

Military Industrial Superiority Complexes

By Kevin Phillips

For political reasons, office seekers in the Bush family have frequently misrepresented their social and economic status. Senator Prescott Bush pretended that modest income kept his father from sending him to law school after he graduated from Yale. George H.W. Bush purported to have “interviewed” for his first job. George W. Bush chose to portray himself as a young man molded and Texified by San Jacinto Junior High School.

Historian Herbert Parmet, in his biography *George*

Bush: The Life of a Lone Star Yankee (New York: Scribner, 1997) described the tactical genesis of this class denial:

Prescott’s recorded reminiscences, given in 1966, present, somewhat disingenuously, a hint of genteel poverty, undoubtedly a habit cultivated by one who had spent the bulk of his previous two decades canvassing for votes among ordinary people. To deny the realities of his background, the stature of his father [Samuel Bush] as a leading industrialist of the day, was consistent with perpetuating the myth of the self-made man. Prescott Bush, a U.S. Senator at the time of the interview, was practised

Remington.

Samuel Bush and George Herbert Walker knew some of the reviled weapons merchants – the WWI-era munitions makers, “armor trust” members and arms manufacturers who were later investigated during President Franklin D. Roosevelt’s early New Deal years. For example, both Samuel Bush and G.H. Walker knew Samuel Frazier Pryor, the president of Remington Arms, whose firm was queried by the Nye Committee* about the clandestine flow of American-made weaponry to Germany through Holland in the early 1930s.

Walker was not investigated by

the committee, but the American Ship and Commerce Corp. (in which he was very involved) had partial ownership and influence over the German Hamburg-Amerika line which may have helped Remington Arms ship weapons to right-wing, German political factions in the early 1930s.

George Herbert Walker and Samuel Frazier Pryor had several things in common. They were of the same generation; they were friends with kindred business backgrounds before the war in St. Louis; and they shared a taste for guns and financial buccaneering. Both were on the periphery of a frequently collaborative group of money men – Averell Harriman, Percy Rockefeller at National City Bank, and others at Guaranty Trust – who had large international plans. In 1915, a number of these business and financial leaders had helped to set up the American International

Corp. as a private vehicle for U.S. ambitions and investments in Europe and Russia. A collateral objective was to abet any Bolshevik-inspired upheaval in Germany that might end German participation in the war.¹

In 1916, the American International Corp. (AIC) bought New York Shipbuilding, a major navy contractor, which by 1918 owned the world’s biggest shipyard.² More than a year earlier, some of the same New York interests, centered on National City Bank, had reorganized the principal U.S. small-arms and munition producer, hundred-year-old Remington Arms, installing Pryor as general manager and later president, to meet what became an avalanche of wartime demand. Ultimately, as company publications boasted, Remington Arms produced 69% of all rifles manufactured for U.S. troops during WWI, as well as over 50% of all the small-arms ammunition for the U.S. and the Allies.³

After the war’s end, Remington Arms officials wondered about their next markets. Russia wouldn’t be among them, because in 1917 the new revolutionary government had voided Remington Arms’s multimillion-dol-

Kevin Phillips wrote *The Emerging Republican Majority* (1967) and was the Republican presidential campaign’s chief political analyst in 1968 and worked in the Nixon White House. In the 1980s, he turned away from the Republican Party. Among his books are *The Politics of Rich and Poor* (1990), *Boiling Point: Republicans, Democrats and the Decline of Middle-Class Prosperity* (1993), *Arrogant Capital: Washington, Wall Street and the Frustration of American Politics* (1994) and *Wealth and Democracy* (2002).

* The Senate’s **Nye Committee** on the Investigation of the Munitions Industry, nicknamed the “Merchants of Death” investigation, issued its report “Investigation of the Munitions Industry,” on February 24, 1936 <www.mtholyoke.edu/acad/intrel/nye.htm>

at minimizing his pedigree. He claimed that his father did not have enough money to put him through law school, a notion of financial limitations not only at variance with his career and lifestyle but also one strongly rejected by those who knew anything about him.

Samuel Prescott Bush

Samuel Bush became wealthy as president of Buckeye Steel Castings, a railroad-equipment-manufacturing firm that he headed from 1908 until he retired in 1927.

Sprawling across many acres, it specialized in railroad couplings and other steel castings needed by the large rail systems controlled by the Morgans, Harrimans and Rockefellers. Frank Rockefeller, the brother of John D. and William, who went into Great Lakes iron ore and steel, preceded Samuel Bush as Buckeye's president from 1906 to 1908. Through Buckeye, Bush had ties to the Rockefeller family, with its Standard Oil and National City Bank holdings.

Prominent in Ohio railroading as well as steel, Samuel became a director of the Pennsylvania Railroad's



Ohio subsidiaries, of the Hocking Valley Railway, the Norfolk & Western Railway, and the Huntington National Bank.

Before 1917, Samuel Bush did government relations work for the U.S. Chamber of Commerce and was the first president of the National Association of Manufacturers. [Note: These two big business organizations had strong fascist tendencies.] He also founded the Ohio Tax League and was a director of the Federal Reserve Bank of Cleveland. He sent his children to private boarding schools – the girls to Connecticut's Westover and the

boys (including Prescott) to Episcopalian St. George's in Newport, Rhode Island.

From 1917 to 1918, Samuel Bush served on the War Industries Board (WIB), where he was in charge of the forgings, guns, small arms and ammunition section. [Note: The WIB was in charge of mobilizing U.S. industries for WWI, i.e., converting civilian industries to military production. The U.S. National Archives destroyed most of the WIB's records on Samuel Bush's arms-related work with

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lar arms contract with the czar's regime – and some of those rifles instead armed White Russian troops to fight the Bolsheviks. Remington Arms executives looked to other major markets – for example, Germany.

In 1919, National City Bank joined in setting up the new W.A. Harriman and Co., soon to be under George H. Walker's presidency. Like Harriman and Walker, National City would do a lot of 1920s business in Germany. Percy Rockefeller of National City, a moving force in the Remington Arms reorganization – and a director there as well as at AIC – also became a W.A. Harriman director.⁴

Remington Arms's Samuel Pryor was part of this cabal, and took a role in the first big Harriman-Walker international gambit: the arrangement of a major participation in Germany's once great Hamburg-Amerika steamship line. Harriman and Walker held their Hamburg-Amerika shares through another mutual framework, the American Ship and Commerce Corp. Pryor was named one of its directors.

In 1924, when Harriman and Walker set up the Union Banking

Corp. (UBC) in New York on behalf of the politically active German steel baron Fritz Thyssen, control of UBC was held by a Dutch entity, the Rotterdam-based Bank voor Handel en Scheepvaart. This Dutch bank, in turn, was owned by Berlin's August Thyssen Bank. The Rotterdam bank, it has been proven, handled some of Thyssen's 1920s contributions to the fledgling Nazi Party. Samuel Pryor of Remington Arms was named an original director of UBC. He seems to have been a tight third side of the Harriman-German triangle. Indeed, after he died in 1934, his son became a director of Harriman Securities Corp., joining the two Harriman brothers, Averell and Roland.⁵ This does make one wonder about Remington-made arms going to Thyssen – or Thyssen's friends.

The Nye Committee never got too deeply into the major 1933-1934 surge of U.S. military exports to Hitler's Germany. Although the committee chairman cited figures that exports to Germany by United Aircraft (Boeing Aircraft, Chance Vought, and Pratt and Whitney) had increased by 500% between 1933 and 1934, the State Department leaned on committee mem-

bers to make no reference to secret reports about German rearmament.⁶ No documentation exists for how many Remington-made weapons reached Germany through Dutch barge routes or Thyssen transport.

By 1933, Remington Arms let Du Pont, the nation's leading munitions maker, acquire a controlling interest.⁷ War was not far off and once again the company became the principal U.S. small-arms and ammunition supplier. Its payroll rose from under 4,000 in 1939 to 82,500 at the peak of production in 1943.⁸

Notes

1. Antony Sutton, *Wall Street and the Bolshevik Revolution*. Western Australia: Veritas Publishing, 1981, pp.83, 91.
2. Matthew Ware Coulter, *The Senate Munitions Inquiry of the 1930s*. Westport, Conn.: Greenwood Press, 1997, p.67.
3. K.D. Kirkland, *Remington*. New York: Exeter Books, 1988, p.46.
4. *The Directory of Directors in the City of New York, 1916-1933*.
5. *Directory of Directors, 1936-39*.
6. Matthew Ware Coulter, *Senate Munitions Inquiry*, p.45.
7. Kirkland, *op cit.*, p.46.
8. *Ibid.*, p.50.



July 1964

From left to right: **E. Roland Harriman, Prescott Bush, R. Knight Woolley, Robert A. Lovett**
All were close friends and classmates at Yale in 1917. All were members of Yale's powerful Skull and Bones Society. All were long-time, senior partners in Brown Brothers Harriman:

- **Edward Roland Harriman** (held 99.75% of Union Bank shares, worth \$3 billion in 1951!!)
- **Prescott Bush** (Connecticut Senator and progenitor of two U.S. presidents)
- **Knight Woolley** (Director of the New York Federal Reserve Bank and Guaranty Trust, NY)
- **Robert Lovett** (Secretary of Defense under President Harry Truman)

the government, supposedly in order 'to save space.']

In 1918, WIB chairman Bernard Baruch made Samuel Bush the director of its facilities division, charged with strategic coordination of manufacturing output and railroad transportation capacity. When some WIB functions were transferred to the Commerce Department, he migrated to that department's advisory board. Before long, however, the Commerce board's support for government planning and collaborative price fixing to cushion postwar deflation displeased President Wilson as overly interventionist, and the effort was abandoned.

Samuel Bush's background and WWI responsibilities brought wide acquaintance – first, with railroad-connected Harrimans and Rockefellers; second, with influential board officials like Clarence Dillon, Robert Brookings, Judge Robert S. Lovett (and per-

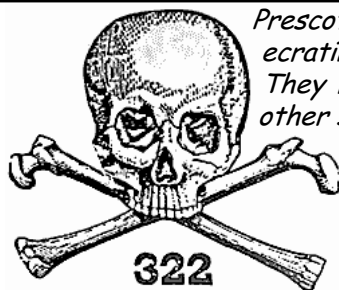
haps their friend George H. Walker); and third, through his brief involvement in small arms and ordnance, with top executives of firms like Du Pont, Remington, Winchester and Colt Arms. Paul Koistinen, the principal historian of the political economy of American warfare, found that in contrast to the Spanish-American War, the 1917-1918 challenge drew industrial, military and business together into the lasting relationships that would dominate the twentieth-century political economy. Despite the hiatus in the twenties and thirties, this marked "a major and seemingly irrevocable step in the direction of [the U.S.] becoming a warfare or national security state."

[Editor's Note: Between the wars, Samuel Bush became a close advisor to Republican President Herbert Hoover, who served between 1929 and 1933.]

Skull and Bones

Founded in 1833 by William Russell (heir to Russell & Co., one of the world's leading opium traders), Skull and Bones (S&B) was an offshoot of a German secret society. Now the oldest and most prestigious of Yale's secret fraternities, its members "tap" 15 recruits from among America's most influential families each year. Its members have risen to the top of America's power elite: congressmen, governors, ambassadors, bankers, spies, judges, media moguls, captains of industry Secretaries of State, Secretaries of War, and National Security Advisors. A few have even become U.S. presidents, such as two who share the name George Bush. Senator John Kerry is also a Bonesman (class of 1966), as was Henry J. Heinz II (1931), the father of his wife's former husband.

As stated in the *Washington Post* April 4, 2004: "Bonesmen oversaw development of the atomic bomb and in-



Bush family S & B members include:

- ♦ Prescott Sheldon Bush (1917)
- ♦ George Herbert Walker Bush (1948)
- ♦ George Walker Bush (1968)
- ♦ Jonathan J. Bush (1953) (Prescott's son)

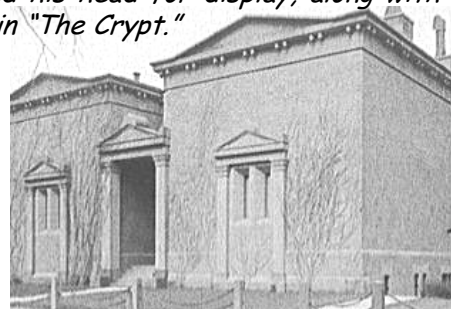
Other S & B relatives of

President George Walker Bush:

- ♦ George Herbert Walker Jr. (1927) (George W's great uncle)
- ♦ George Herb Walker III (1953) (see p.44)
- ♦ Ray Carter Walker (1955) (two of George W's cousins)

fluenced the decision to use it on Japan. They managed the postwar occupation of Germany. They helped shape Cold War policies, were policymakers during the Vietnam War, have ties to the Council on Foreign Relations and

Prescott Bush led fellow Bonesmen of 1917 in desecrating the grave of the Apache chief Geronimo. They removed his head for display, along with other skulls, in "The Crypt."



the Trilateral Commission.... [and] were among the CIA's founders."

Skull and Bones is more than an aristocratic social club serving the privileged ivy league elite. Its imposing Greco-Egyptian headquarters, "The Crypt" or "The Tomb," on Yale's campus is the site of ridiculous, occult rituals fixating on death. It has long been an incubator for U.S. foreign policymakers and has provided an important political and economic networking function for the elite of the elite from Yale. (See also pp.18, 45)

Prescott S. Bush

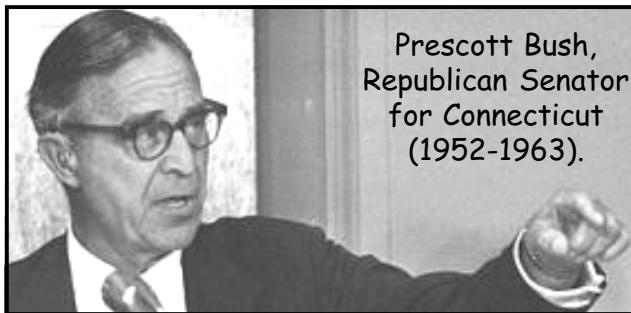
How much Samuel Bush drew on his experience and connections to advance his son Prescott's career in the 1920s and 1930s is a gap in the various Bush biographies and memoirs. For good reason, the arms connection is not one that the family has wanted to see pursued. It is striking how clearly Prescott's employment after his demobilization in 1919 related to areas that were within the WIB's purview.

Prescott got his first job with Simmons, a railroad-equipment manufacturer, through its president, Wallace Simmons, a wartime planning colleague of Samuel Bush. Samuel Pryor, President of Remington Arms, had also worked for Simmons before the war. One of Prescott's assignments at Simmons involved selling a wartime saddlery plant in Kingsport, Tennessee, to Winchester Arms. Prescott went back to Columbus in 1921 to help run a small rubber enterprise in which Samuel Bush had an investment. Already a growth industry of the automobile era, rubber had been much regulated in the last year of WWI, leaving postwar circumstances uncertain. When his father's small Ohio rubber business was bought by a New England firm, Prescott moved to Massachusetts. In 1924, he worked for U.S. Rubber in New York. Patronage was presumably his entrée to this Harriman-linked firm. Two years later, at age 31, he became a vice president of W.A. Harriman and Co.

Prescott Bush sat in the middle of three overlapping circles that played a huge role in directing his future:

- His friends and classmates from Yale and especially its elitist secret fraternity, Skull and Bones (E. Roland Harriman, Neil Mallon, Ellery James, Robert A. Lovett, R. Knight Woolley, Wallace Simmons, et al.). All eventually wound up at W.A. Harriman, or came together through the Brown Brothers Harriman merger in 1931.
- A group centered around his father-in-law, George H. Walker, president of W.A. Harriman & Co.; his brother-in-law, George H. Walker Jr., entering his senior year at Yale (and Skull & Bones) and Walker associates including the American Investment Co. and National City Bank.
- A group made up of his father's old acquaintances from the War Industries Board (including Bernard Baruch, Edward Stettinius Sr., Clarence Dillon). It was quite a clutch of influence wielders, and all had already provided Prescott with work and connections.

As WWII gathered, Brown Brothers Harriman and Skull and Bones each boasted extraordinary numbers of persons who became private or public leaders of the military-industrial complex and its intelligence auxiliaries. Averell Harriman was dabbling in the aviation business, studying imaginative new airplane designs and helping to finance fellow Bonesman Juan Trippe's Pan American Airlines. Henry Stimson took time away from presiding over the Andover Board of Trustees to be Hoover's Secretary of State (1929-1932). He later became Roosevelt's Secretary of War (1940). David Ingalls, of the WWI Yale Flying Unit, who briefly flew British Sopwith Camels, became Assistant Secretary of the Navy for Aviation (1929-1932). Trubee



Prescott Bush,
Republican Senator
for Connecticut
(1952-1963).

In 1926, he was recruited by father-in-law, George H. Walker, to work in **W.A. Harriman & Co.**, an investment bank. When it merged with Brown Brothers in 1931 to become **Brown Brothers Harriman & Co.**, Prescott was managing partner.

Prescott also sat on many corporate boards, including:

- ♦ **Dresser Industries.** In 1928, W.A. Harriman & Co. paid \$4 million for this oil-drilling-equipment firm's stocks. In 1929, Prescott refinanced Dresser to retain "a substantial measure of control." In 1930, E.R. Harriman and Prescott joined the Dresser board. Prescott installed Yale classmate Henry Neil Mallon as chair. In 1948, Mallon hired Prescott's son, George H.W. Bush, for his first job. George Sr. later named a son, Neil Mallon Bush, after his mentor. [In 1998, Halliburton CEO Dick Cheney, the current U.S. vice president, merged Dresser into Halliburton. It is now a prime beneficiary of oil service contracts in Iraq.]
- ♦ **Columbia Broadcasting System.** Prescott met CBS founder, William Paley, through Averell Harriman, who represented CBS in a merger with Paramount Studios in 1929.
- ♦ **Union Banking Corp.** was established in 1924 with George H. Walker as president. Prescott was on the board (1934-1943).
- ♦ **Harriman Fifteen Corp.** (1 Wall Street). W.A. Harriman and Bush were sole directors and G.H. Walker was its president.
- ♦ **Vanadium Corp. of America.** In 1942, it procured and processed uranium for the Manhattan Project's nuclear bombs.
- ♦ **Simmons.** A major donor to both Bush presidential bids.
- ♦ **Pan American Airlines.** Prescott Jr., joined the firm in 1943.
- ♦ **Rockbestos Products.**
- ♦ **Hydrocarbon Research**
- ♦ **U.S. Guaranty Trust**
- ♦ **Continental Bank & Trust, NY**
- ♦ **Commercial Pacific Cable Co.**
- ♦ **Hamburg-America Line**
- ♦ **Prudential Insurance**
- ♦ **Massachusetts Investors Second Fund**
- ♦ **Pennsylvania Water and Power.**

Source: <www.wordiq.com/definition/Prescott_Bush>

Davison, another Bonesman in the Yale Flying Unit, became head of the Civil Aeronautics Board and Assistant Secretary of War for Air under George H. Walker's good friend, Secretary of War Dwight Davis (1925-1929).

On the Brown Brothers Harriman side, David K.E. Bruce, son-in-law of banker Paul Mellon, was a partner before spending WWII running the London office of the Office of Strategic Services (OSS) [the CIA's precursor] and moving up to Undersecretary of State. Artemus Gates, at the firm in the 1930s, went on to become assistant of the navy for air under Henry Stimson during WWII.

Prescott Bush spent the first two decades of his financial career in the company of people whose actions and ideas would shape the War Department, the OSS, the CIA and other pivots of the emerging U.S. national security complex. British writer, Godfrey Hodgson, points out that "the War Department was directed by a tiny clique of wealthy Republicans, and one that was almost as narrowly based, in social and educational terms, as a traditional British Tory Cabinet." The importance of these connections is almost as neglected as the Bush family links to the arms trade.

Source: Excerpts, *American Dynasty: Aristocracy, Fortune, and the Politics of Deceit in the House of Bush*, 2004