

Suing Henry Ford

The trial that forced the automaker to apologize for his anti-Semitism.

By Victoria Saker Woeste and Susan Radomsky

EMPLOYEES, SUPPLIERS, AND ENTHUSIASTS of Ford Motor Company were invited to spend five days in June celebrating the company's hundredth birthday at the Henry Ford II World Center in Dearborn, Mich. Among the event's biggest draws was its "Headlining History" concert, staged to pay tribute to a legendary company and its legendary founder, Henry Ford. Promotional materials touted Ford's innovative use of the assembly line, and his personal relationship with fellow inventors like Thomas Edison and George Washington Carver. But though Ford's contribution to industry is worthy of praise, a fuller portrait of his character should also take into account his dealings with a little-known lawyer named Aaron Sapiro.

Henry Ford's antipathy toward Jews has occupied many biographers. It first surfaced publicly during World War I, which he blamed on Jewish financiers and industrialists. Unable to peddle his views through the mainstream press, Ford bought his own weekly newspaper, *The Dearborn Independent*, in 1918. Between 1920 and 1922, Ford's paper ran 91 articles based on excerpts from *The Protocols of the Elders of Zion*, a book describing a Jewish conspiracy to achieve world domination. Even after *The Protocols* was exposed by *The Times* of London as a forgery—it was concocted by the Russian secret police to shore up support for the

Czar's government—Ford stubbornly defended his decision to publish them. "The only statement I care to make about *The Protocols* is that they fit in with what is going on," he said. Ford continued to sell articles adapted from *The Protocols* in a separate pamphlet titled *The International Jew*, eventually distributing over 500,000 copies.

But by 1927, Ford's public stance on Jews had changed. He released a statement offering his "friendship and goodwill" to the Jewish people and promised to halt publication of *The International Jew*. Strangely, the series of events that led Ford to make this promise began with a fight over the future of American agriculture. On one side was Ford, the founder of the nation's largest automaker and its wealthiest man, who believed in the tradition of small independent farms. His opponent was Aaron Sapiro, a leading proponent of farming collectives at the time who is now mostly forgotten.

THE POST-WORLD WAR I PERIOD WAS A time of recession in the United States, and farmers were hit particularly hard. Congress tried to help the farm sector by exempting it from federal antitrust law. Sapiro, a Chicago lawyer who was formerly legal counsel for a California state regulatory agency that oversaw private markets, used the new exemption to set

up roughly 60 farming cooperatives that used their collective strength to keep prices up. A leading agricultural economist of the day credited Sapiro with changing "the whole direction of the [cooperative] movement."

Ford opposed Sapiro's work, believing that the future of agriculture depended upon small farms that remained independent. For Ford, the solution to the farm problem lay in finding new technology to help small farmers operate more efficiently. It was a vision at least partially inspired by Ford's own experience growing up on a small farm outside Detroit, and most small farmers embraced the automaker as one of their own. In contrast, Sapiro's claims to rural leadership rested on professional expertise in law and markets. He was a city-bred Jewish lawyer, someone easily labeled an outsider. In 1924, Ford's newspaper did just that, attacking Sapiro as an exemplar of the nefarious influence of the "International Jew" in American life.

In its 1924 attack, *The Independent* offered Sapiro's work in cooperative marketing as proof that the conspiracy theory of *The Protocols* was sound. "Jewish Exploitation of Farmers' Organizations" screamed one headline. According to the paper, Sapiro was manipulating his clients to put American agriculture under the thumb of Jewish speculators. The paper accused Sapiro of spreading the "vicious doctrines" of Communism and imposing Soviet-style controls on American agriculture.

Sapiro was not *The Independent's* only target. Its pages also assailed other prominent Jews, including the constitutional lawyer Louis Marshall, War Industries Board chairman Bernard Baruch, and Paul Warburg, a creator of the Federal Reserve Bank. These men, members of the East Coast establishment, chose to ignore the attacks. Like many prominent Jews of the time, they thought that calling attention to ugly rhetoric was out of keeping with the genteel image of successful assimilation that they wanted to maintain.

Sapiro saw no reason for restraint. In 1925, he sued Ford for libel in federal district court in Detroit, where he could look forward to cross-examining his adversary. At a time when President Calvin Coolidge earned \$75,000 a year, Sapiro got

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the public's attention by asking for damages of \$1 million. He hired William Henry Gallagher, a flamboyant Irish-Catholic trial lawyer in Detroit. "Henry Ford's attacks mean but one thing," Sapiro said, "that Ford and his hirelings are bent upon eliminating the Jew from agriculture."

Ford retained Senator James A. Reed, a Democrat from Missouri with his eye on the presidency, to serve as his lead counsel. Reed was paid \$100,000 to preside over a stable of in-house lawyers and investigators. His objective, as he wrote in his notes, was to use Ford's considerable resources to "harass and impoverish the plaintiff."

Reed dispatched investigators and lawyers to search for proof of *The Independent's* allegations. They visited nearly every state to take depositions, generating over 40,000 pages of documents in sessions that Gallagher attended at Sapiro's expense. These tactics delayed the trial for 15 months until the presiding district judge, Arthur Tuttle, told Ford that he would have to start paying Sapiro's expenses if he wanted another continuance. Reed responded with an affidavit from his client that stated Tuttle was prejudiced against Ford because of his wealth. Under existing law, such an allegation required the judge to recuse himself. Disgusted, Tuttle complied.

THE TRIAL FINALLY GOT UNDER WAY—before a new judge—in March 1927. In his opening statement, Reed argued that the case was not about anti-Semitism, only the paper's decision to report on Sapiro's scheme of "controlling the farmers throughout the United States for the purpose of enriching himself." Gallagher countered that the anti-Semitic content of the articles and their many factual errors demonstrated malice, a necessary component of a libel case. In his opening statement, he pointed out that the paper's use of incendiary phrases such as "the Jewish submarine in America" and "the Jewish grip" underscored its bias.

First to take the stand was *The Independent's* editor, William J. Cameron, who testified that he alone was responsible for the newspaper's content. But the next witness, a former *Independent* writer named James Martin Miller, told the jury that Ford had instructed him to write an article

that would "expose" Sapiro. "Let's print something that will 'upset the apple cart,'" Miller remembered Ford saying.

Reed cross-examined Sapiro for three weeks, hoping to showcase his abilities as an orator for his presidential run. But Sapiro held up under the attack. *The Detroit Jewish Chronicle* reported that Sapiro "answered [Reed's questions] with such swiftness that frequently he had completed his reply before Senator Reed had terminated the question." In the end, it was Reed who folded, taking to his hotel bed in exhaustion in mid-April.

Gallagher followed this spectacle by announcing that he intended to call Ford as his next witness. It had taken 16 months to serve Ford with a witness subpoena, and courthouse observers greeted the news with excitement. But Ford had no intention of taking the stand. He'd been humiliated when he testified in a 1919 libel suit against *The Chicago Tribune*, revealing his limited education and provincial ideas. (He named 1812 as the date of the American Revolution, identified Benedict Arnold as a writer, and declared his opposition to military preparedness.)

Reed promised Judge Tuttle's replacement, Judge Fred M. Raymond, that he would produce his client at the appropriate time. But soon afterwards, the senator announced that Ford had recently been injured in a car accident, of all things. Hardly anyone in the press believed it, and Gallagher prepared a motion to have his own doctors verify the injury.

Before that could happen, Ford's team moved to end the proceedings. Harry Bennett, Ford's top bodyguard, obtained 14 affidavits from jurors and others in the courthouse making the bizarre allegation that Sapiro had tried to bribe one of the jurors in the libel case with a box of candy. When Raymond refused to grant a mistrial, Bennett arranged to have a local reporter interview the juror in question, a Detroit housewife named Cora Hoffman. Hoffman angrily denied that anyone had bribed her, but she pointed to the affidavits as evidence that the defense was desperate "to have the case thrown out of court." Gallagher told reporters that the development carried "the mark of a perfect frame-up," but because Hoffman's statement showed her to have a predisposition against Ford,

Judge Raymond was forced to grant the defense a mistrial. He promised Sapiro that he would convene a new trial shortly.

At this point, Ford sought a way out. The case had become personally embarrassing and a public relations nightmare. With his auto company's new Model A scheduled to debut in December, Ford had reason to get the trial behind him. He dispatched his friend Earl Davis, a former assistant U.S. attorney then in private practice in Detroit, to New York to negotiate an end to the case with Jewish leaders. Once in New York, Davis made his way to Louis Marshall, the president of the American Jewish Committee and a leading civil rights lawyer.

Marshall wasn't interested in helping Sapiro, whose lawsuit he'd opposed from the beginning. Though he had built a career crusading for civil rights, Marshall stayed away from cases about anti-Semitism. Approached by Davis, Marshall saw the negotiations as a chance to broker a resolution that served the wider interests of the Jewish community. He told Ford that to make good, he needed to repudiate *The International Jew*. And he handed Bennett a sample apology script to read to Ford over the telephone:

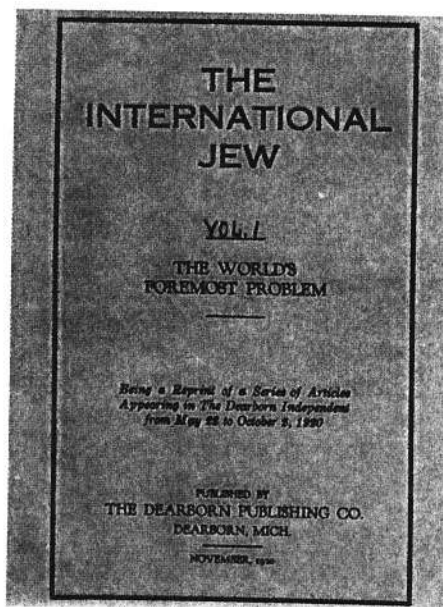
"To my great regret, I have learned that Jews generally, and particularly those of this country, not only resent these publications as promoting anti-Semitism, but regard me as their enemy," the draft read. "Had I appreciated even the general nature, to say nothing of the details of these utterances, I would have forbidden their circulation without a moment's hesitation." Accepting every word, Ford authorized Bennett to sign his name to the statement. It hit the newspapers on July 8, 1927.

The apology, which Marshall never thought would be accepted verbatim, was a masterpiece of evasion. It didn't mention Sapiro's name, and it let Ford maintain his posture at trial—that he was unaware of *The Independent's* anti-Semitic content. For Marshall these concessions were easily worth Ford's promise to halt publication of *The International Jew*. He assumed Ford's newfound contrition would allow Sapiro to settle his case easily.

The apology drew mixed reactions from the press. Though satirical parodies of the

statement appeared in several newspapers and magazines, most influential newspapers accepted Ford's statement at face value. David Mosessohn, the editor of *The Jewish Tribune*, wrote, "It was with a feeling of profound satisfaction that I read of Mr. Ford's apology." *The Pittsburgh Sun* editorialized, "Let the ugly chapter now be closed. Mr. Ford's retraction is complete and earnestly sincere on its face."

With the majority of the Jewish press lauding the apology—and Marshall's role in it—Sapiro felt obliged to accept a resolution he privately regarded as hollow and stolen. "I got everything I was fighting for," Sapiro told the press. "I am glad that I have helped a great big man"—Ford—"get right." He settled with Ford in exchange



Henry Ford's *The International Jew*, a pamphlet adapted from *The Protocols of the Elders of Zion*.

for a full retraction and a payment of about \$140,000 toward his expenses. Afraid of looking like an opportunist, Sapiro accepted a sum far less than his actual costs, which included a significant outlay for private investigators whose work he had kept secret. The libel case nearly bankrupted him.

After the settlement, Sapiro moved from Chicago to New York, where the Jewish community treated him like a hero. But in the years that followed, his career went into free-fall. When he worked with Chicago businesses to raise their prices through trade associations, he was indicted, along with 23 others, on

charges of conspiring to restrain trade.

Touted by prosecutors as a blow against corruption, the "Chicago racket trial," as it was called, linked Sapiro and other prominent professionals (including a University of Chicago economist and a local alderman) with gangsters like Al Capone. It was the longest criminal proceeding in Cook County history. All of the defendants were acquitted, but for Sapiro it would be the beginning of a series of professional setbacks.

In 1934, a former client accused Sapiro's firm of investigating the jurors in one of his cases and not reporting the incident to the court. Sapiro was again cleared of criminal wrongdoing, but his reputation suffered. Already on the FBI watch list because of his Chicago indictment, he was disbarred by the state and federal courts in New York.

Broke and discredited, Sapiro moved back to California in 1937 and retreated from public view. He was still a member of the state bar there and practiced law quietly in Los Angeles, providing legal services to friends, including the actor John Barrymore and the composer Igor Stravinsky. Though Sapiro ended his career in obscurity, he never expressed regret for his fight against Ford. He died in 1959 at the age of 75.

As for Ford, his apology to the Jews cost him little. After Marshall died in 1929, no one stepped forward to hold the automaker to his promise of withdrawing *The International Jew* from circulation, and the pamphlet became hugely popular in Nazi Germany. Ford remained devoted to his cars and his prejudices. On his 75th birthday in 1938, he accepted the Grand Service Cross of the Supreme Order of the German Eagle from Hitler's Third Reich. The award recognized his achievements as a manufacturer and an industrialist. Few contemporary observers missed the symbolism. In his heart and mind, Ford wasn't sorry at all.

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