

From The Office Of:
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NEWS RELEASE

RELEASE IMMEDIATELY

Attorney General Louis J. Lefkowitz today revealed a plot by firms and individuals behind the Iron Curtain to seize control of American, British, Dutch and Canadian corporations producing vital defense materiel including uranium, oil, nickel, lithium, copper and natural gas.

The disclosure was made in an affidavit filed with an order signed by Supreme Court Justice William C. Hecht, Jr. requiring the officers of two Swiss banking corporations to appear in court on June 14, 1957, to explain their dealings and turn over books and records for examination by the Attorney General's office.

The corporations are S. A. DePlacements Mobiliers of 9 Corretorie, Geneva, Switzerland, and Banque Ferrier Lullin and Cie., 15 Rue Petitot, Geneva, Switzerland.

Discovery of the plot, according to the Attorney General, came during further investigation of the security ventures of Charles Robert Stahl, who has been permanently barred from the security business in New York State by an order of the Supreme Court, New York County, and is now residing in Rio de Janeiro.

The affidavit states that after the end of World War II, Stahl bought control of S. A. DePlacements Mobiliers of Geneva and maintained control in his own name until 1953 when he became chairman of the Board of Directors of dePontet and Company, a member of the New York Stock Exchange.

Stahl also set up and controlled the securities firm of Stahl, Miles and Company, Ltd., of Edmonton, Alberta, Canada.

Attorney General Lefkowitz said the information that interests behind the Iron Curtain were behind the ventures of

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S. A. DePlacements Mobiliers and Ferrier Lullin was furnished to his office by a "major figure" in DePlacements Mobiliers. The affidavit alleges DePlacements Mobiliers was formed as a vehicle to invest capital of Eastern European firms and individuals in Western corporations.

The Attorney General said that when Stahl became chairman of dePontet and Company, he relinquished control of S. A. DePlacements Mobiliers to his wife and other interests. Banque Ferrier Lullin, according to official documents filed in Geneva, purchased 50 per cent of the interest of DePlacements Mobiliers in 1955. While Banque Ferrier Lullin, in a letter to the Attorney General, has denied such an interest, Mr. Lefkowitz said his office has information that persons in Russian satellite countries through nominees residing in Switzerland purchased the half interest in DePlacements Mobiliers using Ferrier Lullin as the purchasing agent.

In the case of another corporation, Green Bay Mining and Exploration, Ltd., of Alberta, similar Eastern European interests were able to get financial control through investments by DePlacements Mobiliers and Ferrier Lullin. A 1934 Swiss statute permits the anonymity of such transactions.

In addition to the Green Bay venture by DePlacements Mobiliers, the investigation by the Attorney General has revealed that firm also was a trustee for another firm known as Canabuild Ltd., of Edmonton, Canada. Stahl and one Paul Bastian of DePlacements Mobiliers were directors of Canabuild.

The Canabuild venture, guided by Stahl as agent for DePlacements Mobiliers, grew to a point where securities worth more than a million and a half dollars were held by Canabuild. Securities were held in American, Canadian, British and Dutch companies including Gullf Coast Leaseholds, Canadian Anaconda Cils Ltd., Frobisher Ltd., Green Bay Uranium Ltd., Imperial Oil Ltd., International Nickel Co. of Canada Ltd., Jonsmith Mines Ltd., Northwest

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Ventures Ltd., Royal Dutch Petroleum Ltd., Sherritt Gordon Mines Ltd., Husky Oil and Refining Ltd., and other companies.

None of the companies whose securities were held by Canabuild is involved in the inquiry of the Attorney General, the affidavit says.

Mr. Lefkowitz said that the Canabuild corporation might have been able to gain control of "fantastic amounts of securities" in these and other corporations if Stahl's manipulation of the stock of Green Bay Mining and Exploration had not been stopped by the Attorney General's office.

Stahl signed a consent injunction in Rio de Janeiro on March 7, 1957, after he had been ordered to appear in the Supreme Court of New York County to explain his activities in connection with the sale of Green Bay Mining shares which rose from an over-the-counter price of 50 cents to \$12.50 in a short period of time.

The Green Bay Mining Company deposited most of the money from stockholders with DePlacements Mobiliers, allegedly to be held for exploration and development work in Canada. DePlacements Mobiliers, although practically bankrupt at the time, provided the Green Bay Company with a paper commitment for a \$3,000,000 loan which formed the basis for some of Stahl's fraudulent statements in the sale of securities resulting in losses estimated at \$6,000,000 to American investors.

The affidavit of Assistant Attorney General Samuel Hirshowitz, which was filed with the order, states that DePlacements Mobiliers and the interests represented by Ferrier Lullin conspired with Stahl to publish and distribute misleading statements about Green Bay Mining finances and concealed from American investors the fact that DePlacements Mobiliers, where the Green Bay funds were deposited, was actually dominated by interests behind the Iron Curtain.

Special Deputy Attorney General David Clurman is in charge of the investigation of the case.

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From: Charles W. Stickle, Executive Assistant to Attorney General
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