

ground was Jack Philby. Through his client, Ibn Saud, a cozy deal could be done to get the Third Reich's hands on Saudi Arabian oil and make lots of money for Dulles's and Forrestal's clients. Ibn Saud was in turn secretly in partnership with the Nazis, who financed his clandestine war against the Zionists in Palestine.

The whole arrangement worked well until the United States joined the war in 1941. Then it began to unravel through the Rockefeller end of the oil business. Standard of New Jersey's relationship with Farben had not gone unnoticed in Washington. As previously discussed, next to the Rockefellers, I. G. Farben owned the largest share of stock in Standard Oil of New Jersey. Among other things, Standard had provided Farben with its synthetic rubber patents and technical knowledge, while Farben had kept its patents to itself, under the strict instructions of the Nazi government. For the United States, "the results were calamitous," especially after Pearl Harbor.²³ Standard's deal with the Nazis looked awfully like treason.

Senator Harry Truman certainly thought so when he read Standard's 1939 letter renewing its agreement, which made it clear that the Rockefellers' company was prepared to work with the Nazis whether their own government was at war with the Third Reich or not. Truman's Senate Committee on the National Defense was outraged and began to probe into the whole scandalous arrangement, much to the discomfort of John D. Rockefeller, Jr. Suddenly, however, the whole matter was dropped.²⁴

There was a reason for Rockefeller's escape: blackmail. According to the former intelligence officers we interviewed on this point, the blackmail was simple and powerful: The Dulles brothers had one of their clients threaten to interrupt the U.S. oil supply during wartime. Besides the late U.S. Supreme Court Justice Arthur Goldberg, three other members of the U.S. intelligence community insist that Allen Dulles was personally behind the threat to cut off Saudi supplies to a nation already suffering gasoline rationing.²⁵ There is evidence to corroborate much of what they allege, including the direct participation of an American oil company in the scheme.

On February 27, 1942, Thurman Arnold, the assistant attorney general of the United States, stormed into the offices of Standard of New Jersey at 30 Rockefeller Plaza in New York and outlined the charges of acting against the best interests of their own government. Arnold demanded fines totaling \$1.5 million and control of the Nazi patents. In response, the Standard executives made it clear that the entire U.S. war effort was fueled by their oil and it could be stopped. Arnold could do nothing but accept the fact of

the blackmail.²⁶

The American government had no choice but to go along if it wanted oil to win the war. One Standard executive paid \$1,000, or a quarter of one week's salary, for having betrayed the nation. No matter what they did during the war, Dulles's and Forrestal's clients could get away with anything as long as they controlled the Arabian oil wells. That point was driven home by Socal just as the Allied forces were preparing for the invasion of Normandy. The company demanded profit margins of 250 to 300 percent on production costs for each barrel of Saudi oil sold to the American government.²⁷ The U.S. government had no choice; it gave Socal its price increase.

It was bad enough that U.S. companies could extort such huge profits from the government, while continuing to make profits on the other side of the war. Apparently under duress, President Roosevelt also was forced to appoint Dulles's oil cronies to the very boards that were charged with oversight of such misconduct. Burton Hersh, in his powerful work *The Old Boys: The American Elite and the Origins of the CIA*, describes an instance where I. G. Farben was concerned that the U.S. Alien Property Custodian might seize the assets of its U.S. subsidiary, General Aniline and Film. Dulles had nothing to worry about, as he had his Wall Street friends on both sides of the dispute:

James Forrestal was registered as Vice President of General Aniline—[controlled by] the Farben management. ... The Alien Property Custodian, Leo Crowley, was on the payroll of the New York J. Henry Schroeder Bank, General Aniline's depository, where Foster and Allen Dulles both sat as board members. Foster arranged an appointment for himself as special legal counsel for the Alien Property Custodian while simultaneously representing [another Farben subsidiary] against the custodian.²⁸

Forrestal, it should be noted, had been taken on board by President Roosevelt as his special assistant in 1940 and then promoted to undersecretary of the navy, a key post for U.S. government oil interests. No wonder British intelligence went wild over the Dulleses' machinations to protect Farben's interests.

A lengthy British intelligence report of covert activities against the Nazi-American connection was finally released to the press in 1989. It is a marvelously cynical document, replete with instances of subtle British manipulation of the American press during World War II.²⁹ One of the first targets of the British secret service was Gerhard Alois Westrick, the front