

# The Bush Family's Funding of Hitler

Some seem to believe that we should negotiate with the terrorists and radicals, as if some ingenious argument will persuade them they have been wrong all along. We have heard this foolish delusion before. As Nazi tanks crossed into Poland in 1939, an American senator declared: "Lord, if I could only have talked to Hitler, all this might have been avoided." We have an obligation to call this what it is—the false comfort of appeasement, which has been repeatedly discredited by history.

—President George W. Bush,  
to the Israeli Knesset, May 15, 2008.

*No one can be sure what George W. Bush knows or does not know, since his mental incapacity might render him blameless. The fact remains that he is the scion of a family—and heir to its horribly ill-gotten fortune—beginning with his great-grandfather George Herbert Walker, and his grandfather Prescott Bush, which played a key role in the rise to power of Adolf Hitler and his Nazi Party. As documented in the best-selling book, George Bush: The Unauthorized Biography, by Anton Chaitkin and Webster Tarpley (ProgressivePress.com; Joshua Tree, Calif.: 2004), Grandfather Bush, in combination with the pro-fascist U.S. banker Averell Harriman and German steelmaker Fritz Thyssen, along with a gang of Anglo-American Hitler-backers, not only financed the Nazis' rise to power, but made sure that opposition to Hitler, both in the United States and in Germany, was suppressed.*

*Bank of England governor Montagu Norman, the top leader of the British-led project to install the Hitler regime in Germany, used the Bush family-created New York bank as his personal agency for the entire project, especially after Norman's own family bank, Brown Brothers, merged with the Harriman-Bush W.A. Harriman & Co. in 1931, to form Brown Brothers Harriman.*

*In the wake of Bush's ravings, quoted above, there has been a flood of coverage, from authors ranging from New York Times columnist Frank Rich, to investigative journalist Robert Parry, to the blogosphere, referencing the Bush family's infamous history of financing the Nazis. We can say with confidence, that what is correct in this coverage derives from The Unauthorized Biography, which circulated in 50,000 copies in the early 1990s, in an edition published by EIRNS, and continues to be a hot item today.*

*Here are excerpts from The Unauthorized Biography, Chapter II: "The Hitler Project":*

## Bush Property Seized—Trading with the Enemy

In October 1942, ten months after entering World War II, America was preparing its first assault against Nazi military forces. Prescott Bush was managing partner of Brown Brothers Harriman. His 18-year-old son George, the future U.S. President, had just begun training to become a naval pilot. On Oct. 20, 1942, the U.S. government ordered the seizure of Nazi German banking operations in New York City which were being conducted by Prescott Bush.

Under the Trading with the Enemy Act, the government took over the Union Banking Corporation, in which Bush was a director. The U.S. Alien Property Custodian seized Union Banking Corp.'s stock shares, all of which were owned by Prescott Bush, E. Roland "Bunny" Harriman, three Nazi executives, and two other associates of Bush.

The order seizing the bank "vests [seizes] all of the capital stock of Union Banking Corporation, a New York corporation," and names the holders of its shares as:

"E. Roland Harriman—3991 shares" [chairman and director of Union Banking Corp. (UBC); this is "Bunny" Harriman, described by Prescott Bush as a place holder who didn't get much into banking affairs; Prescott managed his personal investments]

"Cornelis Lievense—4 shares" [president and director of UBC; New York resident banking functionary for the Nazis]

"Harold D. Pennington—1 share" [treasurer and director of UBC; an office manager employed by Bush at Brown Brothers Harriman]

"Ray Morris—1 share" [director of UBC; partner of Bush and the Harrimans]

"Prescott S. Bush—1 share" [director of UBC, which was co-founded and sponsored by his father-in-law George Walker; senior managing partner for E. Roland Harriman and Averell Harriman]

"H.J. Kouwenhoven—1 share" [director of UBC; organized UBC as the emissary of Fritz Thyssen in negotiations with George Walker and Averell Harriman; managing director of UBC's Netherlands affiliate under Nazi occupation; industrial executive in Nazi Germany; director and chief foreign financial executive of the German Steel Trust]

"Johann G. Gröninger—1 share" [director of UBC and of its Netherlands affiliate; industrial executive in Nazi Germany]

"all of which shares are held for the benefit of ... members of the Thyssen family, [and] is property of nationals ... of a designated enemy country..."

By Oct. 26, 1942, U.S. troops were under way for North Africa. On Oct. 28, the government issued orders seizing two Nazi front organizations run by the Bush-Harriman bank: the Holland-American Trading Corporation and the Seamless

Steel Equipment Corporation.

U.S. forces landed under fire near Algiers on Nov. 8, 1942; heavy combat raged throughout November. Nazi interests in the Silesian-American Corporation, long managed by Prescott Bush and his father-in-law George Herbert Walker, were seized under the Trading with the Enemy Act on Nov. 17, 1942. In this action, the government announced that it was seizing only the Nazi interests, leaving the Nazis' U.S. partners to carry on the business....

President Franklin Roosevelt's Alien Property Custodian, Leo T. Crowley, signed Vesting Order Number 248 seizing the property of Prescott Bush under the Trading with the Enemy Act. The order, published in obscure government record books and kept out of the news, explained nothing about the Nazis involved; only that the Union Banking Corporation was run for the "Thyssen family" of "Germany and/or Hungary"—"nationals ... of a designated enemy country."

By deciding that Prescott Bush and the other directors of the Union Banking Corp. were legally front men for the Nazis, the government avoided the more important historical issue: In what way were Hitler's Nazis themselves hired, armed and instructed by the New York and London clique of which Prescott Bush was an executive manager? Let us examine the Harriman-Bush Hitler project from the 1920s until it was partially broken up, to seek an answer for that question.

## Origin and Extent of the Project

Fritz Thyssen and his business partners are universally recognized as the most important German financiers of Adolf Hitler's takeover of Germany. At the time of the order seizing the Thyssen family's Union Banking Corp., Mr. Fritz Thyssen had already published his famous book, *I Paid Hitler*, admitting that he had financed Adolf Hitler and the Nazi movement since October 1923. Thyssen's role as the leading early backer of Hitler's grab for power in Germany had been noted by U.S. diplomats in Berlin in 1932....

But two weeks before the official order, government investigators had reported secretly that "W. Averell Harriman was in Europe sometime prior to 1924 and at that time became acquainted with Fritz Thyssen, the German industrialist." Harriman and Thyssen agreed to set up a bank for Thyssen in New York. "[C]ertain of [Harriman's] associates would serve as directors...." Thyssen agent "H.J. Kouwenhoven ... came to the United States ... prior to 1924 for conferences with the Harriman Company in this connection...."

When exactly was "Harriman in Europe sometime prior to 1924"? In fact, he was in Berlin in 1922 to set up the Berlin branch of W.A. Harriman & Co. under George Walker's presidency.

The Union Banking Corporation was established formally in 1924, as a unit in the Manhattan offices of W.A. Harriman & Co., interlocking with the Thyssen-owned Bank voor Handel en Scheepvaart (BHS) in the Netherlands. The investigators concluded that "the Union Banking Corporation has

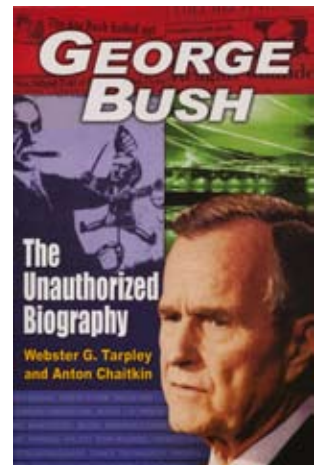
since its inception handled funds chiefly supplied to it through the Dutch bank by the Thyssen interests for American investment."

Thus by personal agreement between Averell Harriman and Fritz Thyssen in 1922, W.A. Harriman & Co. (alias Union Banking Corporation) would be transferring funds back and forth between New York and the "Thyssen interests" in Germany. By putting up about \$400,000, the Harriman organization would be joint owner and manager of Thyssen's banking operations outside of Germany.

How important was the Nazi enterprise for which President Bush's father was the New York banker?

The 1942 U.S. government investigative report said that Bush's Nazi-front bank was an interlocking concern with the Vereinigte Stahlwerke (United Steel Works Corporation or German Steel Trust) led by Fritz Thyssen and his two brothers. After the war, Congressional investigators probed the Thyssen interests, Union Banking Corp. and related Nazi units. The investigation showed that the Vereinigte Stahlwerke had produced the following approximate proportions of total German national output: 50.8% of Nazi Germany's pig iron; 41.4% of Nazi Germany's universal plate; 36.0% of Nazi Germany's heavy plate; 38.5% of Nazi Germany's galvanized sheet; 45.5% of Nazi Germany's pipes and tubes; 22.1% of Nazi Germany's wire; and 35.0% of Nazi Germany's explosives.

**This groundbreaking 1992 exposé of the Bush family dates back to Prescott Bush's support for Hitler. It is an X-ray of the Presidential dynasty, and the Anglo-American private forces dominating both major political parties.**



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*Prescott Bush, managing partner of Brown Brothers Harriman and grandfather of George W. Bush, financed the Nazis' rise to power.*

Prescott Bush became vice president of W.A. Harriman & Co. in 1926. That same year, a friend of Harriman and Bush set up a giant new organization for their client Fritz Thyssen, prime sponsor of politician Adolf Hitler. The new German Steel Trust, Germany's largest industrial corporation, was organized in 1926 by Wall Street banker Clarence Dillon. Dillon was the old comrade of Prescott Bush's father Sam Bush from the "Merchants of Death" bureau in World War I.

In return for putting up \$70 million to create his organization, majority owner Thyssen gave the Dillon Read company two or more representatives on the board of the new Steel Trust.<sup>9</sup>

Thus there is a division of labor: Thyssen's own confidential accounts, for political and related purposes, were run through the Walker-Bush organization; the German Steel Trust did its corporate banking through Dillon Read....

The great financial collapse of 1929-31 shook America, Germany and Britain, weakening all governments. It also made the hard-pressed Prescott Bush even more willing to do whatever was necessary to retain his new place in the world. It was in this crisis that certain Anglo-Americans determined on the installation of a Hitler regime in Germany.

W.A. Harriman & Co., well-positioned for this enterprise and rich in assets from their German and Russian business, merged with the British-American investment house, Brown

Brothers, on January 1, 1931....

## Hitler's Ladder to Power

Adolf Hitler became Chancellor of Germany January 30, 1933, and absolute dictator in March 1933, after two years of expensive and violent lobbying and electioneering. Two affiliates of the Bush-Harriman organization played great parts in this criminal undertaking: Thyssen's German Steel Trust; and the Hamburg-Amerika Line and several of its executives.

Let us look more closely at the Bush family's German partners.

Fritz Thyssen told Allied interrogators after the war about some of his financial support for the Nazi Party: "In 1930 or 1931 ... I told [Hitler's deputy Rudolph] Hess ... I would arrange a credit for him with a Dutch bank in Rotterdam, the Bank für Handel und Schiff [i.e., Bank voor Handel en Scheepvaart (BHS), the Harriman-Bush affiliate]...."

The overall total of Thyssen's political donations and loans to the Nazis was well over a million dollars, including funds he raised from others—in a period of terrible money shortage in Germany....

## Control of Nazi Commerce

...In many ways, Bush's Hamburg-Amerika Line was the pivot for the entire Hitler project.

Averell Harriman and Bert Walker had gained control over the steamship company in 1920 in negotiations with its post-World War I chief executive, Wilhelm Cuno, and with the line's bankers, M.M. Warburg. Cuno was thereafter completely dependent on the Anglo-Americans, and became a member of the Anglo-German Friendship Society. In the 1930-32 drive for a Hitler dictatorship, Wilhelm Cuno contributed important sums to the Nazi Party.

Albert Vögler was chief executive of the Thyssen-Flick German Steel Trust for which Bush's Union Banking Corp. was the New York office. He was a director of the Bush-affiliate BHS Bank in Rotterdam, and a director of the Harriman-Bush Hamburg-Amerika Line. Vögler joined Thyssen and Flick in their heavy 1930-33 Nazi contributions, and helped organize the final Nazi leap into national power.

The Schröder family of bankers was a linchpin for the Nazi activities of Harriman and Prescott Bush, closely tied to their lawyers Allen and John Foster Dulles.

Baron Kurt von Schröder was co-director of the massive Thyssen-Hütte foundry along with Johann Gröninger, Prescott Bush's New York bank partner. Kurt von Schröder was treasurer of the support organization for the Nazi Party's private armies, to which Friedrich Flick contributed. Kurt von Schröder and Montagu Norman's protégé Hjalmar Schacht together made the final arrangements for Hitler to enter the government....

Certain actions taken directly by the Harriman-Bush ship-





Library of Congress

*E. Roland ("Bunny") Harriman (left), who brought Prescott Bush into Skull and Bones, and his brother Averell. Roland chaired Thyssen's Union Banking Corp.*

ping line in 1932 must be ranked among the gravest acts of treason in this century....

The U.S. embassy in Berlin reported back to Washington that the "costly election campaigns" and "the cost of maintaining a private army of 300,000 to 400,000 men" had raised questions as to the Nazis' financial backers. The constitutional government of the German republic moved to defend national freedom by ordering the Nazi Party private armies disbanded. The U.S. embassy reported that the Hamburg-Amerika Line was purchasing and distributing propaganda attacks against the German government, for attempting this last-minute crackdown on Hitler's forces....

Prescott Bush's American Ship and Commerce Corp. notified Max Warburg of Hamburg, Germany, on March 7, 1933, that Warburg was to be the corporation's official, designated representative on the board of Hamburg-Amerika.

Max Warburg replied on March 27, 1933, assuring his American sponsors that the Hitler government was good for Germany: "For the last few years business was considerably better than we had anticipated, but a reaction is making itself felt for some months. We are actually suffering also under the very active propaganda against Germany, caused by some unpleasant circumstances. These occurrences were the natural consequence of the very excited election campaign, but were extraordinarily exaggerated in the foreign press. The Government is firmly resolved to maintain public peace and order in Germany, and I feel perfectly convinced in this re-

spect that there is no cause for any alarm whatsoever."

This seal of approval for Hitler, coming from a famous Jew, was just what Harriman and Bush required, for they anticipated rather serious "alarm" inside the U.S.A. against their Nazi operations.

On March 29, 1933, two days after Max's letter to Harriman, Max's son, Erich Warburg, sent a cable to his cousin Frederick M. Warburg, a director of the Harriman railroad system. He asked Frederick to "use all your influence" to stop all anti-Nazi activity in America, including "atrocious news and unfriendly propaganda in foreign press, mass meetings, etc." Frederick cabled back to Erich: "No responsible groups here [are] urging [a] boycott [of] German goods[,] merely excited individuals."...

In May 1933, just after the Hitler regime was consolidated, an agreement was reached in Berlin for the coordination of all Nazi commerce with the U.S.A. The Harriman International Co., led by Averell Harriman's first cousin Oliver, was to head a syndicate of 150 firms and individuals, to conduct all exports from Hitler Germany to the United States.

This pact had been negotiated in Berlin between Hitler's economics minister, Hjalmar Schacht, and John Foster Dulles, international attorney for dozens of Nazi enterprises, with the counsel of Max Warburg and Kurt von Schröder.

John Foster Dulles would later be U.S. Secretary of State, and the great power in the Republican Party of the 1950s. Foster's friendship and that of his brother Allen (head of the Central Intelligence Agency), greatly aided Prescott Bush to become the Republican U.S. Senator from Connecticut. And it was to be of inestimable value to George Bush, in his ascent to the heights of "covert action government," that both of these Dulles brothers were the lawyers for the Bush family's far-flung enterprise.

Throughout the 1930s, John Foster Dulles arranged debt restructuring for German firms under a series of decrees issued by Adolf Hitler. In these deals, Dulles struck a balance between the interest owed to selected, larger investors, and the needs of the growing Nazi war-making apparatus for producing tanks, poison gas, etc....

Dulles wrote to Prescott Bush in 1937 concerning one such arrangement. The German-Atlantic Cable Company, owning Nazi Germany's only telegraph channel to the United States, had made debt and management agreements with the Walker-Harriman bank during the 1920s. A new decree would now void those agreements, which had originally been reached



White House photo/Eric Draper

*The legacy of their Nazi-funding ancestor has never been acknowledged, much less denounced, by U.S. Presidents George H.W. and George W. Bush, shown here with a soldier at Fort Hood, Texas, April 8, 2007.*

with non-Nazi corporate officials. Dulles asked Bush, who managed these affairs for Averell Harriman, to get Averell's signature on a letter to Nazi officials, agreeing to the changes. Dulles wrote:

"Sept. 22, 1937

"Mr. Prescott S. Bush

"59 Wall Street, New York, N.Y.

"Dear Press,

"I have looked over the letter of the German-American [sic] Cable Company to Averell Harriman.... It would appear that the only rights in the matter are those which inure in the bankers and that no legal embarrassment would result, so far as the bondholders are concerned, by your acquiescence in the modification of the bankers' agreement.

"Sincerely yours,

"John Foster Dulles"

Dulles enclosed a proposed draft reply, Bush got Harriman's signature, and the changes went through.

In conjunction with these arrangements, the German Atlantic Cable Company attempted to stop payment on its debts to smaller American bondholders. The money was to be used instead for arming the Nazi state, under a decree of the Hitler government.

Despite the busy efforts of Bush and Dulles, a New York court decided that this particular Hitler "law" was invalid in the United States; small bondholders, not parties to deals

between the bankers and the Nazis, were entitled to get paid.

In this and a few other of the attempted swindles, the intended victims came out with their money. But the Nazi financial and political reorganization went ahead to its tragic climax.

For his part in the Hitler revolution, Prescott Bush was paid a fortune.

This is the legacy he left to his son, President George Bush.

## How the Harrimans Hired Hitler

It was not inevitable that millions would be slaughtered under fascism and in World War II. At certain moments of crisis, crucial pro-Nazi decisions were made outside of Germany. These decisions for pro-Nazi actions were more aggressive than the mere "appeasement" which Anglo-American historians later preferred to discuss.

Private armies of 300,000 to 400,000 terrorists aided the Nazis' rise to power. W.A. Harri-man's Hamburg-Amerika Line intervened against Germany's 1932 attempt to break them up.

The 1929-31 economic collapse bankrupted the Wall-Street-backed German Steel Trust. When the German government took over the Trust's stock shares, interests associated with Konrad Adenauer and the anti-Nazi Catholic Center Party attempted to acquire the shares. But the Anglo-Americans—Montagu Norman, and the Harriman-Bush bank—made sure that their Nazi puppet Fritz Thyssen regained control over the shares and the Trust. Thyssen's bankrolling of Hitler could then continue unhindered.

Unpayable debts crushed Germany in the 1920s, reparations required by the Versailles agreements. Germany was looted by the London-New York banking system, and Hitler's propaganda exploited this German debt burden.

But immediately after Germany came under Hitler's dictatorship, the Anglo-American financiers granted debt relief, which freed funds to be used for arming the Nazi state.

The North German Lloyd steamship line, which was merged with Hamburg-Amerika Line, was one of the companies which stopped debt payments under a Hitler decree arranged by John Foster Dulles and Hjalmar Schacht....

Kuhn Loeb and Co.'s Felix Warburg carried out the Hitler finance plan in New York. Kuhn Loeb asked north German

Lloyd bondholders to accept new lower interest steamship bonds, issued by Kuhn Loeb, in place of the better pre-Hitler bonds.

New York attorney Jacob Chaitkin, father of co-author Anton Chaitkin, took the cases of many different bondholders who rejected the swindle by Harriman, Bush, Warburg, and Hitler. Representing a woman who was owed \$30 on an old steamship bond—and opposing John Foster Dulles in New York municipal court—Chaitkin threatened a writ from the sheriff, tying up the 30,000 ton transatlantic liner *Europe* until the client received her \$30. (*New York Times*, January 10, 1944, p. 31, col. 3)

The American Jewish Congress hired Jacob Chaitkin as the legal director of the boycott against Nazi Germany. The American Federation of Labor cooperated with Jewish and other groups in the anti-import boycott. On the other side, virtually all the Nazi trade with the United States was under the supervision of the Harriman interests and functionaries such as Prescott Bush, father of President George Bush. [And, grandfather of present President George W. Bush—ed.]

Meanwhile, the Warburgs demanded that American Jews not “agitate” against the Hitler government, or join the organized boycott. The Warburgs’ decision was carried out by the American Jewish Committee and the B’nai B’rith, who opposed the boycott as the Nazi military state grew increasingly powerful.

The historical coverup on these events is so tight that virtually the only exposé of the Warburgs came in journalist John L. Spivak’s “Wall Street’s Fascist Conspiracy,” in the pro-communist *New Masses* periodical (Jan. 29 and Feb. 4, 1934). Spivak pointed out that the Warburgs controlled the American Jewish Committee, which opposed the anti-Nazi boycott, while their Kuhn Loeb and Co. had underwritten Nazi shipping; and he exposed the financing of pro-fascist political activities by the Warburgs and their partners and allies, many of whom were bigwigs in the American Jewish Committee and B’nai B’rith.

Given where the Spivak piece appeared, it is not surprising that Spivak called Warburg an ally of the Morgan Bank, but made no mention of Averell Harriman. Mr. Harriman, after all, was a permanent hero of the Soviet Union.

John L. Spivak later underwent a curious transformation, himself joining the coverup. In 1967, he wrote an autobiography (*A Man in His Time*, New York: Horizon Press), which praises the American Jewish Committee. The pro-fascism of the Warburgs does not appear in the book. The former “rebel” Spivak also praises the action arm of the B’nai B’rith, the Anti-Defamation League. Pathetically, he comments favorably that the League has spy files on the American populace which it shares with government agencies.

Thus is history erased; and those decisions, which direct history into one course or another, are lost to the knowledge of the current generation.