

Armaments and the Walker-Bush Clan, 1914-1940

By Kevin Phillips

George Herbert Walker, founding father and spiritual progenitor of the Bush clan, was the first to place the elements on the family escutcheon: arms deals, clandestine shipments, foreign covert operations, rogue banks and money laundering. The years preceding WWI convinced many of America's richest families that there were profits to be made in arms and war production. As the U.S. role in the world ballooned, monied Americans were lured by investment vehicles claiming to draw on foreign political intelligence and identify overseas opportunities. The Rockefellers, Harrimans, Morgans and Stillmans of National City Bank [later Citibank] were at the center, and the Walker and Bush families were part of their supporting cast.

There were four, vital supporting players below the level of Rockefeller and Harriman. All four hailed from the U.S. midwest:

- ◆ **George Herbert Walker** had been chosen as president of W.A. Harriman and Co. in 1919;
- ◆ **Samuel F. Pryor**, a friend of Walker's from St. Louis, became president of Remington Arms in WWI.
- ◆ **Matthew Brush**, of Minnesota, emerged as president first of American International Shipbuilding and then, in 1923, of its parent, American International Corp. (AIC).
- ◆ **Prescott Bush**, Walker's Ohio-born son-in-law, was named vice president of W.A. Harriman and Co. in 1926, after two years at AIC-connected, U.S. Rubber.

The adjacent table (page 13) shows companies with interlocking directorates that were involved in arms, banking, overseas investment, shipping and commercial relations with Germany and the Soviet Union. At various times in the 1920s and 1930s, George H. Walker and Prescott Bush were officers or directors of more than a half dozen of these firms.

Fritz Thyssen [the German industrialist who, as Hitler's most generous financial backer, ensured the fledgling Nazi Party's rise to power]



National City Bank, 55 Wall St., Manhattan, built 1836-1842. Before WWI, America's richest families became convinced that there were profits to be made in arms and war production. The Rockefellers, Harrimans, Morgans and Stillmans of National City Bank [later Citibank] were at the center, and the Walker and Bush families were part of their supporting cast.

had connections to this network which were multiple but vague. Besides controlling the Union Banking Corp., Thyssen was probably one of the German investors in Georgian Manganese Corp. The enigma is the Thyssen relationship to the Hamburg-Amerika line and Remington Arms during the 1920s and early 1930s, when Fritz Thyssen was one of the major funders of Adolf Hitler and the Nazi Party.

The table shows that through these firm's interlocking directorships, extraordinary capacities were conjoined: arms, shipping, shipbuilding, banking, political intelligence gathering, money laundering and strategic minerals development. Of the nine companies listed, four were pillars: National City Bank, W.A. Harriman & Co., AIC and Remington Arms. The interlock of directors was striking.

According to the *New York City Directory of Directors*, Percy Rockefeller spent many years as a board member at each of these pillars; George Herbert Walker, many years at two (AIC and W.A. Harriman); James A. Stillman, a few years at three (National City, Remington and AIC); and Samuel Pryor, many years at two (W.A. Harriman and Remington). But the pattern of interlock becomes even more interesting when it is extended to the boards of the five smaller companies with the specific German, Russian and

holding company relationships.

Matthew Brush, president of American International Corp. from 1923 to 1933, had his closest connections with Averell Harriman and George H. Walker during the years when Harriman and Walker were getting involved in Soviet oil and manganese operations, and then trying to secure the maximum return and successful withdrawal of capital from the Soviet Union. In addition to heading AIC, Brush, in the mid- to late 1920s, was also a director of Georgian Manganese, chair of Barnsdall, and director and chair of the finance committee of W.A. Harriman Securities Corp.

Like Harriman and Walker, Brush had a taste for foreign intrigue. In 1923 and 1924, when Wall Street was focused on assessing and arranging German investments, Brush was briefly chairman of Amsinck, the small German-American investment bank owned by AIC that, before 1917, had been an asset of German intelligence.¹ In the late 1920s, AIC named as a new director Gordon Auchincloss, who during WWI had been second in command of U-1, the U.S. State Department's intelligence division.²

Of the two big financial institutions, Guaranty Trust acted most avidly in the Soviet Union. One of its vice presidents, Max May, left in 1922 to become director of the foreign division

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of Ruskom, the Russian Commercial Bank.³ Guaranty Trust was also one of the three major investors in Barnsdall, which briefly held the post-WWI Soviet oil concession.

National City Bank, by contrast, was German oriented. In 1932, a Brookings Institution survey of U.S. investment bank profits from German loans found National City topping the list, with profits almost twice those of second-place Dillon Read.⁴ To be sure, Percy Rockefeller served for a number of years on the board of Georgian Manganese. However, Harriman and Walker had raised some of Georgian's capital through the firm's Berlin office, and German interest was high.

Arms and ammunition maker Samuel Pryor was the sole outsider to serve on the both smaller Harriman-Walker boards – American Ship and Commerce and Union Banking Corp – that dealt with the firm's German connections. Although American Ship and Commerce disposed of its ships and its original relationship with Hamburg-Amerika in the mid-1920s, it held a large block of stock in the German shipping company and continued to nominate its single director through the mid-1930s. One can imagine, as U.S. Senate investigators speculated in

1934, that the guns and ammunition finding their way to German buyers around 1932 might have been facilitated by these interrelationships. Corporate regulation was so minimal in those days that few records have survived.

As for the Union Banking Corp., where George H. Walker and Samuel Pryor were directors during its early years (1925-1933), no one knows how much money traveled from Germany through Holland to New York, what it did when it got there, or how much of it returned to the *Vaterland* and for what purposes. The ownership chain reached from Berlin's August Thyssen Bank to Rotterdam's Bank voor Handel en Scheepvaart, to UBC, and doubtless there was some money laundering. Parenthetically, Prescott Bush took up director's roles in Union Banking and Harriman Fifteen shortly after George Walker retired from W.A.Harriman in the early thirties, so there may have been a considerable continuity of knowledge.

National City Bank, a major investor in Germany during the 1920s, continued to pursue such opportunities in the 1930s, sometimes in collaboration with Brown Brothers Harriman, the successor firm to W.A.Harriman

and Co.. Several publications have identified Henry Mann, a German with access to Hitler, as being a German deal finder for National City Bank and Brown Brothers Harriman through 1940.⁵ After Percy Rockefeller died, his son Avery in 1936 established Schroeder, Rockefeller and Co., investment bankers, in partnership with the German-connected New York banking firm of J.Henry Schroeder.⁶ Although incorporated in the U.S., it had family ties to the Schroeder banks in England and Germany.

Notes

1. *The Directory of Directors in the City of New York, 1921-1922, 1923-1924.*
2. *The Directory of Directors in the City of New York, 1930-1931, 1931-1932.*
3. Sutton, *Wall Street and the Bolshevik Revolution*, pp.61-62.
4. Robert Kucinski, *Bankers' Profits from German Loans* (Washington, D.C.: Brookings Institution, 1932); p.127.
5. Burton Hersh, *The Old Boys*, p.133.
6. Higham, *Trading with the Enemy*, pp.42-43; Sutton, *Wall Street and the Rise of Hitler*, p.81.

Source: Appendix A: Armaments and the Walker-Bush Family, 1914-1940, *American Dynasty: Aristocracy, Fortune and the Politics of Deceit in the House of Bush*. NY: Viking, 2004.

The National City Bank-Harriman-Walker Axis

To show the interlocking connection between these nine companies, all of those who served as a director for at least one year between 1916 and 1941 are listed.

Some small companies in the National City Bank-Harriman-Walker axis that have been left out include Harriman

Thirty and Silesian-American Corp.

In 1933, after a merger, W.A. Harriman and Co. became Brown Brothers Harriman. Prescott Bush was vice president of W.A. Harriman and Co. but not a director; he became a partner in Brown Brothers Harriman.

National City Bank	W.A.Harriman & Co.	American International Corp.	Remington Arms
William Rockefeller	Percy Rockefeller	Percy Rockefeller	Percy Rockefeller
Percy Rockefeller	W. Averell Harriman	James A. Stillman	James A. Stillman
James Stillman	E.R. Harriman	Frank Vanderlip	Samuel Pryor
James A. Stillman	George Herbert Walker	George Herbert Walker	Matthew Brush
Frank Vanderlip	Matthew Brush	Matthew Brush	
	Samuel Pryor	James Stillman	
American Ship & Commerce Corp.	Union Banking Corp.	Georgian Manganese Corp.	Barnsdall Corp.
(Held shares in the Hamburg-Amerika Line - a shipping firm)	(German-owned New York Bank)	(Soviet Mining Concession)	(Soviet Oil Concession holder jointly owned by W.A. Harriman & Co., Lee Higginson & Co. and Guaranty Trust)
W. Averell Harriman	George Herbert Walker	Percy Rockefeller	George Herbert Walker
George Herbert Walker	Samuel Pryor	Samuel Pryor	Matthew Brush
Samuel Pryor	Prescott Bush	E.R. Harriman	
		Matthew Brush	
		George Herbert Walker	

Harriman Fifteen Corp.

(A principal Harriman-Walker holding company)
W. Averell Harriman
George Herbert Walker
Prescott Bush

Source: Kevin Phillips, from Appendix A: Armaments and the Walker-Bush Family, 1914-1940, *American Dynasty: Aristocracy, Fortune and the Politics of Deceit in the House of Bush*. New York: Viking, 2004. All of this data on directors and officers is from various volumes of *The Directory of Directors in the City of New York, 1916-1941*.