

## Raymond Foster and the Bayer Company

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The history of the Bayer Company in the United States is incomplete without discussion of Raymond Foster, (1873-1941) who was associated with Bayer in some capacity for over 50 years. Foster grew up in New York City. He had a poor relationship with his father, a prominent attorney, and it was his older brother Howell who really brought him up. Raymond had no interest in school, so in 1887, Howell gave him a job at Schieffelin and Company (now Schieffelin & Somerset). Schieffelin was then the American agent for the imported products of German drug and dye manufacturer Farbinfabriken Bayer.



Still a teenager, Foster first handled incoming invoices, working for a German named Bauer.<sup>i</sup> Over time he was learning to speak German. He was also moving up within Bayer into more responsible positions, becoming a pharmaceutical salesman introducing new German



drugs. As Bayer sales grew and the company prospered, Foster's prominence in sales grew as well.

When Bayer set up their own American operation, the American Bayer Company gave him the position of sales and marketing manager. He was hired November 1, 1906 at age 33.<sup>ii</sup>

Bayer was initially a dyestuffs manufacturer when founded in Germany in 1865, but its research also led to discovery and development of various medicines including aspirin. At the time Foster was hired by Bayer, they sold their aspirin powder in bulk to

other companies for retail sale. Bayer was also an American dye manufacturer, acquiring the Hudson River Aniline Color Works in 1903.

Bayer's American subsidiary flourished in part from Foster's advertizing and marketing skills. In 1915, over the opposition of many colleagues he was successful in having the company manufacture their own aspirin tablets sold under the Bayer brand in small metal containers. He also conceived the advertising theme, "Always look for the Bayer Cross."<sup>iii</sup>

Shortly before the US entered the World War, Foster abruptly resigned over the pro-German sympathies of the other members of the firm. According to Foster's son Charles, "He said he told them in both German and English what he thought of them so that there would not be the least possible chance of their misunderstanding him."<sup>iv</sup>

After the US declared war in April 1917, the assets and patents of the Bayer Company were seized as enemy property, including their Rensselaer, New York plant, which manufactured dyes and aspirin. Federal Judge A. Mitchell Palmer, the Alien Property Custodian, determined to Americanize the company. The German board and officers were ousted and replaced by Americans. The day-to-day management of the company was taken over by Americans. Board Secretary and Treasurer, E.I. McClintock, was named general manager and Raymond Foster was appointed pharmaceutical manager.<sup>v</sup>

Once the Alien Property Custodian seized Bayer, the company went to great lengths to "reinvent" itself as an American Company, realizing that its brands were at risk as long as it was perceived to be a German company. According to the advertizing trade journal *Printers' Ink*, Bayer launched a massive advertizing campaign in 300 newspapers and 18 magazines announcing that its products were made in America and that all profits would be invested in Liberty Bonds until the complete defeat of Germany was accomplished.<sup>vi</sup>

Also at this time, audits by the Alien Property Custodian uncovered a conspiracy involving members of the previous management still on the board who violated the Trading with the Enemy Act. In August 1918, five company officials were arrested and charged with diverting profits to German interests via a dummy corporation in Rhode Island, the Williams and Crowell Color Company.

There seems to be no mention of Foster surrounding these arrests, but it would be improbable that in his new position he would have not have been critical in assisting the Alien Property Custodian audit especially considering Foster's attitude towards those with German sympathies at Bayer.

When the War was still just in Europe, a blockade of Germany by the British made it difficult for American Bayer to obtain the necessary chemicals to continue its operations. Foster was known as someone who was able to obtain critical supplies. The *Drug Trade News* coverage of his retirement discussed the wartime shortages faced by Bayer and noted "Mr. Foster toured the country, shopping for the needed supplies. He was successful in securing amounts sufficient to carry on active manufacture." According to colleague Norman Buttle, Treasurer of Winthrop Chemical, "He saved the business."<sup>vii</sup>

One unknown regarding wartime shortages was whether Raymond Foster was involved in a covert attempt by the US government and Germany to exchange critical materials after the US declaration of war.

Raymond's son Charles Foster (1913-1995) wrote in 1994 "During WWI, Father was in charge of part of IG Farben, [*Bayer was not yet part of IG Farben*] which, captured by the US, was run by the Alien Property Custodian. But he still had to deal with IG and bargain for certain chemicals. Per order of the US Government, he sailed out of Chesapeake Bay and met a scientist for a long talk on a German submarine about what they might exchange. He and the scientist parted in friendly fashion and my father later (after the war) was entertained by him in Germany."<sup>viii</sup> Charles was born in 1913, so his accounts of this period would have been heard from Raymond well after the fact.

Before the US declaration of war, the Germans had used freight carrying submarines to run the British blockade. On July 9, 1916, the submarine *Deutschland*, operated by the North German Lloyd Line arrived with much fanfare in pre-war Baltimore. It could carry 700 tons and was used for high-value trans-Atlantic commerce carrying dyes, drugs, and gemstones to the U.S. But, Charles Foster's recollection of his father's story of a submarine rendezvous in Chesapeake Bay was during wartime. There is logic, though no evidence, for this story.

If this was really the 1916 *Deutschland* visit his father told him about, Foster would not have had to go into Chesapeake Bay to meet the submarine, nor would there have been government involvement. It was a highly covered news event including a story a few days before the submarine's arrival that the Bayer Company was still attempting to ascertain whether they would be able to get the dyestuffs they needed from the *Deutschland*.<sup>ix</sup>

If Charles Foster's recollection was correct, it would make sense that the government have Foster in the negotiations. Though he was not a chemist, he was at this point part of the top management of Bayer and familiar with their wartime needs. The materials each nation desperately needed from the other were no less critical once the US entered the war. He also spoke German. The government had placed him at Bayer, so they obviously had confidence in his loyalty.

After the war, the government sold Bayer and its patents at a public auction December 12, 1918 to Sterling Products for \$5,310,000.<sup>x</sup> They immediately sold the dye business to the Grasselli Chemical Company. At the time, Bayer's plant in Rensselaer, NY was considered the largest German dyestuff plant in the country<sup>xi</sup>. A new Sterling division called Winthrop Chemical was formed to manufacture and sell the pharmaceuticals. Foster continued with Sterling and was appointed as a Director of Winthrop Chemical in January of 1923 and its President that September<sup>xii</sup>. Sterling prospered and became a major American conglomerate, not only manufacturing pharmaceuticals and chemicals, but also controlling a number of major consumer brands of the day. Besides Bayer Aspirin, Sterling made Philips Milk of Magnesia, Midol, Fletcher's Castoria, 3-In-1 Oil, and Energine Lighter fluid. Foster served on the boards of various other Sterling subsidiaries while President of Winthrop.

This was not the end of Foster's relationship to the Germans or Bayer. The post-war Germans desired to reenter the American market and the German Bayer dumped their goods into the American market selling the same products that Sterling had acquired the patents for when it bought American Bayer. To resolve the endless litigation, Sterling, the German Bayer Company, and its successor I.G. Farben entered into a number of contracts starting in 1923 that allowed IG Farben and Sterling to have a joint venture in the Winthrop Chemical Company.

In Germany, the six major chemical companies pooled their resources and formed a cartel in 1925 known as IG Farben. It was composed of BASF, Bayer, Hoechst, Agfa, Griesheim-Elektron and Weiler Ter Meer. Federal anti-trust proceedings in 1941 ended the Winthrop – I.G. Farben relationship.<sup>xiii</sup>

The relationship of Sterling and IG Farben was controversial in that IG Farben was a major economic force during Hitler's rise to power and development of the German military. Historians and conspiracy theorists can argue about corporate America's indifference to, or complicity in, Hitler's ascension. Charles Foster's recollection is that his father was neither indifferent, nor complicit. Raymond Foster retired from Sterling at the end of 1933, the same year Hitler became Chancellor. Foster died in 1941 prior to war with Germany.



Officers and Directors of Winthrop Chemical Company 1933. President Raymond Foster is seated center front row

Before World War II, an anti-Nazi investigative journalist named George Seldes published a paper called *In Fact*, which was quite critical of Sterling's relationship with IG Farben. Foster's son Charles wrote to his father-in-law, Roy C. VanDenbergh in 1942, "I think of my own father these days. Can you imagine his anger if he could live to see a cheap newspaper like *In Fact* referring to those who ran Sterling Products as Nazis? He hated Hitler and the whole Prussian idea like poison. When he made the cartel agreement with I.G. Farben, Germany was a republic, and he thought of it as a way of bringing the fruits of German chemical genius to America as well as a way of making money. But one never hears anything about the good side of the picture. The slogan is: the industrialist is on the side of Hitler; he would sell his country and the whole future of man short for a nice juicy profit. I am glad my father is dead when I think of what he would have done to a man like George Seldes if could have gotten near him. One never sees the record: that my father told I.G. Farben and Co. to go to hell during the last war, and left a swell job because he could brook their attitude toward America, about as much as he could brook the Nazi ideal. As I see it, this is an age of indiscriminate

criticism of capitalism, for the simple reason that without any gun-powder we are fighting a revolution that will give us, at best, a socialized state.”<sup>xiv</sup>

At the time of his death, January 14, 1941, Raymond Foster still had a relationship with Bayer products, serving on Sterling’s Board of Directors.

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<sup>i</sup> Charles H. Foster, “Raymond Foster”, unpublished contribution to Foster family genealogy, 1942

<sup>ii</sup> Letter from Philips Chemical official Otto W. Ergenzinger to Charles Foster, February 14, 1941

<sup>iii</sup> “Ray Foster is Still Active in Sterling’s Affairs after 47 Years”, *Drug Trade News*, August 20, 1934

<sup>iv</sup> C.H. Foster, “Raymond Foster”

<sup>v</sup> “Bayer Company Continues Aspirin Campaign”, *Printers’ Ink*, CIV No. 10, (September 5, 1918), p.68

<sup>vi</sup> *Printer’s Ink*

<sup>vii</sup> “Ray Foster is Still Active in Sterling’s Affairs”

<sup>viii</sup> Letter from Charles Foster to David Foster, March 15, 1994

<sup>ix</sup> “Firms Here Expect to Get Dyestuffs”, *New York Times*, July 11, 1916, p. 1

<sup>x</sup> *The Sterling Story*, Sterling Drug Company, (New York, 1947), p. 10

<sup>xi</sup> “The Bayer Co. Sold”, *American Dyestuff Reporter*, December 16, 1918, p. 12

<sup>xii</sup> Ergenzinger letter, February 14, 1941

<sup>xiii</sup> *The Sterling Story*, p. 16

<sup>xiv</sup> Letter from Charles H. Foster to Roy C. VanDenbergh, July 15, 1942