the Brown Brothers Harriman firm and now minister plenipotentiary to England as expediter of lease-lend aid to the British. Herr Thyssen said to Mr. Harriman that he was opening a bank in the United States to take care of his financial and industrial interests here and asked Mr. Harriman to serve on the board. Mr. Harriman agreed to have several other members of his firm go on the directorate.

This took place, of course, at a time when the present world tangle could hardly have been foreseen and when such courtesies were part of the normal routine of international banking relations.

When a new world war began the Brown Brothers Harriman partners sensed a possible embarrassment through association with a corporation stemming from German interests and considered withdrawal from the Union Banking Corporation's board. In a consultation with William R. White, State Superintendent of Banks on the subject Mr. White requested them to remain on the board to assure efficient administration of the corporation's affairs by trustworthy and responsible persons during the emergency. They agreed to comply with Mr. White's request.

Brown Brothers Harriman & Co. have never had any financial interest in the Union Banking Corporation or any of its subsidiaries, and have never profited in any way from its activities. The association of some of its partners with the Thyssen corporation at points, out was entirely a matter of courtesy.

Relationship Explained

The circumstances of relationship were frankly set forth in a letter addressed by Knight Woolley, a partner of the Brown Brothers Harriman firm, to Mr. White on Jan. 14 of this year. This letter follows:

"January 14, 1941.

"William R. White, Esq.,

"Superintendent of Banks, State

"of New York,

"80 Centre Street,

"New York, N. Y.

"Dear Mr. White:

"As you are aware, my partners, E. R. Harriman, Ray Morris, Prescott S. Bush and our manager, H. D. Pennington, are directors of the Union Banking Corporation, a state institution under your supervision. This corporation is located at 39 Broadway, and it is in effect a New York office, or agency, of the Bank voor Handel en Scheepvaart, in Rotterdam. Because of possible uncertainty as to whether the Bank voor Handel en Scheepvaart might be held to be a Dutch institution, or whether it is, in fact, a German institution under a Dutch name, my partners have been giving serious consideration to withdrawing from the board. Should the United States enter the war, they fear they might be under some embarrassment because of their connection with the bank, even though we have no financial interest in the Union Bank-

ing Corporation, nor do we participate in its earnings. They act as directors merely as a matter of business courtesy.

"In order that you may understand clearly the reasons for our doubts, I should like to give you the background of our connection with the Union Banking Corporation. Our partner, W. A. Harriman, was in Europe in 1925, and at that time he became acquainted with Mr. Fritz Thyssen, the German industrialist. To the best of my knowledge, Mr. Thyssen formed the Bank voor Handel en Scheepvaart and presumably controlled that institution. At one of his meetings with Mr. Harriman, he told him he was forming a bank in New York to look after his interests in the United States, and he asked Mr. Harriman to serve on the board. Mr. Harriman agreed that certain of his associates would serve in this capacity, and as a result various members of the Harriman organization, and now of Brown Brothers Harriman & Co., have been on the board ever since.

"The Union Banking Corporation does no commercial business, and its only depositor is the Bank voor Handel en Scheepvaart. Its activities are limited to occasional payments and a few purchases and sales of securities. All shares of the Union Banking Corporation are registered in the name of E. R. Harriman, who is chairman of the board, except the qualifying shares held by directors. As the company is Dutch-owned, its banking accounts were frozen under the Presidential proclamation of May 10, 1940.

"The Union Banking Corporation maintains accounts with the Chase National Bank, the National City Bank, the Guaranty Trust Company, and ourselves. At present its account with us is the only one which is active, and the drawings are limited to the payment of salaries and usual office expenses. To further control its operations, we have arranged that either Ray Morris or H. D. Pennington must sign checks jointly with the president of the company, Mr. C. Lievense, or with the assistant treasurer, Mr. W. Kauffmann, and that one of the gentlemen named from our organization must be present when access is desired to the company's safe deposit box at the Chase Bank.

"You have perhaps read in the newspapers recently that Fritz Thyssen is no longer in Germany, and it has been reported that he has had differences with the Nazi regime. We have no knowledge as to whether he still retains an interest in the Bank voor Handel en Scheepvaart, nor are we able to obtain any information with respect to the stock ownership in the bank.

"In view of these uncertainties, together with the censorship affecting communications to and from Rotterdam, I realize that the Union Banking Corporation might be placed in an embarrassing position if all the directors were to resign at this time. I feel sure, however, that you will understand the position of my associates, and I would greatly appreciate a frank expression from you as to the action which should be taken. The interests of the Banking Department would be best served by their continuing as directors until the situation abroad has been somewhat clarified. I know that they will be glad to be guided by your judgment, and I shall greatly appreciate your reaction to this situation and your opinion as to what action, if any, should be taken by my associates.

"Very truly yours,

"KNIGHT WOOLLEY"

White's Reply

To this Mr. White replied:

"May 13, 1941.

"Mr. Knight Woolley,

"Brown Brothers Harriman & Co.,

"59 Wall Street,

"New York City.

"Dear Mr. Woolley:

"Reference is made to your letter of January 14 and to conversations which you and certain of your partners have since had with me relative to the status of the Union Banking Corporation.

"During recent months this department has been obliged to give unusual attention to certain of the banking organizations in this country which have been affected by the freezing orders. This, however, has not been true in the case of the Union Banking Corporation because of the confidence which the department has in the directors of this institution.

"While the department would not feel free to object if your partners, Mr. Harriman, Mr. Morris and Mr. Bush, and your firm's manager, Mr. Pennington, should desire to resign as directors of the corporation, nevertheless, the department would be gratified if these gentlemen could find it possible to remain on the board during this period of uncertainty.

"I appreciate your thoughtfulness in bringing this matter to my attention, and the willingness of yourself and your associates to give consideration to the department's point of view in the matter.

"Sincerely yours,

"WILLIAM R. WHITE."

Personnel and Assets

The personnel and financial setup of the Union Banking Corporation is provided in the following report of the institution, issued on Jan. 1, 1941:

UNION BANKING CORPORATION, NEW YORK, 39 BROADWAY, ORGANIZED 1924	
Cornells Lievense, president	
Walter Kauffmann, treasurer	
Directors—Cornells Lievense, E. Roland Harriman, H. D. Pennington, P. S. Bush, H. J. Kouwenhoven, Ray Morris, J. G. Groeninger.	
RESOURCES	
Cash on hand and due from banks (domestic)	\$2,817,763.05
Bond and stock investments	232,880.25
Other loans, notes and bills (including other acceptances)	53,000.00
Accrued income	947.66
Total resources	\$3,104,591.86
LIABILITIES	
Deposits: Demand	\$115,886.14
Due to banks (domestic and foreign)	2,262,040.20
Other liabilities	822.64
Capital stock	400,000.00
Surplus and undivided profits	302,339.70
Reserves	32,508.18
Total liabilities	\$3,104,591.86

Lievense a United States Citizen

The dominating personality in the administration of the Thyssen domain in the United States is the shy and little known Cornells Lievense, a colorful little Hollander who arrived in this country by way of Montreal in May, 1926, two years after the Union Banking Corporation was set up. Mr. Lievense is a

naturalized American citizen, having received his final citizenship papers on Jan. 29, 1932, at Mineola, L. I.

Besides the Union Banking Corporation, Mr. Lievense is president of the Holland American Trading Corporation, the Domestic Fuel Corporation and the Seamless Steel Equipment Corporation.

All of these occupy offices with the Union Banking Corporation at 39 Broadway. Others in the group at that address are the Kemari Trading Corporation, the Ribereña Fuel and Chartering Corporation, Kauffmann & Co. and Religious Publications Inc.

Mr. Lievense admitted that the assets of the Domestic Fuel Corporation, the Holland American Trading Corporation and the Seamless Steel Equipment Corporation had all been frozen along with those of the Union Banking Corporation by the Treasury Department. He said the business of the whole group, aside from the bank, hardly approached \$1,000,000 annually.

Blacklisted by Canada

He admitted also that the Domestic Fuel Corporation, which had been bringing cargoes of coal from the Thyssen mining interests in Europe to Canada and other Western Hemisphere points, had been blacklisted by the Canadian Trade Commission in the fall of 1940.

Mr. Lievense would reveal little of the operations of the corporations beyond saying that they are now under the strict supervision of the Treasury Department and that there was "very little activity."

He insisted, however, that Religious Publications, Inc., although occupying offices with the Union Banking Corporation—and others, was not a Thyssen venture but was purely his personal affair.

"This is a philanthropic venture of mine," he explained with disarming sincerity, "undertaken to bring out the religious works of Dr. K. Schilder, a Dutchman who has recently been released from a German concentration camp. This is in no sense a profit-making venture and must not be associated with these other business organizations."

Three of Dr. Schilder's books have been brought out by the William B. Eerdmans Publishing Company of Grand Rapids, Mich., and were translated from the Dutch by Henry Zylstra. They bear the titles, "Christ in His Suffering," "Christ on Trial" and "Christ Crucified."

On Other Thyssen Boards

Mr. Lievense speaks in soft, low tones and merely smiled broadly when questioned about his association with Herr Thyssen. His name appears as a director of the Thyssen Holland American Investment Corporation, at Rotterdam. He is a member of the board of the August Thyssen Bank, Aktiengesellschaft, at Berlin, and he is also a director of the Handelscompagnie Tuilverkeet, a Thyssen bartering company at Amsterdam.

Two of Mr. Lievense's associates on the board of the Union Banking Corporation, J. G. Groeninger and N. J. Kouwenhoven are among Herr Thyssen's chief managerial assistants in the conduct of many of his European projects. Kouwenhoven is an old school friend of Mr. Lievense and is managing director of the Bank voor Handel en Scheepvaart. He is also managing director of the Holland American Investment Corporation and is on the board of the bank's Dutch colonies at the time of the Nazi invasion. Just before the arrival of the German forces at Rotterdam, the British and Dutch navies seized eleven of the thirteen ships of the line and incorporated them in the British shipping pool. It is understood that three of these ships have since been destroyed. Only two ships of the line fell into the Nazis' hands.

Only One Has Visited U. S.

Both Groeninger and Kouwenhoven are directors of the local Holland American Trading Corporation. Groeninger is also on the board of the Bank voor Handel en Scheepvaart and is a director of the Vulcan Rhine Shipping Co., another unit in Thyssen's industrial kingdom. Kouwenhoven visited the United States about four or five years ago, Mr. Lievense said, but Groeninger appears never to have been here. "I have told the government authorities everything I know and that is all I can say," Mr. Lievense said in a tolerant manner. "As a matter of fact, I cannot say now who owns this money and this bank and these corporations. I cannot tell you if Mr. Thyssen owns it or not. You know, of course, that the building of the Bank voor Handel en Scheepvaart has been bombed out of existence, where is it now? Who owns it? Who knows?"

Pacing the floor of his office on the twenty-fifth floor of 39 Broadway, he said: "All I know is that I am here and that the United States government is exercising strict supervision of all activities of the bank and these corporations. I cannot tell you for whom I am working. You may be sure there is really little to do. All these corporations in their best years have done less than \$1,000,000 annually."

Mr. Lievense added that his business had slowed down to such a degree that he had to let out two or three of his office force and had reduced his three-room office to two rooms.

Has Time to Play the Organ

"In fact," he said, "I have been spending too much time indulging in my favorite pastime—playing the organ at my home. I also play the organ for the Whiteman Memorial Baptist Church at Oyster Bay. What else is there to do?"

Mr. Lievense and his wife, Maria Jacobs, have lived in a rambling two-story semi-Colonial home in Cedar Swamp Road, in the High Hills Farm section of Glen Head, L. I., for the last eight or ten years. He passes much time visiting the tulip beds in the vicinity of his home. He is a member of the Netherlands Club, and was born in Maassius, Holland, July 28, 1890.

Capt. Martinson Commanding The Mexico After a Vacation

When the Cuba Mail liner Mexico sailed yesterday for Havana and Vera Cruz, Capt. Oswald H. Martinson was in command after having passed a month's vacation ashore. Captain Martinson has been in command of the ship since April 27, 1928, and has been with the company since 1917.