

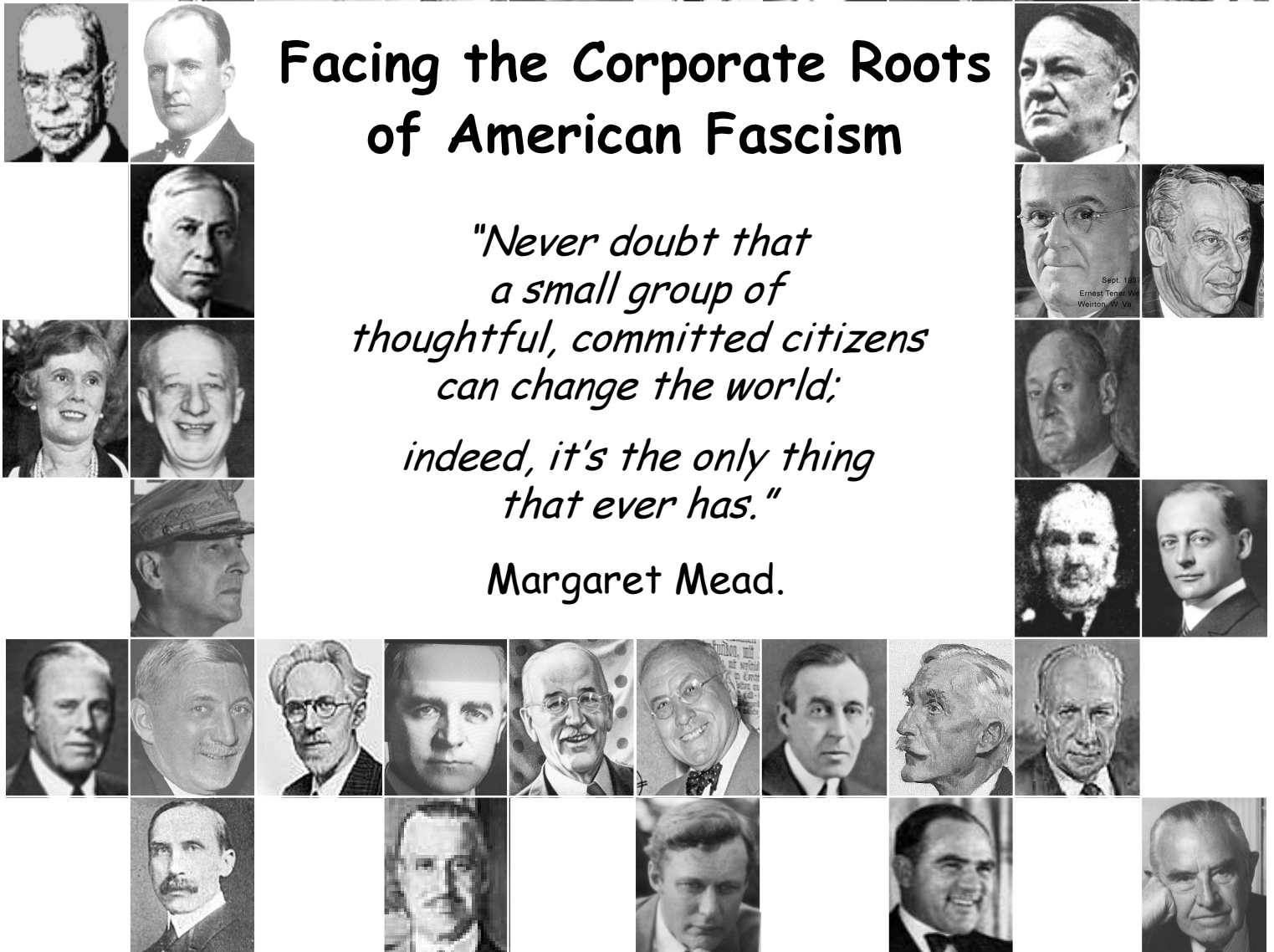


Facing the Corporate Roots of American Fascism

*"Never doubt that
a small group of
thoughtful, committed citizens
can change the world;*

*indeed, it's the only thing
that ever has."*

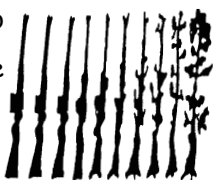
Margaret Mead.



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Facing the Corporate Roots of American Fascism

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- (1) **Setting the Stage:** The sources for these items on the historical context in which the plot occurred are cited at the conclusion of each article.
- (2) **The Plot and Main Players:** This narrative description of the plot, by John Spivak, from *A Man in His Time* (1967), has sidebars highlighting the key fascists, corporations and groups linked to the plot. Sixteen of these sidebars, including all the unattributed ones, are by Richard Sanders, editor of *Press for Conversion!*
- (3) **Behind the Scenes:** This section is comprised of an article by Richard Sanders on the American Liberty League, which General Butler identified as the "super-organization" behind the plot. This article, has 27 biographical sketches of the leading organizers and financiers of the League. In researching these biographies (and the sidebars in section 2), more than 300 articles, books and websites were used. For space reasons, it was not possible to include these sources here. However, they are all online at <members.rogers.com/overcoat/fascism/sources.html>

Exposing the Legacy of American Corporatism

By Richard Sanders, editor,
Press for Conversion!

This issue of *Press for Conversion!* exposes a little-known, fascist

plot to overthrow the U.S. government in the 1930s. We know about this scheme, and the corporate elite behind it, thanks to a high-ranking military whistle-blower: Marine Corps Maj.-Gen. Smedley Butler. Butler is largely forgotten today, but 70 years ago he was the most revered American military hero, the only man to have twice been awarded the Marine's prestigious Medal of Honor. During his loyal 33-year military career, Butler led invasions, quelled nationalist rebellions and instituted regime changes to benefit U.S. business interests in Mexico, Haiti, Cuba, Nicaragua, the Dominican Republic, Honduras and China.

In 1933, Butler was approached a clique of multi-millionaire industrialists and bankers. They hated U.S. President Franklin D. Roosevelt (FDR) with a passion, and saw his "New Deal" policies as the start of a communist take-over that threatened their interests. FDR even had the temerity to announce that the U.S. would stop using its military to interfere in Latin American affairs! Wall Street's plutocrats were aghast! They had long been accustomed to wielding tremendous control over the government's economic policies, including the use of U.S. forces to protect their precious foreign investments. Because of Butler's steadfast military role in upholding U.S. business interests abroad, the plotters mistakenly thought they could recruit him to muster a "super-army" of veterans to use as pawns in their plan to subjugate or, if necessary, eliminate FDR.

Butler played along in order to determine who was behind the plot. Testifying under oath before a House Committee on un-American activities, he named those directly involved. He also identified an organization of powerful financiers, the American Liberty League, that was backing the plot. News of Butler's sensational testimony thwarted the coup, but the plotters were never questioned, let alone arrested or charged with seditious treason. In fact, they continued to conspire behind the scenes to rid America of FDR and to smash his "New Deal."

Evidence of continued efforts by powerful U.S. fascists to regain control of the White House is illustrated by a 1936 statement by William Dodd, the U.S. Ambassador to Germany:

"Fascism should more properly be called corporatism because it is the merger of state and corporate power."
Benito Mussolini

In 1936, William Dodd, the U.S. Ambassador to Germany, said:
"A clique of U.S. industrialists is hell-bent to bring a fascist state to supplant our democratic government and is working closely with the fascist regime in Germany and Italy."

Italy. I have had plenty of opportunity in my post in Berlin to witness how close some of our American ruling families are to the Nazi regime.... A prominent executive of one of the largest corporations, told me point blank that he would be ready to take definite action to bring fascism into America if President Roosevelt continued his progressive policies. Certain American industrialists had a great deal to do with bringing fascist regimes into being in both Germany and Italy. They extended aid to help Fascism occupy the seat of power, and they are helping to keep it there. Propagandists for fascist groups try to dismiss the fascist scare. We should be aware of the symptoms. When industrialists ignore laws designed for social and economic progress they will seek recourse to a fascist state when the institutions of our government compel them to comply with the provisions."

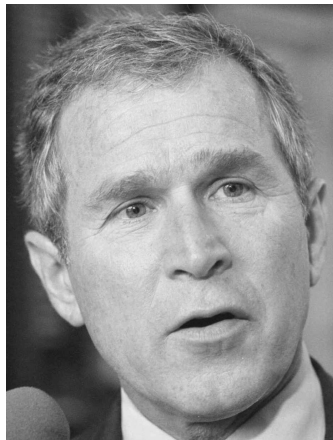
Many of those exposed by Butler, boosted their fortunes by investing in the fascist experiments of Mussolini and Hitler. Some of them even amassed great profits by arming the Nazis, both before and during WWII.

How is this history of relevance today? Although all of the top U.S. fascists behind this 1930's plot are dead, their corporations carry on. These companies, with their roots firmly planted in the fascist milieu of the 1930s, are now among the world's wealthiest corporations. They continue to exert enormous influence over U.S. government policies, and – by extension – over global matters of war, peace and human rights.

Although those within the highest echelons of U.S. corporate power were willing to instigate a coup to take control of the White House, their plot against FDR was called off. However, they did eventually regain their long-standing influence over American politics.

President George Walker Bush's grandfather (Prescott Bush) and great grandfather (George Herbert Walker) were among Wall Street's ultra-right elite. Before WWII, they financed Hitler's rise to

power. During the war, they profited from companies that used slave labour at Auschwitz. Then, after the war, they laundered Nazi loot for Fritz Thyssen, Hitler's richest industrialist backer.



"If this were a dictatorship, it'd be a heck of a lot easier, just so long as I'm the dictator."
'President-Elect,' George W. Bush, Dec. 18, 2000.

Stay tuned... A future issue of Press for Conversion! will focus on the Bush family's complicity in fascism. (See pages 52 and 53.)

The "Bonus Army" and the Torching of Hooverville

By Brian R. Train

At the end of WWI, a grateful U.S. government passed legislation authorizing payment of a cash bond that would mature in 1945. The Crash of 1929 wiped out many veterans' savings and jobs, forcing them out into the streets. Veterans began to organize and petition the government to pay their bonus immediately.

In the spring of 1932, 300 veterans from Oregon, calling themselves the 'Bonus Expeditionary Force,' or 'Bonus Army,' traveled to Washington to lobby the government.

By the end of May, over 3,000 veterans and their families made their way to Washington, D.C. Most lived in makeshift huts and tents on the mud flats by the Anacostia River. Similar encampments could be found sheltering the migrant unemployed and poor outside any U.S. large city and were called 'Hoovervilles.' By July, almost 25,000 people lived in Anacostia, making it the largest in the country.

In June, the Patman Bonus Bill, which proposed immediate payment of the veterans' bonuses, was debated in the House of Representatives. There was stiff resistance from Republicans loyal to President Hoover, as the Administration was adamant about maintaining a balanced budget. The bill passed on June 15, but was defeated in the Senate two days later. In response, almost 20,000 veterans shuffled up and down Pennsylvania Avenue for three days. [The National Archives and Records Administration's Hoover Presidential Library-Museum estimates there were 60,000.]

It was alleged that the march was directed by the Communist Party in pursuit of a revolution, but it has since been established that the Party's only actual involvement was sending a small number of agitators and speakers.

Retired Marine General Smedley Butler, an immensely popular figure among veterans and a vocal opponent of the Hoover Administration, participated in Bonus Army demonstrations and made inflammatory speeches. (He was approached in 1933 by fascist sympathizers in the American Legion, who tried to involve him in an actual plot to seize power in a *coup d'état*.)

President Hoover considered the Bonus Army a threat to public order. Many of the marchers left Washington, but there were still over 10,000 angry, restless veterans in the streets. On July 28, two veterans were shot and killed by panicked police in a riot at the bottom of Capitol Hill.

Hoover told Secretary of War Ralph Furlay to tell



In 1932, 60,000 veterans were protesting in Washington to demand a "bonus" that was promised to them for WWI services. Many lived in Hooverville, a makeshift shanty town in sight of Congress.

On July 28, MacArthur, Eisenhower and Patton used tanks, tear gas, fixed bayonets, drawn sabres and troops on horseback to drive the "Bonus Army" from Washington. They burnt Hooverville to the ground.

Gen. MacArthur, then the Army Chief of Staff, that he wished the Bonus marchers evicted from Washington. Troops were ordered to remove the marchers from the streets by force.

One infantry battalion and two cavalry squadrons, under the command of Major George Patton, concentrated just west of the White House. The infantry donned gas masks and fixed bayonets, the cavalry drew sabers and, followed by

several light tanks, moved down Pennsylvania Avenue to clear it of people.

Against the advice of his assistant, Major Dwight D. Eisenhower, MacArthur took personal command of the operation. President Hoover had ordered MacArthur to clear Pennsylvania Avenue only, but MacArthur immediately began to clear all of downtown Washington, herding the marchers out. Tear gas was used liberally and many bricks were thrown, but no shots were fired. By 8 p.m. the downtown area was cleared and the bridge across the Anacostia River, leading to Hooverville, was blocked by tanks.

That evening Hoover sent orders via two officers forbidding MacArthur to cross the Anacostia to clear the marchers' camp. MacArthur flatly ignored the President's orders, saying he was 'too busy' and could not be 'bothered by people coming down and pretending to bring orders.'

MacArthur crossed the Anacostia, routed the marchers, along with 600 of their wives and children, out of the camp and burned it to the ground. Then, incredibly, he called a press conference and praised Hoover for taking the responsibility of giving the order to clear the camp. [See opposite page.] Secretary of War Furlay praised MacArthur for clearing the camp, even though he too was aware that Hoover had given directly contrary orders.

Hoover could not publicly disagree with his Chief of Staff and Secretary of War, and ended up paying the political cost of this incident. The forceful eviction of the Bonus Army, with four killed (two demonstrators shot by police and two infants asphyxiated by tear gas), turned public opinion against Hoover and contributed to his defeat in 1932.

In the end, some money was paid to veterans. The Economy Act of 1933 cut veterans' disability allowances in an effort to cut federal expenses, but pressure continued until a law was passed over Roosevelt's veto in 1936.

Source: "Hooverville, Bonus Marchers, General Smedley Butler," History 151, UMASS. beachonline.com/hoover.htm

Conflicting Versions of the Battle of Anacostia

The Battle of Anacostia, in which troops, led by Army Chief of Staff General Douglas MacArthur, used excessive force to drive thousands of unarmed, protesting WWI veterans from Washington, D.C., was a turning point in U.S. history. The Posse Comitatus Act of 1878 explicitly forbade the use of U.S. military forces against American citizens. President Hoover blamed MacArthur for mishandling the whole incident, saying he had usurped authority by disobeying explicit orders.

The District of Columbia government asked federal troops to preserve order. Hoover reluctantly agreed, but only after limiting Major General MacArthur's authority. MacArthur's troops would be unarmed. The mission was to escort the marchers unharmed to camps along the Anacostia River. But [Army Chief of Staff] MacArthur ignored the President's orders, taking no prisoners and driving tattered protesters from their encampment.

After Hoover ordered a halt to the army's march, MacArthur again took things into his own hands, violently clearing the Anacostia campsite. A national uproar ensued. Democratic presidential candidate Franklin D. Roosevelt grasped the political implications instantly. "Well," he told a friend, "this elects me."

Source: "From Hero to Scapegoat," Herbert Hoover Presidential Library-Museum. <hoover.archives.gov/exhibits/Hooverstory/gallery07/gallery07.html>

General Douglas MacArthur

From MacArthur's statement, the night his men burnt Hooverville to the ground:

That mob down there was a bad-looking mob. It was animated by the essence of revolution. The gentleness, the consideration, with which they had been treated had been mistaken for weakness and they had come to the conclusion... that they were about to take over in some arbitrary way either the direct control of the Government or else to control it by indirect methods.... Had the President... permitted this thing to go on for 24 hours more, he would have faced...a real battle. Had he let it go another week,...the institutions of our Government would have been very severely threatened.... It can be safely said that he had not only reached the end of an extraordinary patience but that he had gone to the very limit in his desire to avoid friction and trouble before he used force. Had he not used it at that time, I believe he would have been very derelict indeed in the judgment in which he was handling the safety of the country.... Had he not acted with the force and vigor that he did, it would have been a very sad day for the country tomorrow....

A reign of terror was being started which may have led to a system of Caponeism, and...later to insurgency and insurrection. The President played it pretty fine in waiting to the last minute.... I think as a military maneuver,...it was unique. I have been in many riots, but I think this is the first riot I ever was in, or ever saw, in which there was no real bloodshed. So far as I know, there is no man on either side who has been seriously injured. **Source:** News conference, July 28, 1932. <www.presidency.ucsb.edu/site/docs/index_pppus.php>



Was it "Bonus Army" insurrection, or just the Army Chief of Staff's insubordination?

President Herbert Hoover

From Hoover's memoirs:

The bonus march was in considerable part organized and promoted by the Communists and included a large number of hoodlums and ex-convicts determined to raise a public disturbance. They were frequently addressed by Democratic congressmen seeking to inflame them against me for my opposition to the bonus legislation. They were given financial support by some

publishers of the sensational press. It was of interest to learn in after years, from the Communist confessions, that they also had put on a special battery of speakers to help Roosevelt in his campaign, by use of the incident.

When...no legislation on the bonus [was] passed by Congress, I asked...[for] funds to buy tickets home for the legitimate veterans.... Some 6,000 availed themselves of [this] aid, leaving about 5,000 mixed hoodlums, ex-convicts, Communists and a minority of veterans....

General MacArthur was directed to take charge. General Eisenhower (then Colonel) was second in command. Without firing a shot or injuring a single person, they cleaned up the situation....

The misrepresentation of the bonus incident for political purposes surpassed any similar incident in American history. Not only did Roosevelt use the incident in the 1932 campaign, but Democratic orators...continued to use it for twenty years.... I was portrayed as a murderer and an enemy of veterans.

Source: Excerpts from *The Memoirs of Herbert Hoover*, 1952-1953, published in *Buttons and Ballots*, March 1997. <www.msys.net/cress/ballots2/bonus.htm>



Bonus Marchers: Loyal Vets or revolting "Reds"?

Franklin Delano Roosevelt

*FDR's First Inaugural
Address, March 4, 1933:*

This is preeminently the time to speak the truth, the whole truth, frankly and boldly.



The only thing we have to fear is fear itself – nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance. In every dark hour of our national life, a leadership of frankness and vigor has met with that understanding and support... which is essential to victory.

Values have shrunk to fantastic levels; taxes have risen; our ability to pay has fallen; government of all kinds is faced by serious curtailment of income; the means of exchange are frozen in the currents of trade; the withered leaves of industrial enterprise lie on every side; farmers find no markets for their produce; and the savings of many years in thousands of families are gone. A host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment.

Our distress comes from no failure of substance. We are stricken by no plague of locusts. Primarily, this is because the rulers of the exchange of mankind's goods have failed, through their own stubbornness and their own incompetence, have admitted their failure, and have abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

Their efforts have been cast in the pattern of an outworn tradition. Faced by failure of credit, they have proposed only the lending of more money. Stripped of the lure of profit by which to induce our people to follow their false leadership, they have resorted to exhortations, pleading tearfully for restored confidence. They only know the rules of a generation of self-seekers. They have no vision, and when there is no vision the people perish.

Yes, the money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of that restoration lies in the extent to which we apply social values more noble than mere monetary profit.

Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort. The joy, the moral stimulation of work no longer must be forgotten in the mad chase of evanescent profits.

Recognition of that falsity of material wealth as the standard of success goes hand in hand with the abandonment of the false belief that public office and high political position

The practices of unscrupulous money changers stand indicted in the court of public opinion....

Stripped of the lure of profit... to induce ... people to follow their false leadership, they ... plead tearfully for restored confidence. They only know the rules of a generation of self-seekers. They have no vision, ... when there is no vision ... people perish.

The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths.

are to be valued only by the standards of pride of place and personal profit; and there must be an end to a conduct in banking and in business which too often has given to a sacred trust the likeness of callous and selfish wrongdoing. Restoration calls, however, not for changes in ethics alone. This Nation is asking for action, and action now.

Our greatest task is to put people to work. It can be accomplished in part by direct recruiting by the Government itself, treating the task as we would treat the emergency of a war, but at the same time, through this employment, accomplishing greatly needed projects to stimulate and reorganize the use of our great natural resources.

We must frankly recognize the overbalance of population in our industrial centers and, by engaging on a national scale in a redistribution, endeavor to provide a better use of the land for those best fitted for the land.

Finally, in our progress toward a resumption of work, we require safeguards against a return of the evils of the old order. There must be a strict supervision of all banking and credits and investments. There must be an end to speculation with other people's money. And there must be provision for an adequate but sound currency.

In the field of world policy, I would dedicate this Nation to the policy of the good neighbor: the neighbor who resolutely respects himself and respects the rights of others; the neighbor who respects his obligations and the sanctity of his agreements in and with a world of neighbors.

We now realize our interdependence on each other; that we can not merely take, but we must give as well; that if we are to go forward, we must move as a trained and loyal army willing to sacrifice for the good of a common discipline, because without such discipline no progress can be made, no leadership becomes effective.

With this pledge taken, I assume unhesitatingly the leadership of this great army of our people dedicated to a disciplined attack upon our common problems.

In the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask Congress for the one remaining instrument to meet the crisis—broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were invaded by a foreign foe.

www.americanrhetoric.com/speeches/fdrfirstinaugural.html

America's Homegrown Fascism

By George Seldes, foreign correspondent during WWI and WWII, media critic and author. (See back cover.)

The U.S. Office of War Information (OWI) published millions of words, thousands of pamphlets and posters to inspire people and raise the morale of the soldiers of production and the soldiers of the field. But, the OWI did not publish a single pamphlet, poster or paper telling either the civilian population or the men and women in uniform what Fascism really is, what the forces are behind the political and military movements generally known as Fascism, who puts up the money, who make the tremendous profits which Fascism has paid its backers in Germany, Italy, Japan, Spain and other nations.

When it comes to relating foreign Fascism with native American Fascism there is a conspiracy of silence in which the OWI, the American press and all the forces of reaction in America are united.

Outside of a few books, a few pamphlets and articles in the very small independent weekly

The real Fascists of America are never named in the commercial press.

press, not one word on this subject has been printed, or heard over any of the big commercial radio stations.

Faraway Fascism has been attacked, exposed and denounced by the same publications which for years ran articles lauding Mussolini and his notable backers. The Hearst newspapers, which published from 1934 to Pearl Harbor dozens of signed propaganda articles by Dr. Goebbels, Goering and other Nazis, now call them names, but no publication which takes money

from certain Big Business elements will dare name the native or nearby Fascists. In many instances, the publications themselves are part of our own Fascism.

The real Fascists of America are never named in the commercial press. It will not even hint that there are many powerful elements working against a greater democracy, against an America without discrimination based on race, color and creed, an America where never again will one third of the people be without sufficient food, clothing and shelter, where never again will there be 12 million unemployed and many more working for semi-starvation wages while the du Pont, Ford, Hearst, Mellon and Rockefeller Empires move into the billions of dollars.

I call these elements Fascist. You may not like names and labels but technically as well as journalistically and morally they are correct. You may substitute whatever name you like for the flag-waving, anti-American Americans whose efforts and objectives parallel those of the Liga Industriale which bought out Mussolini in 1920, and the Thyssen-Krupp-Voegeler-Flick Rhineland industry and banking system which subsidized Hitler when Nazism was

about to collapse. Their main object was to end the civil liberties of the nation, destroy the labor unions, end the free press, and make more money at the expense of a slave nation. Both succeeded. In America, they have already:

- (1) Organized big business in a movement against labor.
- (2) Founded the American Liberty League to fight civil liberties.
- (3) Subsidized anti-labor, Fascist and anti-Semitic groups.
- (4) Signed a pact with Nazi agents for political and economic (cartel) penetration of U.S.
- (5) Founded a \$1,000,000-a-year propaganda outfit to corrupt the press, radio, schools and churches.
- (6) Stopped the passage of food, drug and other laws aimed to safeguard the consumer.
- (7) Conspired, with du Pont as leader, in September 1942, to sabotage the war effort in order to maintain profits.
- (8) Sabotage the U.S. defense plan in 1940 by refusing to

convert auto plants and by a sit-down of capital against plant expansion; sabotage the oil, aluminum and rubber expansion

programs. (If these facts are not known to you it is because 99% of our press, in the pay of the same elements, suppressed the information.)

- (9) Delayed the winning of the war through the acts of dollar-a-year [executives] looking out for present profits and future monopoly rather than the quick defeat of Fascism.

Naturally enough the U.S. president and other high officials cannot name these men, organizations, lobbyists and national associations; they can only refer to "noisy traitors," Quislings, defeatists, Tories or Economic Royalists.

Our press will never name them because the same elements that made the above 9-point record are their main advertisers and biggest subsidizers. Even the general charges by the President himself have been suppressed. In Germany and Italy, until the Fascist seizure of government, most newspapers were brave enough to be anti-Fascist, whereas in America a large part of the press (Hearst, Scripps-Howard, McCormick-Patterson) has for years been pro-Fascist and almost all big papers live on the money of the biggest Tory and reactionary corporations and reflect their viewpoint now.

On the anti-Fascist side, there is not one publication that boasts more than one or two hundred thousand circulation, whereas the reactionary press has its *New York News* with 2 million daily, its *Saturday Evening Post* with 3 million weekly and its *Reader's Digest* with 9 million monthly.

It is a shameful and tragic that in America, where 50 million read anti-labor and anti-liberal propaganda, only a few hundred thousand read intelligent, honest, unbribed, uncorrupted publications, issued in the public interest.

Source: Excerpts from *Facts and Fascism*, 1943.



Adolph Hitler, March 1935



Benito Mussolini, Aug. 1923

The Fascist Plot to Seize Washington

By John Spivak, investigative journalist and author. (See back cover.)

Around the beginning of July 1933, the first overt move was made in one of the most fantastic plots in American history. A representative of a group of conspirators opened negotiations with a noted military man to head a 500,000-man army, seize the Government of the United States, put an end to American democracy and supplant it with a dictatorship. The **McCormack-Dickstein House Committee**, investigating un-American activities, turned its attention to the plot, but that probe ended abruptly. Even a generation later, those who are still alive and know all the

facts have kept their silence so well that the conspiracy is not even a footnote in American histories. It would be regrettable if historians neglected this episode and future generations never learned of it.

When the plot actually began or whose inspiration it was is not known, for the Committee avoided probing into these aspects. News of the plot, reported to have backing of "three million dollars on the line and three hundred million...should it be necessary," reached the nation in a time which saw greater changes in political systems than any previous period.

The takeover plot failed because although those involved had astonishing talents for making breathtaking

millions of dollars, they lacked an elementary understanding of people and the moral forces that activate them. In a money-standard civilization such as ours, the universal regard for anyone who is rich tends to persuade some millionaires that they are knowledgeable in fields other than the making of money. The conspirators went about the plot as if they were hiring an office manager; all they needed was to send a messenger to the man they had selected. In this case, as recorded in sworn testimony before the Congressional Committee, the messenger was a bond salesman named **Gerald C. ("Jerry") MacGuire**, who earned about \$150 a week. I record his wage not as proof of his competence or lack

The Dickstein-McCormack Committee (1934-1935)

By Richard Sanders

This House committee was named after its chairman and vice chairman, John W. McCormack and Samuel Dickstein. It was called the Special Committee on Un-American Activities Authorized to Investigate Nazi Propaganda and Certain Other Propaganda Activities. In 1934, it held public and private hearings in six cities, questioned hundreds of witnesses and collected testimony filling 4,300 pages. Its mandate was to get "information on how foreign subversive propaganda entered the U.S. and the organizations that were spreading it."

It did not do well in dealing with homegrown U.S. fascists, nor did it consider how Americans helped spread fascism abroad. It did investigate the fascist plot to seize the White House, but was criticized by John Spivak, Smedley Butler and others, for not revealing – let alone questioning – the powerful men behind the plot. Although it spent more time tracking communist activities than it did fascist ones, its final report on Feb. 15, 1935, *did* substantiate the truth of the fascist plot. Despite its shortcomings, it was the only "un-American" committee to investigate fascism. It was quickly disbanded and replaced with another such committee that focused entirely on pursuing communists.

Gerald C. MacGuire (1897-1935)

Jerry MacGuire, a bond salesman for Grayson M.-P. Murphy's top Wall Street brokerage company, was a WWI veteran, and the former commander of the American Legion's Connecticut branch. He was also on the staff of Louis Johnson, the Legion's National Commander and a former Secretary of Defense.

MacGuire was the front man that corporate backers sent as emissary to meet General Butler and to recruit and manipulate him. MacGuire presented himself as chairman of the Legion's "distinguished guest committee" and asked Butler to speak at their upcoming Chicago convention.

MacGuire was also an official on the Committee for a Sound Dollar and Sound Currency. Its goal was to return the U.S. to the gold standard. Until recently, gold had the basis for the value of U.S. currency. Wall Street bankers and financiers revered this standard as an inviolable principle and were infuriated when FDR changed their sacred financial system.

The McCormack-Dickstein committee learned that MacGuire was cashier for the Sound Dollar committee and for the creation of a mass veteran's organization that only the hugely popular Butler could rally.

The committee also verified that MacGuire's backers sent him to Europe for seven months to study the



use of veterans' organizations in empowering and sustaining fascist political movements and governments. His research mission was supposed to provide a potential model that they could use to ensure the success of a similar fascist yake over in America.

When the fascist plan began to unravel, thanks to General Butler's efforts to expose it, MacGuire became the plotters' expendable fall-guy. MacGuire's paymasters did not cover for him when the Senate committee began probing into his suspicious expense accounts. MacGuire might have eventually spilled the beans, revealing more details about his financial backers and their plot. However, in March 1935, one month after the Committee's final report, MacGuire died of natural causes, at the ripe old age of 37.

of it, but because, as brought out in the testimony, when he was ready for the first overt move to get the conspiracy off the ground, his bank account flowered with cash deposits of over \$100,000 for "expenses."

MacGuire was a short, stocky man tending toward three chins. His bullet-shaped head had a silver plate in it due to a wound received in battle. His close-cropped hair was usually

topped by a black derby, the popular headgear of the day. A reporter described his bright blue eyes as glittering with the sharpness of a fox about to spring. MacGuire worked for a leading brokerage house headed by **Grayson M.-P. Murphy**, a West Point graduate who had seen action in the Spanish-American War and WWI. Murphy had extensive industrial and financial interests as a director of Ana-

conda, Goodyear Tire, Bethlehem Steel and a number of Morgan-controlled banks. His personal appearance was impressive: tall, heavy-set and giving evidence that in his younger years, he must have been quite handsome.

I heard rumors [of the fascist plot] in Washington more than a month before news of it broke. The talk was that the **American Legion** would be the nucleus for a fascist army which

Grayson Murphy

By L. Wolfe

Grayson Mallet-Prevost Murphy ran a leading New York brokerage trading in stocks and international bonds. He was on J.P. Morgan's "preferred client list," was a director of Morgan's Guaranty Trust bank and several Morgan-connected corporations. He and his banking house played an important role in syndicating Morgan loans to fascist Italy, for which he was decorated by Mussolini. [He received the gold "Order of the Crown of Italy," Commander class.]

As early as 1903, President Theodore Roosevelt selected him for secret assignments, including planning U.S. military interventions in the Americas. After WWI, Murphy headed the American Red Cross in Europe, which he used to develop a network of informants in European governments. In the 1920s, he made several "fact-finding"



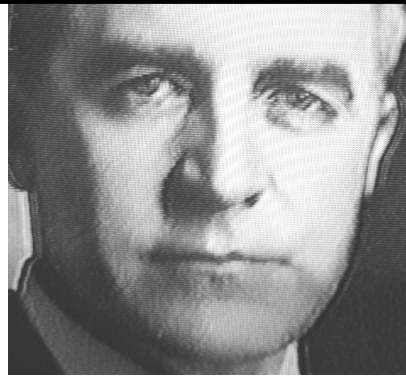
Order of the
Crown of Italy

trips to Europe, with "Wild Bill" Donovan who was later director, Office of Strategic Services. These missions, including meetings with Mussolini prior to his coup, were done at the behest of Morgan and London interests.

In 1919, Murphy was one of 20 elite U.S. officers who met in Paris with the guidance of J.P. Morgan & Co. operatives to found the American Legion. Murphy personally underwrote that operation to the tune of \$125,000, and solicited additional funds from allies of Morgan in the industrial and financial community. Murphy was "kingmaker" for the legion's "Royal Family" because the legion still owed him and his friends a great deal of money.

Source: Excerpt from "Franklin Delano Roosevelt vs. the Banks" *American Almanac*, July 4, 1994. <members.tripod.com/~american_almanac/morgan2.htm>

Grayson Murphy, a Republican, was also director of the New York Trust Co., another J.P. Morgan bank. He was also the first treasurer of the American Liberty League. Like other founders and key organizers of this extremist group of corporate leaders behind the plot to oust FDR, Murphy had previously been active in the Association Against the Prohibition Amendment.



American Legion

By John Spivak

In the 1920s and 1930s, the Legion "was a reactionary outfit whose members were quick to use baseball bats to break up strikes and civil rights demonstrations.... [It was] born on Feb. 16, 1919, when some twenty American officers met in Paris, reportedly on orders from the commanding officers of the

American Expeditionary Forces. Europe was in a revolutionary ferment which was driving the victorious nations into a fear approaching panic. Spray from the waves of this international political restlessness sprinkled American servicemen, and our high command was not happy about the effect it might have. The officers who met were wealthy men and naturally perturbed by talk of revolution. Among them were Major Hamilton Fish, Jr., who headed the first congressional committee to investigate communist activities and Grayson Murphy....[who] gave it \$125,000 and... solicited contributions from other industrialists.

When industry's efforts to reduce high wartime wage scales resulted in many strikes, veterans in Legion posts were told that the strikers were communists trying to create a chaotic situation so the Reds could take over. Such patriotic appeals to save the country brought quick responses, and in the first ten or more years of its existence the Legion developed the reputation of being a strikebreaking agency available to harried industrialists. An American Civil Liberties Union report stated: "Of the forces most active in attacking civil rights, the American Legion led the field."

Source: Excerpt, *A Man in His Time*, 1967.

Do you think it could be hard to buy the American Legion for un-American activities? No sir, not while it is controlled by the bankers.... The so-called Royal Family of the Legion – which has picked its officers for years – isn't interested in patriotism, in peace, in wounded veterans, in those who gave their lives.... No, they are interested only in using the veterans, through their officers.

Major-General Smedley Butler, WCAU radio, Feb., 1935.

Colonel William Easterwood, national vice-commander of the Legion, while in Italy in 1935, pinned a Legion button on Mussolini, making him an "honorary member" and invited the dictator to the next Legion convention.

Source: Jules Archer, *The Plot to Seize the White House*, 1973.

would seize Washington. Even in a city notorious as a gossip center, this sounded like something out of a Central American "banana republic."

According to these early rumours, the Committee knew about the conspiracy and that Major General Smedley Darlington Butler, until his retirement a few years earlier the ranking officer in the U.S. Marines, had been chosen to head the putsch. For the first time a name was mentioned, and it was a famous name....

Butler was first approached by two former state commanders of the American Legion. One [Bill Doyle] dropped out of the picture after the initial meeting. "The other said his name was Jerry MacGuire," the General told the Committee: "MacGuire said he had been State Commander, the year before,... in Connecticut."

These men, Butler later told me, eventually described "what was tantamount to a plot to seize the Government, by force if necessary."

The General placed little stock in what his visitors said until they showed that they meant business by displaying a bank book listing cash deposits of over \$100,000 for "expenses."

Butler: They took out a bank book and showed me deposits of \$42,000 on one occasion and \$64,000 on another. I said ... There is something in this, Jerry MacGuire, besides what you have told me.... He said, "Well, I am a business man ... [and] if you want to take my advice, you would be a business man, too."

Butler testified that the first suggestion made to him was to lead a movement to unseat the ruling group of the American Legion by taking 200-300 Legionnaires to its annual convention in Chicago; the second was to deliver a prepared speech to that convention, urging passage of a resolution favoring the gold standard.

Here is the story in the General's own words:

"Butler: I said, 'Listen. These friends of mine, even if they wanted to go [to the Legion convention] could not afford to go. It would cost them \$100-\$150 dollars to go there and stay for 5 days and come back.'

They said, 'Well, we will pay that.'

I said, 'How can you pay it? You are disabled soldiers. How do you

get the money to do that?'

'Oh, we have friends. We will get the money.' I began to smell a rat... [and] said, 'I do not believe you have got this money.'

It was then or the next time, ...they hauled out a bank deposit book....

The next time I saw [MacGuire] was about the first of September, in a hotel in Newark. I went over to the [Legion's 29th Division] convention. Sunday morning he walked into my room and asked if I was getting ready to take these men to Chicago.... I said, 'You people are bluffing. You have not got the money' ...he took out a big wallet...and a great, big mass of thousand dollar bills and threw them on the bed.

I said, 'What's all this?'

He said, 'This is for you, for expenses. You will need some money to pay them.'

'How much money have you got there?' He said, '\$18,000.'

I said, 'Don't you try to give me any thousand dollar bills. Remember, I was a cop once. Every one of the numbers on these bills has been taken. I know...what you are trying to do....If I try to cash one of those thousand dollar bills, you will have me by the neck.... I know one thing. Somebody is using you. You are a wounded man.... You have got a silver plate in your head.... You were wounded. You are being used...and I want to know the fellows who are

using you. I am not going to talk to you any more. You are only an agent. I want some of the principals.' He said, 'Well, I will send one...to see you.' I said 'Who?' He said, 'I will send Mr. [Robert Sterling] Clark.... He is a banker.'....

A few days later, Clark called Butler and asked if he could visit. They lunched at the General's home on Sunday. Butler continues:

Clark said: "I have \$30 million. I do not want to lose it. I am willing to spend half of the \$30 million to save the other half."

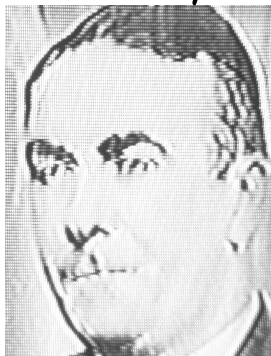
Clark said, 'You got the [gold standard] speech?' I said, 'Yes.... They wrote a hell of a good speech, too.' He said, 'Did those fellows say they wrote that speech?' I said, 'Yes, they did. They told me that was their business, writing speeches.' He laughed and said, 'That speech cost a lot of money.' He thought it was a big joke that these fellows were claiming authorship....

Clark said, 'I have \$30 million. I do not want to lose it. I am willing to spend half of the \$30 million to save the other half. If you go out and make this speech in Chicago, I am certain that they will adopt the resolution and that will be one step toward the return to gold, to have the soldiers stand up for it. We can get the soldiers to go out in great bodies to stand up for it.'

[Clark then offered Butler a bribe, saying: "Why do you want to be stub-

Bill Doyle, a former State Commander of the Massachusetts American Legion, was at Butler and MacGuire's initial meeting. Jules Archer tells us: "Morris A. Bealle, publisher of *Plain Talk* magazine, wrote Butler on May 24 [1935] that he had already begun ...[a veterans] organization, calling it the Iron Veterans. He urged Butler to assume its leadership: 'You may be interested to know that Bill Doyle tried to finance this organization for us,' Bealle wrote, 'but acted

Bill Doyle



so suspicious at Miami that I thought he was trying to take it over for the Royal Family of the American Legion, and declined to do business with him.' This was the same Doyle who had accompanied MacGuire in the plotters' first contact with Butler. Bealle added, 'A few weeks later, I discovered to my horror that [Doyle] was trying to take it over for the House of Morgan.'"

Source: Excerpt, Jules Archer, *The Plot to Seize the White House*, 1973.

born? Why do you want to be different from other people? We can take care of you. You have a mortgage on this house.... That can all be taken care of. It is perfectly legal, perfectly proper.”

When Butler declined the offer, Clark used the General’s phone to call MacGuire at Palmer House, an exclusive Chicago hotel. In Butler’s presence, Clark told MacGuire: ‘General Butler is not coming to the conven-

tion.... You have got \$45,000. You can send those telegrams. You will have to do it that way.... I am going to Canada to rest.... You have got enough money to go through with it.’

Butler later told the Committee that: “The convention came off and the gold standard was endorsed.... I read about it with a great deal of interest. There...some talk about a flood of telegrams that came in and influenced

them... I was so much amused, because it all happened right in my room.”

MacGuire continued to arrange sporadic meetings with Butler, doggedly trying to enlist his support. After Butler’s return from a cross-country speaking tour, Butler got another call from MacGuire who insisted on an immediate meeting to discuss “something of the utmost importance.” Butler agreed to meet at a fancy hotel

Robert Sterling Clark (1877-1956)

Robert S. Clark, a major financier of the American Liberty League, the Committee for a Sound Dollar and Jerry MacGuire, was one of wealthiest and most eccentric of Wall Street’s bankers and stockbrokers. After graduating in engineering from Yale (1899), he fought in the Spanish-American War, in particular the campaign that captured the Philippines for the American empire. Clark served under Butler when the Marines’ invaded China to crush the Boxer Rebellion, lay siege to Peking (Beijing) and capture Tientsin (1900-1901).

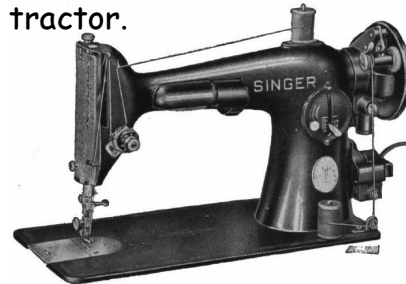
MacGuire told Bulter that his backers would give the General a bank account and showed him cheques from John Mills, Grayson Murphy and Robert S. Clark. Butler recalled Clark from the Boxer campaign and described him as “millionaire lieutenant” “sort of batty, sort of queer, did all sorts of extravagant things.”

After the war, but still in the military, Clark worked in Washington for two years, then returned to Peking. In 1905, he began preparations for an expedition to remote northern China, apparently for zoological and ethnological research (1908-1909). (His 1912 book, *Through Shên-kan: Account of the Clark Expedition, 1908-1909*, now sells for over US\$1000.)

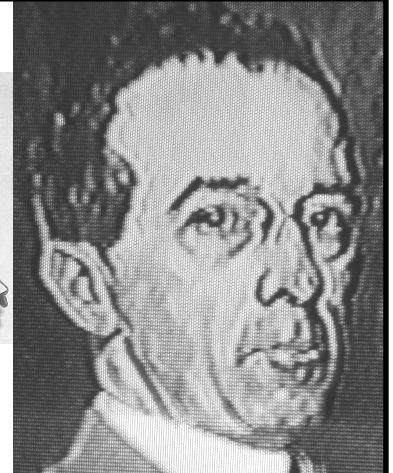
Clark’s fortune came from grandfather Edward Clark, a New York lawyer who co-founded Singer Sewing Machine with its “inventor,” I.M. Singer, in 1851. Legal problems plagued them. Elias Howe sued them for infringing on his patent and, in 1854, he won royalties. By 1855, Singer was the world’s largest company of its kind having created great demand for female sweatshop workers. By the 1870s, Singer had factories in Britain, Germany and Russia.



During WWII, Singer built rifles and handguns for the U.S., and machine guns for the Nazis. It no longer makes sewing machines, but is now a top U.S. military contractor.



In 1911, the huge Singer factory in Scotland faced 11,000 orderly workers in the “first significant strike ever waged against a multinational corporation” (*The People*, May 2001). By that time, Singer and other U.S. companies like Rockefeller’s Standard Oil and American Tobacco, were embedded in what is now Turkey. Historian Simon Payaslian has documented how, in order to protect American investments, the U.S. government turned a blind eye to the Ottoman genocide of Armenians in 1915. The U.S. could not protect Singer’s Russian factory from nationalization after the 1917 revolution. Singer fared well in Germany, where it was among the top 25 U.S. investors, in the late 1920s. In 1930, the agent in Saudi Arabia for Singer, Standard Oil NY and Ford Motor, was British fascist, Harry St. John Philby (whose son, Kim, became



an infamous Soviet spy). Harry, who supplied weapons and money for Arabia’s fight against Ottoman rule in WWI, was the go-between for King Ibn Saud and U.S. oil companies.

During WWII, Singer’s U.S. factories made bomb sights, M1911 handguns and M-1 self-loading rifles. Singer’s Germany factory made machine guns for the Nazis. After chasing the German army back across Europe, the Soviets captured Singer’s Nazi weapons factory and confiscated it. Charles Kindleberger, the U.S. State Department official in charge of German Economic Affairs (1945-48) said the U.S. did “not think that was an appropriate war trophy.” He worked for the Office of Strategic Services (the CIA’s precursor) and Army Intelligence (1942-45).

Sewing machines began going out of fashion in the 1950s. By the 1970s, Singer focused on serving the U.S. military. Germany’s Pfaff company now owns the Singer brand. Sewing machines with the Singer brand name are now made for Pfaff in Asia.

Clark is remembered as an art collector who creating a foundation bearing his name. It has \$85 million in assets and funds arts and family planning programs.

in Philadelphia. It was August 22, 1934, three days after the plebiscite that confirmed Hitler as Nazi führer.]

MacGuire said, 'I went abroad [Dec. 1, 1933-Aug. 1934] to study the part that the veteran plays in the various setups of the governments...abroad. I went to Italy for 2 or 3 months and studied the position that veterans occupy in the fascist setup of government, and I discovered that they are the background of Mussolini. They keep them on the payrolls in

various ways and keep them contented and happy. They are his real backbone, the force on which he may depend, in case of trouble, to sustain him. But that setup would not suit us. The soldiers of America would not like that. I then went to Germany to see what Hitler was doing, and his whole strength lies in organizations of soldiers, too. But that would not do.... Then I went to France, and I found just exactly the organization we are going to have.

It is an organization of super-soldiers.' [Later testimony revealed this to be the **Croix de feu**.] He told me they had about 500,000 [members] and that each one was a leader of 10 others, so that it gave them 5,000,000 votes. And he said, 'Now, this is our idea here in America – to get up an organization of this kind...to support the President.'

I said, 'The President has got the whole American people. Why does he want them?'

Croix de feu

MacGuire's report sent from France on March 6, 1934, said the Croix de feu:

"will be very patriotic during this crisis and will take the [wage] cuts or be the moving spirit in the veterans to accept the cuts. Therefore, they will, in all probability, be in opposition to the Socialists and functionaries [who believe] the correct way to regain recovery is to spend more money and increase wages, rather than to put more people out of work and cut salaries."

This group, that MacGuire saw as a model for use in America, was the largest and most active fascist organization in France between the wars. It was financed by top industrialists and bankers like André Michelin (tires), Louis Renault (cars) and François Coty (perfume and newspapers). The Wandel (munitions) and Rothschild (banking) families also sponsored it. Its vice-president, M. Pozzo di Borgo, was a director of several corporations, and its manager was a bank vice-president.

It arose in 1925, when Ernest Mercier, an electrical and gasoline magnate and director of 19 companies, initiated the creation a veterans group.

This led to the Croix de feu's founding in 1927. In 1930, Colonel Robert de La Rocque became its leader and transformed it into a paramilitary force. The next year, La Rocque led the Croix de feu and other fascists, in storming the final session of the International Disarmament Con-



A socialist paper covered the Croix de feu's failed coup of Feb. 6, 1934. A month later, Gerald MacGuire—in Paris studying how veterans groups empower fascism—glowingly reported on the Croix de feu to his Wall Street backers.

ference. By 1934, it claimed 120,000 members. On February 6, exactly one month before MacGuire's report, the Croix de feu had staged a near-successful coup. At their huge riot outside the Chamber of Deputies, police killed 15 and wounded 1000. The Radical-Socialist government was forced to resign. In 1936, the escalating threat of a fascist coup brought communists, socialists and liberals into a Front Populaire. After winning the election, they outlawed paramilitary groups, like

higher income taxes. Masons were accused of threatening traditional Catholic values with social decadence. By 1941, the Croix de feu/PSF added Jews to its list and fought a tripartite "Judeo-Masonic-Bolshevik" conspiracy.

The Croix de feu violently disrupted leftist gatherings, using weapons to assault workers as they left meetings. Fights between organized labour and the Croix de feu sometimes went on for hours. The government long ignored the fact that the Croix de feu and other fascist groups had munitions, machine guns and even airplanes.

The group's policies included:

- (1) Curtailing the free speech and assembly of those they disliked,
- (2) Dissolving federations of labor,
- (3) Privatizing state monopolies and abrogating social insurance laws,
- (4) Stopping state "interference" in education. Technical schools would be run by big corporations,
- (5) Opposing state-planned economy,
- (6) Distrusting other countries,
- (7) Mandatory 2-year military service; not reducing military spending,
- (8) Making the public sacrifice to solve France's financial problems.

"Then I went to France, and I found just exactly the organization we are going to have. It is an organization of super-soldiers.".... And he said, "Now, this is our idea here in America—to get up an organization of this kind." (Jerry MacGuire to Smedley Butler)

Croix de feu. So, it became a political party, Parti Social Français (PSF).

The Croix de feu began with two main demons: Leftists and Freemasons. The Marxists/Socialists were blamed for economic problems, labour strikes and because they advocated

He said, 'Don't you understand the setup has got to be changed a bit? Now, we have got him. We have got the President.'

I said, 'This great group of soldiers, is to sort of frighten him?'

'No, no, no; not to frighten him. This is to sustain him when others assault him.... Did it ever occur to you that the President is overworked? We might have an Assistant President...to take the blame; and if things do not work out, he can drop him.' He [said] that it did not take any Constitutional change to authorize another Cabinet official... to take over the details of the office – take them off the President's shoulders. He mentioned the position would be a secretary of general affairs – a sort of super-secretary.... or a secretary of general welfare, I cannot recall which.... They talked about the kind of relief that ought to be given the President. [MacGuire] said: 'You know the American people will swallow that. We have got the newspapers. We will start a campaign that the President's health is failing. Everybody can tell that by looking at him, and the dumb American people will fall for it in a second.'....

There was something said in one of the conversations...that the President's health was bad, that he might resign, and [Vice President John N.] Garner did not want it anyhow, and then this super-secretary would take the place of the Secretary of State...in the order of succession [and] would become the President. That was the idea. I said, 'Is there anything stirring about it yet?'

'Yes,' he said; 'you watch; in 2 or 3 weeks you will see it come out in the papers. There will be big fellows in it. This is to be the background of it. These are to be the villagers in the opera. The papers will come out with it.' He did not give me the name of it, but he said it would all be made public; a society to maintain the Constitution, and so forth."

The formation of the **American Liberty League** (see pages 32-51), "to combat radicalism" and "defend and uphold the Constitution," was announced shortly afterward. Heading and directing this organization were

"We need a fascist government in this country...to save the nation from the communists who want to tear it down and wreck all that we have built in America. The only men who have the patriotism to do it are the soldiers and Smedley Butler is the ideal leader. He could organize a million men overnight." (Jerry MacGuire to Paul French)

"We have got the newspapers. We will start a campaign that the President's health is failing. Everybody can tell that by looking at him, and the dumb American people will fall for it in a second." (Jerry MacGuire to Smedley Butler)

men from the **du Pont** and **J.P. Morgan** companies (See pages 24-27).

It is common for public officials to develop close friendships with certain newsmen who become their confidants.... Butler had learned to trust Paul Comly French, a reporter for the *Philadelphia Record* and the *New York Post*. Butler...told French about the propositions...by MacGuire and asked him to check on the bond salesman and find out "what the hell it's all about."

When Butler finished testifying to the Committee..., French was sworn in. He told of calling on MacGuire on Sept. 13, 1934, in his office on 52 Broadway. The entire floor was occupied by Grayson M.-P. Murphy & Co. Before the bond salesman would talk with French, he phoned Butler to be sure the General had sent him. French told the Committee:

I have here direct quotes from him. As soon as I left his office I got to a typewriter and made a memorandum of everything he told me.

"We need a fascist government in this country...to save the nation from the communists who want to tear it down and wreck all that we have built in America. The only men who have the patriotism to do it are the soldiers and Smedley Butler is the ideal leader. He could organize a million men overnight."

He told me he had been in Italy and Germany during the summer of 1934 and had made an intensive study...of Nazi and fascist movements.... He said he had obtained enough information on fascist and Nazi movements and the part played by the veterans, to properly set up one in this country....

He warmed up considerably... and said, 'We might go along with Roosevelt and then do with him

what Mussolini did with the King of Italy' [i.e., stripping him of power and making him a figurehead.] It fits in with what he told the General, that we would have a Secretary of General Affairs, and if Roosevelt played ball, swell; if he did not, they would push him out....

During the conversation.... he brought in the names of former national commanders of the American Legion, to give the impression that, whether justly or unjustly, a group in the American Legion were actively interested in this proposition. French had written an article naming the very prominent Americans revealed in Butler's testimony. When the hearing finished, the sensational story was already on the news-stands.

The General's reputation for honesty and patriotism made what he said under oath impossible to ignore. The Secretaries of War and the Navy, U.S. Senators and Representatives urged that the Committee get to the bottom of the conspiracy. McCormack assured newsmen: "We will call all the men mentioned in the story." Co-chairman Dickstein added: "From present indications Butler has the evidence. He's not going to make any serious charges unless he has something to back them up. We'll have men here with bigger names than his."

Dispatches from Philadelphia reported that Butler, former head of the Marine Corps., had told friends that **General [Hugh Samuel] Johnson** (see pages 14-15), the former NRA [National Recovery Administration] administrator, had been chosen for the role of dictator if Butler turned it down; also considered was **General Douglas MacArthur** (see pages 16-17).

The Committee subpoenaed

.....continued on page 18

Gen. Hugh S. Johnson (1882-1942)

As head the National Recovery Administration (NRA), Hugh Johnson was FDR's leading bureaucrat. Jerry MacGuire told General Butler that J.P. Morgan's interests wanted Johnson installed as a Secretary of General Affairs to run the country. MacGuire also said FDR would fire Johnson within a month, because he "talked too damn much." Butler asked "How do you know all this?" MacGuire said "Oh, we are in with him all the time. We know what is going to happen." When FDR demanded his resignation a few weeks later, Johnson became one of FDR's loudest critics.

Had Johnson really been the coup plotters' inside man, as MacGuire said? Did he collaborate with MacGuire's financiers, while on FDR's team? Who was Johnson and how did he get so close to the president?

Johnson graduated from the U.S. Military Academy in 1903, and served in General John Pershing's 1916 invasion of Mexico. Backed by warplanes and motorized vehicles, 4,800 U.S. troops chased revolutionary Pancho Villa. Back in Washington in 1917, Johnson was a deputy provost marshal general. In WWI, he

helped draft the Selective Service Act and, by 1918, was a brigadier general. He directed the Army's Purchase and Supply Branch and knew Samuel Bush (great grandfather of George W. Bush) the Ordnance, Small Arms and Ammunition section chief, War Industries Board



Bernard Baruch:
Wall Street banker,
war industry mobilizer
and Johnson's mentor.

(WIB). According to the U.S. Army's Center of Military History, Johnson was "brilliant, young, impatient and abrasive" and "soon in hot water with many of his military colleagues, including the Chief of Staff." Johnson left the job "disgruntled," but not empty handed. He had now acquired a powerful mentor, Bernard Baruch, the chair of President Wilson's WIB.

A Wall Street financier, with a seat on the New York Stock Exchange, Baruch was responsible for mobilizing the nation's industries for war. From then on, Johnson was Baruch's friend, representative, associate, protégé or crony, depending on one's sources. After WWI, Baruch was a U.S. delegate to the Paris Peace Conference, and sat on the Supreme Economic Council. He later engineered Johnson's placement on FDR's team.

In 1919, Johnson was a partner in the Moline Plow Co., which Universal Tractor bought in 1915. After WWI, when car makers like Ford and GM, began making tractors, John Willys purchased Moline Plow. In the 1920s, he sold it to partners George Peek and Hugh Johnson. In 1921, Baruch helped them launch the "equality for agriculture" movement to get government farm subsidies and help their firm's bottom line.

In 1932, FDR vied for the Democratic Party's nomination for President. His clique of advisors, the "Brain Trust" were professors who argued that corporate wealth was too concentrated. They decried the plutocratic control of autocratic, economic elites that threatened public welfare. Adolf Berle, in *Modern Corporation and Private Property*, prophesized that corporations might become "the dominant form of social organization."

Baruch and other corporate kingpins soon drew FDR away from his Brain Trust. Law professor, John Walsh, says that when businessmen approached Roosevelt, ... they had the added advantage that with their policy ideas came significant campaign contributions.... The [Wall Street] 'speculators,' Bernard Baruch and Joseph Kennedy [a Nazi sympathizer and patriarch of the American political dynasty], were the most generous and the most demanding.... As General Hugh Johnson, Baruch's associate, put it [in *The Blue Eagle from Egg to Earth*, 1935], any time there was a financial crisis in [FDR's] campaign, Baruch 'either gave the necessary money, or went out and got it.'

Baruch's fundraising bought him the right to plant his man,



Johnson, on FDR's policy staff. Fronting for Baruch, Johnson countered the Brain Trust's plan to use government control and planning to stop runaway corporate power. Baruch, and clone Johnson, argued for "industrial self-government." Within a week of FDR's nomination, one Brain Trustee, Rexford Tugwell, worried that Baruch now dictated FDR's financial policies.

Baruch was then instrumental in drafting FDR's National Industrial Recovery Act. FDR placated rightwing opponents by appointing Baruch protégé, George Peek, Johnson's former business partner, to lead the Agriculture Adjustment Administration. In 1933, FDR put Hugh Johnson in charge of the National Recovery Administration (NRA). *Time* said "Johnson burst like a flaming meteorite on the country" (Jan. 1, 1934) and made him "Man of the Year" for 1933. Quoting the *New York Times*, *Time* said Johnson, a "soldier, lawyer and manufacturer," had been offered "almost unlimited powers":

Johnson's scowl, his broad mouth and furrowed brow, his pithy epithets, the daily state of his health and temper, made acres of news pictures, miles of news copy every 24 hours. He was not the Administrator of NRA, he was NRA.

Besides Johnson, another highly-visible NRA symbol, the "Blue Eagle," was displayed by cooperating businesses.

Under NRA supervision, each sector of the economy developed a code to govern itself. Corporations, especially the biggest ones, were happy with this plan, designed by Johnson and Baruch. Industries devised their own production standards, fixed prices



and set wages. And, once they agreed to abide by their sector's code, they were exempt from antitrust laws. To many, this was indistinguishable from having illegal monopolies and trusts.

Labor was supportive at first because NRA codes were to eliminate child labour, set maximum hours, minimum wages and safe working conditions. In theory, the NRA also guaranteed labour rights. But, the new system allowed big corporations to dominate each sector by rigging the codes with little or no input from unions, consumers or the NRA.

Economist Thayer Watkins says "between the end of WWI and 1933, Johnson had become an admirer of Mussolini's National Corporatist system in Italy and he drew upon the Italian experience in formulating the New Deal." Although Watkins says the NRA was not fascist, some extremists called it that. In *Democratic Despotism*, 1936, Raoul Desvernine (chair of the National Lawyers Committee, an American Liberty League front group), compared FDR's New Deal with fascism, Nazism and Sovietism. He even quoted Johnson: "We have submitted our economic system—prices, trading, agriculture, the value of savings and the buying power of salaries and wages—to administrative will. If that isn't dictatorship, what is it?"

Talk about the stove calling the kettle black! It was Johnson and Baruch who had infiltrated FDR's cabinet to push fascism! Historian, George Rawick, in "Working Class Self-Activity," *Radical America* (1969) recounts what Francis Perkins, FDR's Secretary of Labor, told him:

At the first meeting of the Cabinet... in 1933, [FDR's] financier and adviser, Bernard Baruch, and Baruch's friend Gen. Hugh Johnson... came in with a copy of a book by [Giovanni] Gentile, the Italian Fascist theoretician [Mussolini's Education Minister], for each member of Cabinet, we all read it with great care.

Like the Italian fascists, Johnson was no friend of unions. San Fran-

cisco's 1934 general strike exemplifies this. George Seldes sets the scene:

In the first three days, the city was in a holiday mood and there was no real suffering from lack of food deliveries. The strikers did not stop the rounds of milkmen.... The press [and]... paid radio orators, preached fear and hatred. News was distorted, invented, colored with propaganda; radio speeches were pure demagoguery. The villains were always the 'Reds' and 'foreign agitators.'



Man of the Year, 1933

The newspaper-reading citizenry and radio masses were quick to respond to hysterical suggestions, when as a climax Gen. Hugh Johnson, arriving as mediator, delivered... a senseless blast against labor which became the newspaper signal for hysteria: 'When the means of food supply—milk for children—necessities of life to the whole people are threatened, that is bloody insurrection.'

FDR fired Johnson, ostensibly for his erratic personality, not their political differences. Johnson is described by T.H. Watkins in "The Bird Did its Part" (*Smithsonian*, May 1999) as

burly, blunt, often tactless and profane, with a face that might be described as '40 miles of bad road,' he chain-smoked Old Golds, drank too much and too often, and sometimes vanished into an alcoholic void. He had a close relationship with his assistant, Frances 'Robbie' Robinson, that many assumed was more than just professional.

On May 27, 1935, the Supreme Court ruled the Johnson/Baruch code system unconstitutional because it gave legislative power to the executive.

Huey Long later described Johnson as "one of those satellites loaned by Wall Street to run the Government, and who, at the end of his control over and dismissal from the NRA, pronounced it 'as dead as a dodo'" The NRA's blue eagle was indeed extinct, but Johnson wasn't. He got a column in the Scripps-Howard newspapers and hurled abuse at FDR.

Johnson also blasted Huey Long and Father Coughlin. The fas-

cist radio priest came back swinging with veiled anti-Semitic punches at Johnson like: "Where were you in 1933 and 1934 when our beloved leader [FDR], consecrated to drive the money changers out of the temple, was hampered and impeded by your master, Bernard Manasses Baruch, the acting president of the U.S., the uncrowned prince of Wall Street?" Baruch, said Coughlin, was Johnson's "task-master," his "prince of high finance." Coughlin also swiped at Wall Street efforts to return America to the gold standard and linked Baruch and "his group of speculators and international bankers" to "the Rothschilds in Europe, the Lazzeres in France, the Warburgs, the Kuhn-Loebs, the Morgans and the rest of that wrecking crew of internationalists whose god is gold." Coughlin pushed the Silver Standard because he was (secretly) one of America's top silver owners. He also knew firing potshots at bankers, especially Jewish ones, played well.

In 1940, Johnson was on the national board of the America First Committee (AFC) with Gen. Robert Wood, head of Sears Roebuck. It was the leading lobby against U.S. entry into WWII. Started by Yale's Douglas Stuart Jr., its key backers included Gerald Ford (later U.S. president), and well-known fascists Charles Lindbergh (aviation hero, AFC spokesman and Nazi-medal recipient), Coughlin (Father of hate radio) and Gerald Smith (a fascist priest who called Roosevelt, "Rosenfeld"), Avery Brundage (Olympic athlete, member of the International Olympic Committee in 1936, and the U.S. Nazi Party), Henry Ford (another Nazi-medal recipient), Hanford MacNider (American Legion commander), Senator Burton Wheeler, John F. Dulles (Nazi lawyer and later Secretary of State). In 1941, Nazi Propaganda Minister, Joseph Goebbels, said: "The America First Committee is truly American and truly patriotic!"

Johnson infiltrated FDR's inner circle thanks to campaign donations from his mentor, Baruch (who advised every president until Eisenhower). Johnson then used the NRA for Wall Street's agenda. When they realized Johnson would soon be fired, they stepped up other plans to retake control over FDR's administration.

Gen. Douglas MacArthur (1880-1964)

One can see why some of Wall Street's fascist plotters saw MacArthur as their "Man on a White Horse" to lead a Croix de feu-like organization. MacArthur, was born for the job. Raised on Army bases by a high-ranking militarist, he had a good fascist disrespect for politicians.

MacArthur's earliest memory was bugle call. It was 1884. He was four. His father, a fort Commander in New Mexico, was fighting Apache guerillas, like Geronimo. Douglas was indoctrinated from day one. Isolated at desolate outposts, he saw a violent but simple world where good fought evil and the military brought law, order and civilization to crush savagery.

Douglas was a chip off the old block. Arthur MacArthur II, son of a judge, was a hero of Civil War and Wyoming's Indian Wars. In 1898, he projected his Wild West mentality and tactics onto the Far East as commander of an Expeditionary Force to the Philippines during the Spanish-American War. He so ably crushed Philippine guerillas that President McKinley made him the colony's Military Governor. Their undeclared counter-insurgency war was a blatantly imperialist affair, replete with unspeakable atrocities designed to terrorize those who, after waging a revolution against Spanish rule, now faced the likes of MacArthur's colleague, General "Hell Roaring" Jake Smith. This veteran of the Wounded Knee massacre commanded U.S. soldiers to kill all Filipino males over the age of ten. He said: "I want no prisoners. I wish you to kill and burn, the more you kill and burn the better it will please me."

A MacArthur blind spot was recognizing civilian authority over military forces. After frequent arguments with Civilian Governor William Taft, MacArthur was fired and sent to Japan as a military attaché. Returning to the U.S. in 1906, he was the Pacific Division's Commander. When the Army's top staff position came open,

MacArthur was passed over because his old foe, Taft, was now President.

Meanwhile, Douglas was being groomed to fill his father's boots. First in his West Point class (1903), he sailed to the Philippines. Touring the region with Dad, he saw the Russo-Japanese War. In 1906, he was President Teddy Roosevelt's aide-de-camp. He joined the occupation of Vera Cruz, Mexico, in 1914 and then returned to Washington's War Department.

In WWI, MacArthur began his meteoric rise, becoming the youngest ever: Army Brigadier General (1918), Divisional Commander, West Point superintendent (1919), General (1922) and U.S. Army chief of staff (1930).

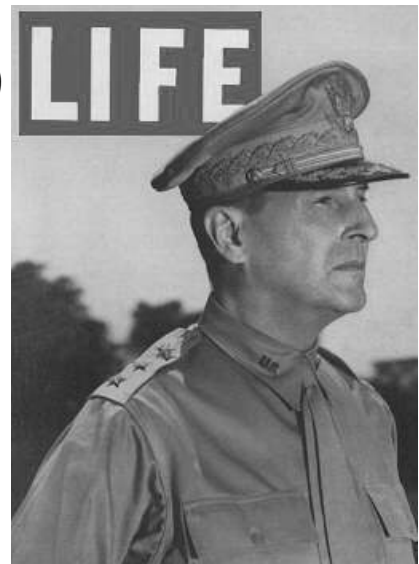
By this time, with far-right politics deeply entrenched, he argued that "pacifism and its bedfellow, communism, are all about us. Day by day this cancer eats deeper into the body politic." Such paranoia fueled MacArthur in 1932, when as Army Chief of Staff, he commanded Dwight Eisenhower and George Patton in the eight-hour "Battle of Anacostia Flats." Hundreds were injured, two babies suffocated from tear gas asphyxiation, a boy's leg was run through by Army bayonet.

The enemy was a bedraggled and destitute "Bonus Army." MacArthur rationalized his illegal military assault against these unarmed veterans by claiming they were a communist vanguard planning to overthrow the government. Saying "there is incipient revolution in the air" he had ordered Patton's cavalry charge. In blatant contempt for presidential authority, MacArthur disobeyed Hoover's orders and burned the protesters' makeshift town to the ground!

Washington Post columnist, Drew Pearson, said MacArthur was a potential dictator. The General sued for \$1.75 million saying it was libelous to call him "dictatorial, insubordinate, disloyal, mutinous and disrespectful of his superiors." Charges were dropped



Arthur MacArthur



when MacArthur paid to stop publication of love letters to a Philippine mistress he kept in Washington.

FDR, then Democratic presidential candidate, called MacArthur one of "the most dangerous men in America." He saw MacArthur as a "potential man on horseback. Someone who in a time of terrible economic disarray come to the fore and would try to seize power by extra constitutional means" says historian Robert Dallek (*MacArthur*, PBS, 1999).

The firestorm of controversy around MacArthur helped FDR win the 1932 election. FDR kept him as Army Chief of Staff, and tried to enlist his help in civilian job creation. MacArthur was outraged that FDR planned cuts to military spending. He told FDR: "When we lose the next war and an American boy is writhing in pain in the mud with a Japanese bayonet in his belly, I want the last words that he spits out in the form of a curse to be not against Douglas MacArthur but against Franklin Roosevelt." FDR replied "Never speak to the President of the United States that way."

In this acrimonious climate, Wall Street fascists brewed their plot. In General Butler's Congressional testimony, he said Jerry MacGuire spoke of meeting, at Paris offices of J.P. Morgan and Hodges, to select their "Man on a White Horse" to lead a U.S. Croix de feu-like "superorganization." MacGuire's faction favoured Butler, but Morgan's men wanted MacArthur:

The Morgan interests say you cannot be trusted, you will be too radical... you are too much on the side of the little fellow;.... But our group tells them you are the only fellow

in America who can get the soldiers together. They say, 'Yes, but he will get them together and go in the wrong way.'... They are for Douglas MacArthur as the head of it. MacArthur's term expires in November [1934], and if he is not re-appointed it is to be presumed that he will be disappointed and sore."

FDR did renew MacArthur's term, until June 1935, when he was sent to lead a new Philippine Army that was collaborating with U.S. occupiers. Retiring in 1937, MacArthur became the colony's top military adviser. He re-entered the Army in 1941 as Far East Commander and his intelligence chief, General Charles Willoughby, was known as the "little fascist."

In 1942, MacArthur presided over the worst defeat of U.S. forces ever. Before abandoning 70,000 troops who surrendered to Japan, he took a secret \$500,000 payment from President Quezon, America's puppet.

In 1944, MacArthur retreated from his campaign to capture the Republican presidential nomination when a letter of his became public. It exposed his support for "the fascist ramblings of a right-wing congressman who declared that Roosevelt's New Deal threatened to 'destroy the American way of life'" (Shannon Jones, 1999).

MacArthur ruled Japan as its Supreme Commander and organized a war crimes tribunal (1945-1950). Seven were hanged and many imprisoned but MacArthur covered up Emperor Hirohito's complicity. In 1948, MacArthur and John Foster Dulles (then a Secretary of State advisor) began releasing Japanese war criminals and recruiting them to form the World Anti-Communist League. This terrifying paramilitary network of top fascists, aided by the CIA, spread to six continents. One released war criminal, billionaire Ryoichi Sasakawa, bragged "I am the world's wealthiest fascist." One of his protégés, Yoshio Kodama, feared leader of the black shirts, a mafia goon squad, used his fortune from Japan's occupation of China to finance rightwing Japanese politicians.

In 1950, MacArthur led UN forces aiding the U.S.-backed dictatorship in South Korea in its war against the communist North. His forces firebombed many cities with napalm,

used chemical and biological weapons and killed most of the three million who died. MacArthur, not satisfied with this limited anti-communist war, wanted it expanded into China using nuclear weapons. Thankfully, the president disagreed. Once again, MacArthur fought civilian authorities he did not respect. After repeated, inflammatory public statements against President Truman, he was fired in April 1951. A strong supporter of his insubordination was Senator Joe McCarthy who demanded Truman's impeachment, saying he must have been drunk to sack MacArthur.

Upon his return to America, MacArthur was showered with adulation, but this hero worship didn't translate into political power. With only 4



"Bonus Army" in Washington, D.C.

of 1,206 votes for the 1952 Republican presidential nomination, he lost to the Eisenhower-Nixon team. But, his keynote speech at that year's National Convention was well-received.

In 1951, Haroldson Lafayette Hunt had launched the "MacArthur for President" campaign with \$150,000. He declared "We should do whatever our generals advise us to do." Hunt, a Texas oil tycoon and reportedly America's richest man, was certainly its most active, fascist propagandist. Various radio, TV and print campaigns in the 1950s cost him \$2 million a year. He funded Joe McCarthy, Lyndon Johnson, the John Birch Society and the Cuban Revolutionary Council, a CIA/mafia outfit wanting to oust Castro. He set up the intelligence-gathering International Committee for the Defence of Christian Culture. He is also suspected of complicity in JFK's assassination. With \$4 billion in 1963, Hunt was likely the world's richest man.

In the 1952 election, MacArthur's name *was* on the ballot. Gerald L.K. Smith, and other fascists, got his presidential nomination for the America First Party (AFP). His running mate, Harry Flood Byrd, was a Democratic Senator (1933-1965). The AFP had been formed in 1940 by the America First Committee.

The new President, Eisenhower, MacArthur's loyal subordinate during the 1932 Battle of Anacostia, asked for his advice on Korea. MacArthur suggested attacking China and conducting "atomic bombing of enemy military concentrations and installations in North Korea and the sowing of fields of suitable radioactive materials." Thankfully, he was ignored.

Despite the blatant contempt for democratic authority that permeated his career MacArthur was still seen as a hero. His last public appearance, a farewell address to Congress in 1951, was interrupted by thirty ovations and he uttered his famous line "Old soldiers don't die they just fade away." He then faded into the chairmanship of Remington Rand

Corp., the first big computer company. It is now Unisys, a top war contractor.

In *George Bush: The Unauthorized Biography*, authors Webster Tarpley and Anton Chaitkin say that, in 1961, MacArthur warned President Kennedy of a plot to destroy him:

MacArthur warned that the forces bent on destroying Kennedy were centered in the Wall Street...and its various tentacles in the intelligence community.... Kennedy met MacArthur in...April, 1961, after the Bay of Pigs. According to Kennedy aide Theodore Sorenson, MacArthur told Kennedy, 'The chickens are coming home to roost, and you happen to have just moved into the chicken house.'

If true, one wonders how MacArthur knew of the plot. Was he asked to play a part? The idea that MacArthur would "warn" JFK of such a plot seems out-of-character. Was it perhaps not a warning but a threat to stay in line?

MacGuire and...his reports from Europe:

McCormack: Now, in your report dated May 6, 1934, from Paris...you say that the...Croix de feu "is getting a great number of new recruits, and I recently attended a meeting of this organization and was quite impressed with the type of men belonging. These fellows are inter-

ested only in the salvation of France, and I feel sure that the country could not be in better hands because they are not politicians, they are a cross section of the best people of the country from all walks of life, people who gave their 'all' between 1914 and 1918 that France might be saved, and I feel sure if a crucial test ever comes to the Republic that these men will be the bulwark upon which France will be saved"....

[The committee examined reports on fascist veterans groups such as Italy's Black Shirts and Germany's Brown Shirts that MacGuire mailed to his backers. Examining another report sent by the witness, McCormack said:]

And in this report you also said: "I was informed that there is a Fascist Party springing up in Holland under the leadership of a man named Mussait who is an engineer ...who has approximately 50,000

Frank N. Belgrano, Jr. (1895-1959)

Although the American Legion was created and controlled by bankers and financiers, Belgrano, as vice-president of United Bank & Trust Co. (UBT), was the first banker to serve as its president in 1934.

Late that year, General Butler was making speeches calling for constitutional amendments to stop the "war racket": (1) Declarations of war should voted on by those eligible to fight, and (2) U.S. warships should not venture more than 200 miles from the coast and warplanes no more than 500 miles. On behalf of the bankers and financiers controlling the Legion, Belgrano criticised these kinds of "radical tendencies." Jules Archer, in *The Plot to Overthrow the Whitehouse* (1973) quotes a Belgrano speech:

We are facing a new and more dangerous foe today. It has seeped quietly into our country and whispered into the ears of our workers and our people everywhere that our ideals of government are out of date. We of the Legion are mobilized to meet that enemy and we are calling upon loyal Americans everywhere to join us in ridding our country of this menace.

After WWI, Belgrano worked in his father's bank. When it merged with Amadeo

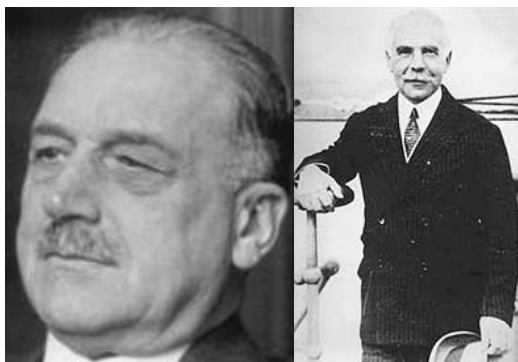
Peter Giannini's Bank of America, Belgrano became its vice president, staying in that post until 1940. Belgrano worked so closely with Giannini, that it is instructive to look at this Italian-American banking hero.

Giannini's banking empire rivalled that of Rockefeller and Morgan. Giannini, a friend and admirer of Mussolini, handled some of the dictator's

business accounts, though Morgan was his main foreign banker, supplying a \$100 million loan in 1926. Giannini was the prime funder of one America's biggest Italian newspapers, *L'Italia*. It promoted the idea that America would do well to adopt the new fascist model of government.

Giannini created New York City's East National Bank (1919) and a parent company, Transamerica Corp., for his Bank of America in New York (1928). Its CEO was Elisha Walker, a partner of the Kuhn, Loeb Co., whose top banker was Otto Kahn. In 1924, a year into Mussolini's rule, Kahn spoke to Toronto's Empire Club:

To anyone who knew Italy...18 months ago, with its constant strikes, class animosities, political confusion and social tremors, the change... is almost unbelievable.... Credit belongs to a great man, be-



A.P. Giannini

Otto Kahn

loved and revered in his own country... much misunderstood abroad, a self-made man..., setting out with nothing but the genius of his brain, the force of his character and the ardour of patriotism, Benito Mussolini.... a natural born and genuinely great leader, a tremendous and most impressive personality.

In 1928, Elisha Walker was also



a director of the American International Corp. Created in 1915 by J.P. Morgan, the Rockefellers and National City Bank, its directors included Pierre du Pont, Otto Kahn, George Herbert Walker (great grandfather of President George W. Bush), William Woodward (director, Federal Reserve Bank, NY) and Percy Rockefeller.

In 1930, after the Crash, Giannini skipped off to Italy to be near his friend Mussolini. For this temporary "retirement," Giannini withdrew \$2.4 million from his Bank of Italy. It became Bank of America, which by 1949 was the nation's wealthiest bank.

John Spivak says Belgrano had close ties with media tycoon, William R. Hearst. Belgrano later served as vice president of Occidental Life Insurance of California, and president of Pacific National Fire Insurance (1940-1943); Oakland's Central Bank (1943-1947); and First National Bank (1947).

Giannini died in 1953 and Belgrano took over TransAmerica. A year later, he took 22 banks from Giannini's empire and set up First Western Bank. A 1956 law forced him to create a new bank-holding company, Firstamerica Corp., while Transamerica focused on insurance and real estate interests.

followers..., ranging in age from 18 to 25 years.... It is said this man is in close touch with Berlin and is modeling his entire program along the lines followed by Hitler.”

After French published his story, there was a noticeable sense of public uneasiness when not one of those named was called to testify.... The talk was that those named in Butler’s testimony were too powerful, and nothing would be done about the plot...

The only person known to have been called to testify was California banker **Frank N. Belgrano**, who was very influential in the American Legion.... Without being asked one question, he was abruptly told to go home.... Congressman McCormack refused to answer questions about him. Co-chairman Dickstein told me that he did not know why Belgrano was sent home....

As speculation grew,...the Committee issued a press release:

“This committee has had no evidence that would in the slightest degree warrant calling before it such men as John W. Davis, Gen. Hugh Johnson,...or **Hanford MacNider**.”

The committee will not take cognizance of names brought into the testimony which constitutes mere hearsay.”

On December 17, McCormack announced that Albert Christmas, Clark’s attorney, had returned from Europe

Hanford MacNider (1889-1968)

Within the coup plotters’ circle, the Morgan faction saw General MacArthur as their best choice to lead a veterans’ army against FDR. Their second choice was Hanford MacNider, who had twice been the American Legion’s national commander (1921-1922, 1931). Butler told MacGuire that “MacNider won’t do.... He will not get the soldiers to follow him, because he has been opposed to the bonus.” MacGuire replied: “Yes, but we will have him change.” Butler told the Congressional Committee that “three weeks later, after this conversation, MacNider changed and turned around for the bonus.” So, it seems MacNider was in their pocket. Why was he a top choice and why would he go along with their plot?

MacNider, one of Iowa’s best-known war heroes, projected the image of a down-to-earth “Iowa farm boy” but he was actually born to bank. Son of Charles MacNider, a prominent banker and leader in the cement business, Hanford graduated from Harvard in 1911. He then took up bookkeeping in his father’s Mason City bank. In 1912, MacNider became a Master Mason and then rose to the penultimate (32nd) degree, called Sublime Prince of the Royal Secret. Throughout his life, he kept his Masonic ties and his connection to Northwest States Portland Cement, being its president for 53 years.

In 1916 and 1917, when U.S. General Pershing was chasing Mexican revolutionary Pancho Villa, MacNider was among 160,000 national guardsmen who patrolled the border. He was soon off to France (1917-1919). The story goes that military charges were laid against

MacNider when one of his men disagreed with a Colonel. MacNider then supposedly went AWOL to get to the front. When authorities finally caught up to him, he had already risen through the ranks and won 14 medals, so charges were dropped. While in France, MacNider took part in forming the banker-funded American Legion as a bulwark against radicalism.

Upon returning to the U.S., MacNider became the Legion’s Iowa State Commander (1920-1921) and then its National Commander (1921-1922). In 1924, with his dad’s money, MacNider created the Republican Service League (a committee of the supposedly non-partisan Legion) and fought to defeat Senator “Wildman” Brookhart, a Republican renegade who advocated cooperative banking and housing and was denounced by editorialists as that “insurgent, Bolshevik, lusty bedouin, buffoon.” MacNider was President Calvin Coolidge’s assistant secretary of war, and Maj. Dwight Eisenhower was MacNider’s executive assistant (1925-1928).

In 1928, MacNider was considered as a Republican vice presidential candidate. When his father died that year, he took command of family business interests, which thrived during the Depression. Between 1930 and 1932, MacNider was President Herbert Hoover’s envoy to Canada. He presented himself for duty in full-dress Army uniform. While here, he set the groundwork for the St. Lawrence Seaway Treaty. In the process, he became a confidant of MacKenzie King, Canada’s anti-Semitic, Liberal Prime Minister. King, who confided in his diary that “We must seek to keep this part of the continent free from unrest and from too great an intermixture of foreign



strains of blood,” had pleasant meetings with Adolph Hitler, and his henchman Hermann Goering, in 1937. Deeply impressed by Hitler, King wrote: “he...truly loves his fellowmen, and his country.... a man of deep sincerity and a genuine patriot.... distinctly a mystic” (Diary, June 29, 1937). King’s Minister of Immigration, Frederick Blair, bragged about his efficiency in keeping fleeing Jewish refugees from entering Canada.

In 1932, MacNider resigned his ambassadorship to Canada and was an unsuccessful Republican vice presidential candidate. In 1940, he failed as a Republican contender for the presidential nomination.

He was a member of the America First Committee until December 4, 1941, three days before Pearl Harbour. In WWII, he was promoted to brigadier general (1942) and was a major general upon resigning (1951). The next year, he turned down a request to manage Douglas MacArthur’s campaign for the Republican Party presidential nomination. When Eisenhower won the Presidency, MacNider turned down his offer of a cabinet post.

and would testify in two or three days. The Committee questioned him in executive session. Though national concern about the plot was keen, the attorney was not questioned publicly until, for all practical purposes, the Committee was dead and could do nothing about what the witness said. Christmas was heard on the last day of the Committee's life and then the questions were limited only to money given to MacGuire by the lawyer and Clark. No questions were asked about conversations or correspondence between an alleged principal in the plot and his attorney. In explaining the large sums of money given to the go-between, there was an item of some \$65,000 which MacGuire had testified he had used for traveling and entertaining in Europe.

None of the prominent persons named in Butler's testimony were questioned. Had the Committee found that the plot was too hot to handle?

Too Hot to Handle

Not long after the Committee's explanatory news release, a correspondent told me, "I hear some of Butler's testimony has been deleted."

"It's possible. Probably some stuff involving national security."

"What's been cut has nothing to do with national security."

I had a good deal of confidence in him. It was from him that I had first heard of the plot, and I knew that his list of contacts and news sources was amazingly long.

I had met both McCormack and Dickstein. Although I wrote for a magazine [*New Masses*] which they touched only with extra-long fire tongs lest they be contaminated, they knew that I was intensely concerned about Nazi activities here. It looked as if the Committee would die in a matter of weeks, and I asked to see the transcript of Butler's testimony for possible leads that I could follow up. Since news stories and the

Committee's own press release had named some of the prominent persons Butler mentioned, I persisted in asking why, if there were no secrets involving the national security, I could not see it. Other newsmen joined me in asking for the Butler testimony. Presumably to quiet the growing public concern over why it was not made public, the Committee published a 125-page document containing the testimonies of the General and others. The report was clearly marked "Extracts." On the last page, a note appeared saying that "the committee had ordered stricken... certain immaterial and incompetent evidence, or evidence which was not pertinent to the inquiry."

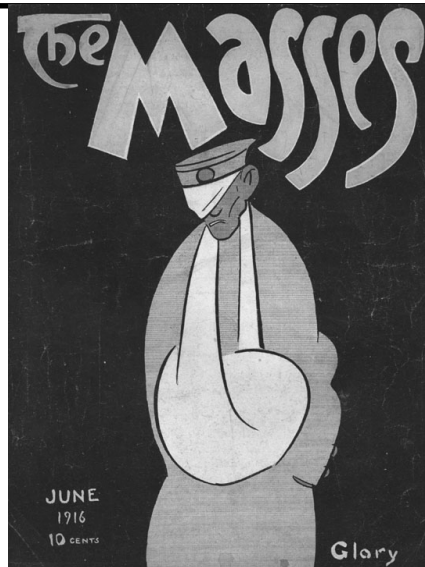
The extracts held me spellbound; this was living history – personalities, colorful characters, secret maneuvers on national and international scales. This was a planned gamble with the most powerful government in the world as the stakes.

New Masses

John Spivak wrote articles exposing Nazi and anti-Semitic activities in America for *The New Masses* magazine. His main articles on the plot against FDR, called "Wall Street's Fascist Conspiracy," were published in *New Masses*, Jan. 29 and Feb. 5, 1935.

This journal arose in 1926 when some contributors to *The Liberator* were unhappy that it had been taken over by the American Communist Party. Over the next 22 years, *The New Masses*, published radical, anti-capitalist cartoons, fiction, poetry and news articles by leading thinkers and activists like Max Eastman, Upton Sinclair, Ernest Hemingway, Carl Sandburg, John Dos Passos, Ezra Pound, Waldo Frank and Eugene O'Neill.

Spivak described how *The New Masses* was tarred by the mainstream media as "Red propaganda." He says: "I had no illusions about the number of readers I reached through *New Masses*, but it was the only publication I knew of that was willing to finance digging into Nazism, fascism and anti-Semitism here and to publish what I found; I cared little if the magazine's primary interest was to show that big business in the United States, which was ready to finance a fascist



The Masses, June 1916

coup as big business had done in Italy and Germany, was thus an enemy of democracy and the people" (*A Man in His Time*, p. 321).

The name, *The New Masses*, was used because some of its founders, before involvement in *The Liberator*, had created an artist, socialist magazine called *The Masses*. It was a socialist co-operative founded in New York in 1911. It's editor, Max Eastman, and most of the contributors, like John Reed who reported on the revolution from Russia, denounced WWI as a competition between impe-



New Masses, Nov. 1928

rialist powers. A few however, like Upton Sinclair, supported American entry into the war and withdrew from the Socialist Party and *The Masses*.

The Masses was banned from the U.S. mails when the U.S. entered the war. In 1917, the government began launching lawsuits against the magazine under the Espionage Act. Although all three lawsuits against the journal failed, it was forced to cease publication in 1918. That was the year that their collective began to publish *The Liberator*.

The reasons given for making public only extracts of the Committee testimony smelled like what my cat does in his pan. The Committee had already published hearsay evidence, and this sudden sensitivity about publishing similar testimony was puzzling. For days I tried to learn what Butler testimony had been cut out. All of my efforts were fruitless. A wall of granite had suddenly appeared, but all that did was whet my appetite to know what was going on. The Committee

had announced that it intended to subpoena all of those named by Butler, yet it later issued an announcement that it had no evidence on which to question the prominent persons named.

I met for a drink with a correspondent who was very knowledgeable about what was going on in the capital and was as perturbed by a fascist threat as I was. I asked if he had any idea why the Committee had published only extracts. "I was told that a member of the President's Cabinet asked

that certain testimony be deleted," he said.

"Any idea of what was cut out?"

"Names, mostly. Two were Democratic candidates for President."

"The Committee's press release mentioned John W. Davis. Who was the other?"

"Al Smith."

"In a fascist plot? I don't believe it!"

Davis had been a candidate in 1924 and was now one of the chief at-

Alfred Emanuel Smith (1873-1944)

When Jerry MacGuire said Al Smith was involved, Butler thought it "incredible that the derby-hatted 'happy warrior,'... [from] New York's East Side slums, could be involved in a fascist plot" (Archer, 1973). Smith's pivotal role in the American Liberty League (ALL) had also shocked many. How could a poor Bowery boy get mixed up with America's ultraright millionaires?

Smith was not just involved in the ALL, he helped found it. In fact, he and Irénée du Pont were its codirectors and their meetings were at Smith's New York offices. How did this leading Democrat get wrapped up in such a plot to oust the president?

Smith, a Democratic politician since his days in New York's state assembly (1904-1915), was New York's governor four times (1919-1921, 1923-1929). In 1920, he was the party's presidential candidate. In 1924, FDR nominated Smith for the president but he lost to Morgan attorney, John W. Davis.

In 1928, again nominated by FDR, Smith became the first Catholic presidential candidate for a major party. His campaign against Republican Herbert Hoover was divisive for the nation and the Democrats. It was a battle between Catholic and Protestant, Repeal (wet) and Prohibition (dry), urban and rural, North and South. Smith stood for wet forces and was linked to millionaire-funded Association Against the Prohibition Amendment (AAPA). Smith's campaign manager, General Motor's John Raskob, was a top AAPA organizer and former Democratic Party chair. The Ku Klux

Klan, then a powerful force, especially in the rural South, promoted Hoover's dirty campaign against Smith, the wet, urban, Northern "Papist."

In 1930, Raskob formed the Empire State Building Co., to finance its construction. He hired Smith as its president. In the 1932 contest for the Democrat's presidential candidate, Smith lost to FDR. When FDR became president, Smith moved even further right. In Congressional testimony, deleted from the Committee's public report, Butler testified that MacGuire told him about Smith's connection to the plot. "Al Smith is getting ready to assault the Administration in his magazine. It will appear in a month or so. He is going to take a shot at the money question. He has definitely broken with the President." MacGuire's

prediction was correct. About a month later, Smith did break with FDR and he used his magazine, *New Outlook*, to editorialize against the New Deal.

In 1936, Smith was the keynote speaker at the ALL's gala banquet. Democratic Senator Schwollenbach tried to stop him from giving in to "the temptation of following the advice of J.P. Morgan, John Raskob and Pierre du Pont and all the rest of these rascals and crooks" that controlled the ALL. He compared du Pont and Raskob to the "racketeers...who were finally put in the penitentiary because... they evaded their income taxes" (Gerard Colby, *Du Pont Dynasty*, 1984).

Colby describes the dinner as the "most famous political gathering of American industrialists and financiers in the twentieth century." Smith



warned the 2,000 attendees that FDR was moving towards communism:

There can be only one capital, Washington or Moscow.... There can be only the clear, pure, fresh air of a free America, or the foul breath of communistic Russia. There can be only one flag, the Stars and Stripes, or the flag of the godless union of Soviets. There can be only one national anthem, the Star Spangled Banner, or the International.

More than a dozen du Pont family members basked in Smith's words and led a standing ovation. This was just the simplistic vision that these corporatists wanted. And who better to deliver their message than this long-time Democrat? Pierre du Pont told the press: "It was perfect, he gave a splendid definition of democracy." Because the media, like Smith, was largely controlled by Wall Street, the papers aided Smith's attack on FDR.

After failing to stop FDR's 1936 presidential renomination, Smith quit the Democrats and joined Republican Alf Landon's losing campaign. Smith also cozied up with the bankers even more and became chairman of the Bank of New York, County Trust Co.



torneys for J. P. Morgan & Company. It was possible that, without being told everything, he had been drawn into some aspects of the conspiracy, though he had publicly denied writing the speech Butler was asked to deliver at the Legion convention in Chicago. But Alfred E. Smith, "the happy warrior," a man who had risen to political heights from the sidewalks of New York, a very good Governor whose trusted adviser was Jewish, would cer-

tainly not be pro-fascist or pro-Nazi! I knew that he was bitter against Roosevelt, but that was for personal reasons. Yet, Al Smith was very close to **John J. Raskob** and was a co-director with him and **Irénée du Pont** of the American Liberty League (See page 25). The idea of Al Smith being mentioned in connection with this plot was incredible, but such things had happened in other countries faced with severe political and economic stress.

I resumed my search for what had been deleted, but I still got nowhere. Even usually garrulous politicians walked about with padlocks dangling from their lips.

The McCormack-Dickstein Committee had asked the House to extend its life to January 3, 1937, so that it could continue with its investigations, but the House refused; the Committee died. It even seemed possible that the Committee had been

John Jakob Raskob (1879-1950)

Raskob's rise through the ranks of the du Pont weapons/chemical industry began in 1900, when Pierre du Pont hired him as a bookkeeper for some steel and railway businesses. Raskob was Pierre's private secretary, then his assistant (1902); assistant treasurer (1911) and treasurer on the Executive Committee (1914).

By 1915, du Pont was beginning to absorb GM. With 3,000 shares, Pierre was GM's largest minority stockholder. He became GM's chair and put Raskob on the board. They wanted all GM cars to use paint, varnish, lacquer and artificial leather from du Pont. In 1918, Raskob was GM's vice president and chaired its Finance Committee. The next year, Pierre put family friends onto GM's board: Nobel, their European gunpowder ally and J.P. Morgan. By 1920, with financial trickery and \$35 million from Morgan, du Pont's empire owned GM.

In the 1920s, Raskob worked with William Stayton, Pierre and Irénée du Pont, and other millionaires to build the Association Against the Prohibition Amendment (AAPA). One of their allies, Al Smith, was the Democrat's presidential candidate in 1928. Raskob took over Smith's campaign and moved him to the far right. That year, Raskob became the Democratic Party's national chair and coerced the party to endorse Repeal. Although Raskob gave \$110,000 to Smith's election, and Pierre gave \$50,000, Wall Street's elite mostly favoured J.P.Morgan's Republican, Herbert Hoover, a mining millionaire. For his campaign in Florida, Hoover received \$25,000 from Alfred du Pont,

a KKK-allied racist who called Blacks, "coons." When Hoover won Florida, Alfred said "I've just licked Pierre and Raskob and I'm reeking with gore."

In 1927, Raskob cofounded the U.S. association of the Sovereign Military Order of Malta, a secretive Catholic order, based in Rome, with supposed origins in medieval crusaders who ruled Malta and Rhodes. Consid-



Al Smith and John Raskob

ered by some a sovereign state, it has diplomatic relations with 49 countries, its own passports and stamps. U.S. members included John Farrell (U.S. Steel), Joseph Kennedy (JFK's father), New York's Cardinal Francis Spellman, and CIA directors William Casey, William Colby and John McCone.

By 1928, Raskob, the so-called "Wizard of Wall Street," informed the largely du Pont-controlled press that GM's value would skyrocket. This falsely boosted the stock by almost \$50 million, to \$3.3 billion, the highest yet reached by any U.S. industrial stock. A few weeks later, its fall caused a panic, the bull market collapsed and Raskob, resigned as du Pont treasurer.

During the Roaring Twenties, insider trading was not yet illegal.

Some brokerages, including J.P. Morgan and Kuhn Loeb, sold shares to "preferred" clients, at below current prices. This swindle took money from small investors and made the rich richer. Raskob was on J.P. Morgan's "preferred list." In 1929, he used this system to unfairly profit on Standard Brands and United Corp. stocks.

On the "preferred lists" were: fellow bankers, prominent industrialists, powerful city politicians, national Committeemen of the Republican and Democratic Parties, and rulers of foreign countries. [They] were notified of the coming crash, and sold all but...gilt-edged stocks, General Motors, Dupont, etc....

All the big bankers rode through the depression 'with flying colors.' The people who suffered were workers and farmers who invested...money in get-rich stocks, after Pres. Calvin Coolidge, and Treasury Secretary, Andrew Mellon, persuaded them to. (*Golden Isles*, July 24, 2003).

Raskob also persuaded ordinary Americans to trust Wall Street. Just before the 1929 Crash, the New York *Times* quoted him: "Prudent investors are now buying stocks in huge quantities and will profit handsomely when this hysteria is over." That year, his famous article "Everybody Ought to be Rich" (*Ladies Home Journal*), said investments of \$15 a month, would yield \$80,000 in 20 years. Meanwhile, his millionaire friends were busily selling stocks to get out before the Crash.

Raskob promoted the 40-hour, five-day work week. In "What Next in America" (*North American Review*, Nov. 1929), he justified this policy not from "sentimentality" for workers, but as a "good business" move:

to give workers additional time...to

killed because unidentified, influential forces feared that public opinion might compel a deeper investigation into the fascist plot and concluded it would be better to forego even investigations into communist activities than risk that.

On January 11, 1935, about a week or so after the Committee died, Congressman Dickstein gave me a letter of introduction to Frank P. Randolph, the Committee's secretary, saying, "Will you please permit him



function as consumers of what they produce. We have got production geared up to such speed... that we are faced with...[the] problem of getting the goods...consumed. Every manufacturer, every capitalist concerned with financing industry, knows this.... If... we add a full Saturday holiday...there will be an immediate and tremendous increase in ...consumption of automobiles, tires, gasoline, oil and roads.

Raskob's plan succeeded. Workers *did* spend more, thus funneling their savings back to the industrialists. And, not a moment too soon; the Crash and Depression soon stopped their spending.

Raskob and Pierre Du Pont also cheated on their taxes. Their scam was to buy, sell and then buy back millions in stocks from each other.

Leaving the post of Democratic national chairman in 1932, Raskob helped form the American Liberty League and gave it at least \$20,000. He also \$5,000 to its fascist Southern Committee to Uphold the Constitution.

Creating the Raskob Foundation for Catholic Activities in 1945 (now boasting assets of \$150 million), he retired from du Pont two years later.

to examine the official exhibits and make photo-static copies of exhibits which were made public."

Randolph, harried by the mountain of work required to close the Committee's records, gave me stacks of documents, exhibits and transcripts of testimony. Among them I was amazed to find not only the Butler testimony in executive session which I had tried so hard to get, but also a typed copy of the Committee's report to the House on its investigations. The report to the House was lengthy, but the heart of it was contained in a few paragraphs:

In the last few weeks of the committee's life, it received evidence showing that certain persons had made an attempt to establish a fascist organization in this country....

There is no question that these attempts were discussed, planned and might have been placed in execution when and if the financial backers deemed it expedient.

This committee received evidence from Maj. Gen. Smedley D. Butler (retired), twice decorated by the Congress of the United States. He testified before the committee as to conversations with one Gerald C. MacGuire in which the latter is alleged to have suggested the formation of a fascist army under the leadership of General Butler.

MacGuire denied these allegations under oath, but your committee was able to verify all the pertinent statements made to General Butler, with the exception of the direct statement suggesting the creation of the organization. This, however, was corroborated in the correspondence of MacGuire with his principal Robert Sterling Clark, of New York City, while MacGuire was abroad studying the various form of veterans' organizations of Fascist character.

I compared the transcript of Butler's testimony in executive session with the one made public and marked "Extracts." The names French mentioned in his news story were not the only ones deleted, and not everything cut from Butler's and French's testimonies was hearsay. I copied the parts... deleted from Butler's description of his talk with Clark. This was direct evidence of a conversation with

a named principal in the conspiracy.

[Clark] said, "You know the President is weak. He will come right along with us. He was born in this class. He was raised in this class, and he will come back. He will run true to form. In the end he will come around. But we have got to be prepared to sustain him when he does."

Butler then Clark offered him a bribe [Clark] said, "Why do you want to be stubborn? Why do you want to be different from other people? We can take care of you. You have got a mortgage on this house.... "That can all be taken care of. It is perfectly legal, perfectly proper."

"Yes," I said, "but I do not want to do it, that's all." Finally I said, ".... You are trying to bribe me in my own house. You are very polite about it...but it looks kind of funny to me, making that kind of proposition.

Deleted from Butler's testimony was the new organization [American Liberty League] set up by Irénée du Pont, known for his financial support of reactionary groups, an organization of which Raskob and Al Smith were directors. The treasurer was Grayson Murphy, for whom MacGuire worked. Also deleted was Butler's testimony that MacGuire had advance knowledge of Alfred Smith's plans to break with President Roosevelt and attack him:

Butler: I said, "What is the idea of Al Smith in this?"

"Well," he [MacGuire] said, "Al Smith is getting ready to assault the Administration in his magazine. It will appear in a month or so. He is going to take a shot at the money question. He has definitely broken with the President."

About a month later he did, and the *New Outlook* took the shot that he [MacGuire] told me a month before they were going to take. This fellow has been able to tell me a month or six weeks ahead of time everything that happened.

Such testimony certainly warranted asking the go-between from whom he got such accurate information about moves that seemed related to a fascist plot. Though McCormack and Dickstein, questioned MacGuire about many things, nothing was asked

.....continued on page 28

The du Pont Company

In the 1930s, when the du Pont and Morgan family empires dominated the American corporate elite, their representatives organized the American Liberty League. The Dickstein-McCormack Committee learned that weapons and equipment for the fascist plotters' Croix de feu-like superarmy "could be obtained from the Remington Arms Co., on credit through the Du Ponts." Du Pont had acquired control of the arms company in 1932.

The du Pont Co., formed in 1802 by Elèuthère Irénée du Pont de Nemours, dominated U.S. gunpowder sales for more than a century. E.I. du Pont's father, Pierre Samuel, a French economist, politician and publisher had helped negotiate the Paris Treaty to end America's revolution. His rightwing views made French radicals very suspicious and they sentenced him to the guillotine. Somehow, he and his son, Elèuthère, were released and escaped to America, where they arrived January 1, 1800, with a vast fortune.

To challenge England's domination of the global gunpowder trade, Napoleon helped E.I. du Pont establish an American gunpowder business in 1802. Pierre returned to France and negotiated the French sale of about a million square miles of land to America (Louisiana Purchase, 1803). Meanwhile, his son made his first gunpowder sales to a close family friend, President Thomas Jefferson.

Du Pont produced only gunpowder. They were its main supplier, during many wars, including:

- War of 1812 (supplying the U.S. against Britain/Canada)
- South American wars (supplying both Spain and Bolivar's republics)
- Mexican-American War, 1846 (supplying the U.S.)
- Indian Wars, 1827-1896 (supplying Manifest Destiny's genocidal westward expansion)
- Crimean War, 1854 (supplying both England and Russia)
- U.S. Civil war, 1861-1865 (supplying the Northern states)
- Spanish-American War, 1898 (supplying the U.S.)
- WWI, 1914-1918 (supplied all U.S. orders; 40% of the Allies' needs)

In 1897, when they agreed with

European competitors to divide up the world, du Pont got exclusive control of gunpowder sales in the Americas. By 1905, du Pont had assets of 60 million and controlled all U.S. government orders. Du Pont bought out 100 of its American competitors and closed most of them down (1903-1907). In 1907, U.S. anti-Trust laws created two competitors for du Pont and in 1912 the government ordered du Pont to divest from some explosives production. Du Pont then diversified into newspaper publishing, chemicals, paints, varnishes, cellophane and rayon. WWI was particularly profitable. Du Pont, the world's largest producer of dynamite and smokeless gunpowder, made unheard-of net profits of \$250 million.

Between the wars, du Pont was the world's top manufacturer of explosives, the world's leading chemical company and the top producer of cars and synthetic rubber, another strategic war material. By the 1930s, it owned Mexican and Chilean explosive companies and a Canadian chemical company. Although still the top U.S. gunpowder supplier, this product represented only 2% of its total production.

Du Pont's General Motors Co. funded a vigilante/terrorist organization to stop unionization in its Midwestern factories. Called the "Black Legion," its members wore black robes decorated with a white skull and crossbones. Concealed behind their slitted hoods, this KKK-like network of white-supremacist thugs threw bombs into union halls, set fire to labor activists' homes, tortured union organizers and killed at least 50 in Detroit alone. Many of their victims were Blacks lured North by tales of good auto-plant jobs. One of their victims, Rev. Earl Little, was murdered in 1931. His son, later called Malcolm X, was then six. An earlier memory, his first, was a night-time raid in 1929 when the Legion burnt down their house.

The Legion, claiming 200,000



Pierre Samuel du Pont
(1739-1817)



Elèuthère Irénée du Pont
(1771-1834)

Napoleon helped set up du Pont's American gunpowder business in order to challenge England's control of the global trade.

members in Michigan, was divided into distinct squads, each focused on a different aspect of their work for du Pont: arson, bombing, execution and anti-communism. The Legion's cells within GM factories intimidated workers, targeted Jews and recruited for the KKK. By at least 1933, the Legion had police within its ranks. They worked together to stop Reds and unions that demanded their labour rights.

Thanks to a Senate Munitions Investigating Committee (1934-1936) that examined criminal, warprofiteering practices of arms companies during WWI, the public learned that du Pont had led munitions companies in sabotaging a League of Nations' disarmament conference in Geneva. The committee's chair, Gerald Nye, said that once "the munitions people of the world had made the treaty a satisfactory one to themselves,...Colonel Simons [of Du Pont] is reporting that even the State Department realized, in effect, who controlled the Nation."

The du Ponts fought back against widespread public condemnation that rightly labeled them "merchants of death." They claimed that communists were behind the Senate hearings, and blamed the Committee for undermining U.S. military power. In response, Chairman Nye, a Republican from North Dakota, pointing out that du Pont had made six times as many millions of dollars during WWI than during the preceding four years "so naturally Mr. du Pont sees red when he sees these profits attacked by international peace."

The du Pont Co., and particularly GM, was a major contributor to Nazi military efforts to wipe communism off the map of Europe. In 1929, GM bought Adam Opel, Germany's largest car manufacturer. In 1974, a Senate Subcommittee on Antitrust and Monopoly heard evidence from researcher Bradford Snell proving that that in 1935, GM opened an Opel factory to supply the Nazi's with "Blitz" military trucks. In appreciation, for this help, Adolf Hitler awarded GM's chief executive for overseas operations, James Mooney, with the Order of the German Eagle (first class). Besides military trucks, Germany's GM workers also producing armored cars, tanks and bomber engines.

Du Pont's GM and Rockefeller's Standard Oil of New Jersey collaborated with I.G. Farben, the Nazi chemical cartel, to form Ethyl GmbH. This subsidiary, now called Ethyl Inc., built German factories to give the Nazis leaded gas fuel (synthetic tetraethyl fuel) for their military vehicles (1936-1939). Snell quotes from German records captured during the war:

The fact that since the beginning of the war we could produce lead-tetraethyl is entirely due to the circumstances that, shortly before, the Americans [Du Pont, GM and Standard Oil] had presented us with the production plants complete with experimental knowledge. Without lead-tetraethyl the present method of warfare would be unthinkable.

Since WWII, du Pont has continued to be an instrument of U.S. government weapons production. Besides supplying plastics, rubber and textiles to military contractors, it invented various new forms of explosives and rocket propellants, manufactured numerous chemical weapons and was instrumental in building the world's first plutonium production plant for the atomic bomb. It pumped out Agent Orange and Napalm, thus destroying millions of lives, livelihoods and whole ecosystems in Southeast Asia.

With 2,000 brand names, 100,000 employees and annual sales of \$25 billion in 1998, du Pont is one of the world's biggest corporations. It's 1939 slogan, "Better Things for Better Living...Through Chemistry," belies a destructive legacy that will last thousands of generations. One of the globe's worst polluters, it pioneered the



Du Pont's General Motors built 80% of Hitler's military trucks, like this Opel "Blitz."

creation, marketing and coverup of almost every dangerous chemical toxin ever known. It now faces countless lawsuits for the adverse health and environmental effects of its products, the unsafe working conditions in its factories and the foolhardy, disposal practices it flaunts as final solutions for its waste products. Here is a small sampling of du Pont's gifts to the planet:

- Sulphur dioxide and lead paint
- CFCs: 25% of the world's supply and almost 50% of the U.S. market.

- Herbicides and pesticides: brain damage, hormone system disruption.
- Formaldehyde: cancer and respiratory illnesses.
- Dioxins: Leading the way to create these carcinogens, du Pont then suppressed data on their deadly effects.
- Highly-processed, unnutritious products marketed as healthy food.
- Genetically modified foods and "Terminator"/"Killer seeds" threaten food security for 1.4 billion people who depend on farm-saved seeds.
- Patenting plant genes and stealing the Third World's genetic resources.
- Using U.S. prison labour and factories in many oppressive regimes.
- Its oil subsidiary, Conoco, provided petrochemical raw materials and caused environmental devastation.
- Du Pont is one of the world's biggest producers of green house gases.
- Sold for 33 years, the fungicide Benlate destroyed crops, shrimp farms and caused birth defects.
- Since the 1920s, du Pont produced leaded gas which is responsible for 80-90% of the world's environmental lead contamination. Besides fueling Nazi war machines that rolled and flew across Europe killing tens of millions, this product's legacy includes retarding children's mental health and causing hypertension in adults. Du Pont's helped stop the U.S. ban until 1996, and then increased its overseas sales.

Irénée du Pont (1876-1963)

By Charles Higham

Irénée, the most imposing and powerful member of the clan, was obsessed with Hitler's principles. He keenly followed the future Fuhrer's career in the 1920s. On Sept. 7, 1926, in a speech to the American Chemical Society, he advocated a race of supermen, to be achieved by injecting special drugs into them in boyhood to make their characters to order. He insisted his men reach physical standards equivalent to that of a Marine and have blood as pure as that in the veins of the Vikings. Despite the fact that he had Jewish blood in his own veins, his anti-Semitism matched that of Hitler.

In outright defiance of Roose-



velt's desire to improve working conditions for the average man, GM and the Du Ponts instituted the speedup systems. These forced men to work at terrifying speeds on the assembly lines. Many died of the heat and pressure,

increased by fear of losing their jobs. Irénée paid almost \$1 million from his own pocket for armed and gas-equipped storm troops modeled on the Gestapo to sweep through the plants and beat up anyone who proved rebellious. He hired the Pinkerton Agency to send its swarms of detectives through the whole [du Pont] chemicals, munitions and auto empire to spy on left-wingers or other malcontents.

Source: *Trading with the Enemy: An Expose of the Nazi-American Money Plot 1933-1949*, 1983.

The House of Morgan

Many of those instrumental in the plot to oust FDR were linked to Wall Street's wealthiest banker, J.P. Morgan, Jr. They connected through a variety of banks and corporations that Morgan controlled. Likewise, many of the American Liberty League's key organizers and funders were also tied to Morgan's business concerns.

In 1934, when Jerry MacGuire was in Paris studying how veterans' groups, such as France's Croix de feu, were used to empower fascist movements and governments, he worked out of J.P. Morgan's offices. MacGuire also told General Butler that a meeting was held at Morgan & Harjes offices to discuss who would lead the superarmy that Wall Street plotters wanted to use in their plot to seize the White House.

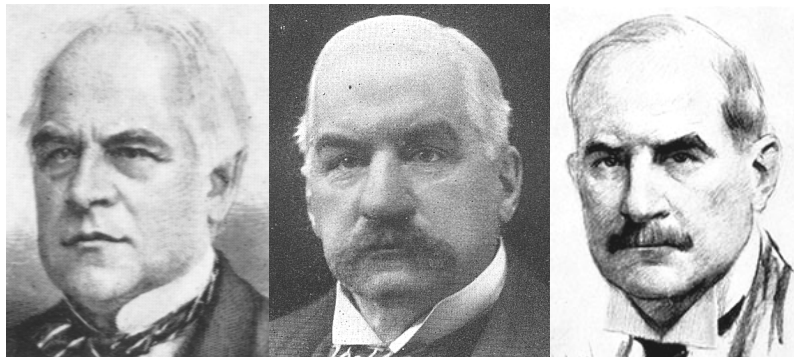
Pioneering antifascist journalist, John Spivak, considered J.P. Morgan, Jr., to be the "ultimate fountain-head of the whole fascist conspiracy of Wall Street" (*New Masses*, Feb. 5, 1935). Who was this banker that played

such a key part behind the scenes? To understand his role, consider this statement by authors of the groundbreaking 1934 book, *Merchants of Death*:

In the U.S., the banker is the all-important person in industry.... While few cases are known where an important government official or member of Congress has been a director of an armament firm, all arms manufacturers have important financial connections. In the Morgan group will be found the DuPont Co., Bethlehem Steel Corp., U.S. Steel Corp., together with copper, oil, electric appliances, locomotive, telephone and telegraph interests. This tie-up also leads over into the great banks, including the National City, Corn Exchange, Chase National, etc. It is the Morgan Group of corporation clients and banks which dominate the American arms industry (Engelbrecht and Hanighen).

The foundation stones of the great House of Morgan banking empire were laid by Junius Spencer Morgan (1813-1890). Living in England, he hailed from a solid New England family of merchants. In 1854, he became a partner in a London bank owned by George Peabody. Ten years later, Morgan took over the bank, renamed it J.S. Morgan & Co. and engaged in foreign exchange and gold speculation.

Meanwhile, his son, John Pierpont Morgan (1837-1913), was being groomed for business. He was sent to Boston's English high school and then to German universities in Stutigen and Gottingen. The year 1861, was auspicious for young Pierpont. He started his own bank in New York, calling it J.P. Morgan & Co. He



Junius Spencer Morgan

John Pierpont Morgan, Sr.

John Pierpont Morgan, Jr.

sold European securities underwritten by his father's bank in England.

That was also the first year of the Civil War. Pierpont was 24 and like Andrew Carnegie, Grover Cleveland, Philip Armour, John D. Rockefeller and other privileged young members of the elite class, he paid to avoid military service. Also, like other Robber Barons, he profited greatly from this war and the string of other U.S. wars that followed.

It was in 1861 that Morgan pulled off a cunning scam foreshadowing his career as a high-class confidence man and his tremendous lack of moral scruples. In the 1850's, the U.S. army had "condemned as obsolete and dangerous some rifles.... These rifles were...sold by auction... [for] between \$1 and \$2, probably as curios." In 1861, he bought 5,000 of the useless weapons for \$3.50 each and sold them back to the Army for \$22 apiece,

making \$92,500, a small fortune.

When [General] Frémont's soldiers tried to fire these 'new carbines in perfect condition,' they shot off their own thumbs.... The government refused to pay Morgan's bill. Morgan promptly sued the government.... A special commission... allowed half of [his] claim, and proposed to pay \$13.31 a carbine. Morgan... sued [again] ...and the court promptly awarded him the full sum, because 'a contract is sacred' (Engelbrecht and Hanighen, 1934).

After the Civil War, Morgan loaned money to the U.S. treasury at high interest rates. In 1871, he financing the Army's payroll and in 1877, he refinanced the government's debt. After his father, Junius, died in 1890, J.P. Morgan began consolidating the family empire. He put him-

self at the helm of their four main firms, in New York, Philadelphia, London and Paris. Several times in the 1890s, he sold the government gold to shore up the dollar. He also sold official U.S. and British government bonds.

By 1900, Morgan was the main financial force behind several huge monopolies. In 1901, his wealth pulled together the world's first billion dollar corporation, U.S. Steel. That year, Morgan and rival John D. Rockefeller, also collaborated by creating the Northern Securities Corporation. Morgan interests held 341 directorships in 112 corporations worth \$22.2 billion; twice the total value of all property in 13 southern U.S. states.

The heart of the American economy had been put under one roof, from banking and steel to railroads, urban transit, communications, the merchant marine, insurance, electric utilities, rubber, paper, sugar refining, copper, and assorted other mainstays of the industrial infrastructure (Korten, 1995).

In 1913, J.P. Morgan died, and his son, J.P. Morgan, Jr. (1867-1943), took over. That year, Congress passed the Federal Reserve Act giving all

responsibility for producing and valuing U.S. money to the Federal Reserve System, a group of privately-owned banks. Although U.S. presidents appoint its chairman, Fed decisions are independent. Its creation gave Morgan even more control over monetary levers of power.

In 1914, Morgan's company became Britain's official agent for purchasing U.S. goods, such as weapons. This was especially lucrative during WWI, when the Allies, mostly Britain, spent \$2 billion in America. Morgan's interests in military sales explain his role in forming the Navy League, which pushed the U.S. into WWI. The League also represented Bethlehem Steel, International Nickel and Carnegie Steel. In 1915, when President Wilson

lifted the ban on private bank loans to the Allies, Morgan [began] lending money in such great amounts as to both make great profit and tie American finance closely to the interest of a British victory in the war (Howard Zinn, 1995).

The American Legion was the main WWI veteran's group. Morgan was among its wealthy financiers. He donated \$100,000 to its creation:

At its core were tens of thousands... committed to doing street battle with 'reds.' The Legion had been founded by officers as a conscious attempt to rein in angry soldiers who, it was feared, would come home from the war with their head full of Bolshevik ideas (Ann Zirin, 2002).

Morgan also funded the rise of Italian fascism, in fact, his company was Mussolini's main overseas bank. In 1926, Morgan partner, Thomas Lamont, who was later the chair of J.P. Morgan Co., secured a \$100 million loan for Mussolini. As Noam Chomsky put it, Morgan's man Thomas Lamont: described himself as 'something like a missionary' for Italian Fascism, expressing his admiration for Il Duce, 'a very upstanding chap' who had 'done a great job in Italy' and for the 'sound ideas' that guide him in governing the country (1991).

In 1930, the Bank for International Settlements (BIS) was created



J.P.
Morgan,
Sr.

using the "Young Plan," after Morgan banker, Owen D. Young. Its supposed purpose was to funnel German money to the Allies in reparation for WWI. In reality, the BIS funneled money into Germany to rebuilt its might. Inspired by Hitler's Economics Minister and Reichsbank president, Hjalmar Schacht, who had lived in Brooklyn, the BIS was owned by the world's largest central banks, including Morgan's First National Bank of New

"The banker is the all-important person in industry.... It is the Morgan Group of corporation clients and banks which dominate the American arms industry."

H.C. Engelbrecht and F.C. Hanighen, *Merchants of Death*, 1934.

York, the Federal Reserve of New York, the Reichsbank and the central Banks of England, Italy and France.

Sensing Hitler's lust for war and conquest, Schacht, even before Hitler rose to power in the Reichstag, pushed for an institution that would retain channels of communication and collusion between the world's financial leaders even in the event of an international conflict. It was written into the Bank's charter, concurred in by the respective governments, that the BIS should be immune from seizure, closure or censure, whether or not its owners were at war. The BIS was completely under Hitler's control by the outbreak of WWII (Charles Higham, *Trading with the Enemy*, 1983).

The BIS board included Hermann Shmitz, head of I.G. Farben, the Nazi's biggest industrial monopoly; Baron Kurt von Schroder, head of Cologne's J.H. Stein Bank; Walther

Funk, a leading Gestapo officer and Reichsbank financier; and Emil Puhlon, a personal appointee of Hitler. Presiding over the Board between 1939 and 1946, was Thomas McKittrick, a U.S. corporate lawyer from Lee, Higginson & Co, that made large loans to the Third Reich.

In 1944, McKittrick met with "his German, Japanese, Italian, British and American executive staff" to discuss "the

\$378 million in gold that had been sent to the Bank by the Nazi government after Pearl Harbor for use by its leaders after the war." Higham explains that this gold "had been looted from the national banks of Austria, Holland, Belgium and Czechoslovakia, or melted down from the Reichsbank holding of the teeth fillings, spectacle frames, cigarette cases and lighters and wedding rings of the murdered Jews."

As for Morgan's own bank, it kept a branch open for business in Nazi-occupied France to serve German interests throughout the war.

Morgan's banking empire has continued to grow and prosper. When Asian markets collapsed in the 1990s, the IMF and U.S. taxpayers spent billions bailing out huge banks like J.P. Morgan, Chase Manhattan, Citicorp and BankAmerica, even though these Wall Street pirates had raked in Asian profits for decades. When Indonesia finally purged itself of General Suharto, the dictator who took over in a CIA bloodbath killing hundreds of thousands of communists, a J.P. Morgan "currency expert," Ron Leven, said: "Democracy is a desirable form of government, but it's not necessarily the most efficient form of government."

J.P. Morgan Chase and Citigroup provided Enron with billions, stage-managing its huge investment deals around the world and arranging a fire-sale buyout by Dynegy that failed. Morgan also played financial backstop for Enron's various kinds of trading transactions (William Greider, 2002).

In one of the biggest deals ever, J.P. Morgan and Bank One recently agreed to merge to create the world's second-largest financial enterprise. It will have \$1.1 trillion in assets.

...continued from page 23

about how the bond salesman knew of Al Smith's plans.

Butler quoted MacGuire: Morgan interests say you cannot be trusted.... They want either MacArthur or MacNider. You know as well as I do that MacArthur is the son-in-law of [banker Edward] Stotesbury... Morgan's representative in Philadelphia.

Instead of asking MacGuire who told him what the Morgan interests were doing in this, the Committee simply deleted this from the pub-

lished testimony.

In Paul Comly French's testimony of his talk with MacGuire, the following was deleted:

French: [MacGuire] said he could go to John W. Davis or [James H.] Perkins of the National City Bank, and any number of persons and get it [money for the organization]....

We discussed the question of arms and equipment, and he suggested that they could be obtained from the Remington Arms Co. on credit through the du Ponts. I do not think that at that time he mentioned

the connection of du Pont with the American Liberty League, but he skirted all around it.... he suggested that Roosevelt would be in sympathy with us and proposed the idea that Butler would be named as head of CCC [Civilian Conservation Corps] camps by the President.

The CCC was a government work project giving employment to young men of military age. Another fascist army using CCC men was allegedly proposed by a Wall Street operator who said he controlled \$700 million which he could make available;

Father Charles Edward Coughlin (1891-1971)

Father Coughlin, "the Father of Hate Radio," was born in Hamilton, Ontario. This rabidly right-wing, Catholic priest started with a weekly broadcast on WJR, Detroit's "Good Will" station. CBS broadcast it nationwide in 1930 and 1931. He started his own radio network that grew to 30 stations. John Spivak, estimated that Coughlin's broadcasts reached 40 million, said: "Only the President...had a bigger audience... The President spoke only on special occasions, the priest every Sunday.... To me, he was the most dangerous divisive influence in the country" (*A Man in His Time*, 1967).

Coughlin originally supported FDR, but turned against him in 1934 and created a political party, the National Union of Social Justice. Former Louisiana Governor, Huey Long was supposed to be their candidate, but he was assassinated in 1935. Journalist George Seldes said Long was America's "first notable Fascist leader,...a very smart demagogue, [who] once said, 'Sure we'll have Fascism here, but it will come as an anti-Fascism movement.'" In the late 1930s, Coughlin called for FDR's impeachment because he was "leaning toward international socialism or sovietism."

Coughlin's radio sermons praised Adolf Hitler and Benito Mussolini. The Nazi press praised Coughlin as "America's most powerful radio commentator." He ranted against Jews, the "Christ-killers and Christ-rejecters." When a *Boston Globe* reporter asked him for proof that communists were influencing



FDR, Father Coughlin belted the journalist in the face. His weekly paper, *Social Justice*, reached one million. It was sold in 2,000 churches. In 1938, it reprinted the anti-Semitic forgery "Protocols of the Elders of Zion."

He was allied with the openly-Nazi German-American Bund. By 1939, he had inspired and was directing a nation-wide, fascist network, the Christian Front, which John Spivak described as "street-fighting toughs." Roy Carlson, who infiltrated and exposed U.S. fascist groups said:

Like Hitler's Brown-shirts, the Christian Front was ostensibly organized to combat the 'rising tide of Communism.' All Jews,... liberals, New Dealers and labor organizations were called Communist; and since the Communist Revolution in America was scheduled to take place 'any day now,' the Christian Front—always under Coughlin's inspiration

and guidance—shouted that a private army was the only means to 'save America.' Coughlin filled the pages of *Social Justice* with Hitler's sewer-spawned lies. He made *direct* use of Goebbels' speeches, quoting the Nazi almost word-for-word.... He denounced the 'poppycock of Democracy' and branded Democracy as a version of Communism" (*Under Cover*, 1943).

In *Shrine of the Silver Dollar* (1940), Spivak said Coughlin "cynically used the prestige of a priest and the heart-tug of Christian charity as a cloak for a fast deal." Spivak showed that Coughlin was playing the stock market while denouncing this on air as "shooting craps with other people's money." Coughlin, secretly one of the America's largest silver owners, urged his followers to lobby for silver as the money standard. Coughlin's "monetary forms...are of great help to the Rockefeller interests, Ford and Hearst" (Spivak, *New Masses*, Feb. 5, 1935).

Not long after Spivak's exposé in 1940, Coughlin went off the air and his paper was denied use of the mails. That year, when an FBI raid found weapons in a Christian Front office, J. Edgar Hoover said the Front was planning to murder Jews, communists and "a dozen Congressmen."

Although Coughlin was criticised by some high-ranking Catholics, he was never defrocked for hate-mongering, political campaigning or deceptive fundraising. Neither was he prosecuted. He continued to churn out virulent anti-communist pamphlets until his death in 1979.

this second plot – if it was a separate one – did not attract as much attention as the one involving General Butler.

These illustrative passages, crying for more probing, were deleted by the Committee. I knew that the Constitution authorized Congress to delete such matters as required secrecy. This was usually interpreted to mean matters of national security. Certainly national security was involved, but this was a plot that the people were not only entitled to know about, but had to know about, for their own protection.

I felt a very definite resentment against this Committee, for which I otherwise had strong approval. It had subpoenaed Nazis, fascists and communists, yet did not question those whose names were mentioned in testimony about a treasonable plot against the U.S. The rich and influential seemed to have a unique ability to avoid being called before a committee investigating un-American activities. So far as I could determine, there had not been even one phone call to these personages to ask – just for the record and with the greatest apologies – if they had ever heard of this plot. Instead, it did not even ask MacGuire who told him the things he told the General.

It was possible, of course, that the deletions were not due to pressures by any of those named by Butler, but to a policy decision on the highest level. What would be the public gain from delving deeper into a plot which was already exposed and whose principals could be kept under surveillance? Roosevelt had enough headaches in those troubled days without having to confront men of great wealth and power. Was it avoidance of such a confrontation that curtailed the investigation? Was it a desire by the head of the Democratic Party to avoid matters which could split the party down the middle, considering that Davis and Smith, two former party heads, were among those named by Butler?

I was both angry and troubled that after a conspiracy of this magnitude had been disclosed by a national hero and verified by a committee of the Congress, nothing was being done.

Since MacGuire had denied essential parts of Butler's testimony, which the Committee said it had proved by documents, bank records

and letters, I went to the Department of Justice to ask what it planned to do about MacGuire's testimony. I was told that it had no plans to prosecute.

I interviewed Congressman McCormack. When I got to the sixth or seventh question, dealing with deletions from Butler's testimony, he said abruptly: "I don't have to give you an interview.... I'll take your questions and answer such of them as I wish."

Among the questions I left with him were: "Did you ever look into the potentially fascist groups like the American Liberty League, **Father**

[Charles Edward] Coughlin's organization, the **Crusaders**, etc?"

To one of my questions, McCormack gave me definite assurances:

You were...anxious to find out if the Nazi movement in this country is as active today as when the investigation started. As a result of the investigation, and the disclosures made, this movement has been stopped and is practically broken up.

Unhappily, the Congressman was incorrect. It was in this very period that the invasion of the U.S. by Nazi secret agents, along with an in-

The Crusaders

By John Spivak

The Crusaders, with national headquarters in Chicago, broadcast nationally twice a week and had an intensive propaganda campaign of printed matter. It was originally organized to fight prohibition. Wall Street financiers, fighting increased taxation due to unemployment relief legislation, thought that giving people beer and liquor could get their own taxes reduced. Prohibition was repealed and Wall Street interests, decided that the Crusaders could be used in politics and anti-labor moves.

California financiers and industrialists were afraid of Upton Sinclair's campaign based on the deep-seated discontent of the masses. The Crusaders jumped into the fight on the air and in disseminating countless thousands of leaflets. They warned against "radicalism" and the rising militancy of workers.

Their active supporters included John W. Davis, Morgan's chief attorney, and James Warburg, of Kuhn-Loeb. These two, representing apparently opposing financial interests and different religious groups, work together to promote the Crusaders—an invaluable help to capital in propaganda against militant labour.

The Crusaders are trying to get 10 million members. They are extremely active among military men and in military schools. One of their chief functions is "fighting subversive elements." In charge of this is Col. Roy Felton Ferrand, head of St. John's Military Academy. He is a member of the Crusaders' Advisory Council

Some other key Crusaders are on college boards and use their influence "to protect the country from subversive elements." For instance, Fred Kent, vice president of the Morgan-controlled Bankers Trust, is Council President of New York University where student anti-military movements have been rigidly suppressed. He is an officer of the U.S. Chamber of Commerce which opposes "subversive" elements, particularly those trying to organize workers.

The Crusaders' National Advisors include:

- Wallace McK. Alexander, a big business sugar planter, is a trustee of Stanford University, where faculty started an anti-radical drive after formation of the Crusaders.
- Sewell Avery, a director of the Morgan-controlled U.S. Steel, is a University of Chicago trustee.
- Francis B. Davis, Jr., a right-hand man of the du Ponts, is a director of Morgan-controlled, New York Trust
- Cleveland Dodge, vice president of Phelps Dodge Co. (big copper producers) is a City Bank Farmers Trust Co. director (tied up with the Hearst-Anaconda copper interests) and Board chairman of Columbia University's Teachers College. Its Dean, Thomas Alexander, works with an agent of Royal Scott Gulden, head of the anti-Semitic, espionage group, Order of '76.
- Albert Lasher, is a member of the American Jewish Committee.
- Alfred Sloan, Jr., President of GM, is a director of du Pont and other Morgan-controlled industries.

Source: *New Masses*, Feb. 5, 1935.

tensification of anti-democratic and hate propaganda, was moving towards its peak. I am sure McCormack, Dickstein and their colleagues believed that disclosures before their Committee had broken up the Nazi propaganda and spy rings. They saw no threat from Nazis, though they did see a dangerous one from U.S. communists. The country was bedevilled by seemingly endless strikes, and these were attributed chiefly to communists – as if communists created conflict between employers and employees.

I went to co-chairman Samuel

Dickstein, who said the Committee had deleted certain parts of the testimony because they were “hearsay.” I asked: “Why wasn’t Grayson Murphy called? Your Committee knew that Murphy’s men are in the anti-Semitic espionage organization Order of ‘76?” He replied: “We didn’t have the time. We’d have taken care of the Wall Street groups if we had time. I would have [had] no hesitation in going after the Morgans.”

I assumed **General Butler** did not know that portions of his testimony had been deleted. If he knew and said so publicly, he would reach a vastly

greater audience than I could through the *New Masses*. I phoned him at his home, said I was from the *New Masses* and wanted to see him about his testimony before the Committee.

“Come on out,” he said heartily. He was a slender, almost spare man, with receding hair, lined and sunken cheeks, thick eyebrows and furrowed lines between his keen eyes. His nose was generous, his underlip set in a permanent pout. He looked at me almost with affection as he extended his hand. There are people one meets and may never meet again with

Major-General Smedley Darlington Butler (1881-1940)

Major-General Smedley Darlington Butler, a 33-year veteran of the Marine Corps who was twice decorated with the Medal of Honor, blew the whistle on the fascist plot to oust FDR. He also confessed to having been a “high class muscle-man for Big Business, for Wall Street and for the Bankers. In short, I was a racketeer, a gangster for capitalism.”

In his book *War is a Racket*, 1935, Butler opens with these lines:

War is a racket. It always has been. It is possibly the oldest, easily the most profitable, surely the most vicious. It is the only one international in scope.... [and] the profits are reckoned in dollars and the losses in lives.

A racket is best described as something that is not what it seems to the majority of the people. Only a small ‘inside’ group knows what it is about. It is conducted for the benefit of the very few, at the expense of the very many. Out of war a few people make huge fortunes.

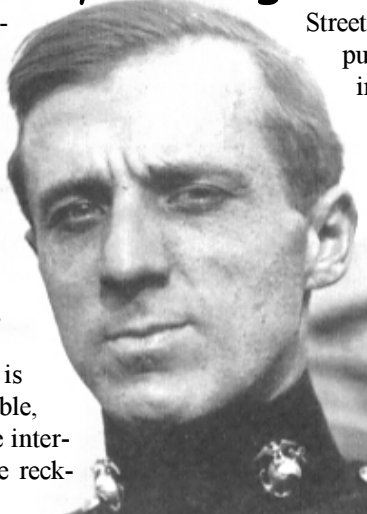
For a great many years, as a soldier, I had a suspicion that war was a racket; not until I retired to civil life did I fully realize it.... I must face it and speak out.

In “Time of Peace,” *Common Sense*, Nov. 1935, Butler said: There isn’t a trick in the racketeering bag that the military gang is blind to. It has its ‘finger men’ (to point out enemies), its ‘muscle men’ (to destroy enemies), its ‘brain men’ (to plan war preparations), and a “Big Boss” (super-nationalistic capitalism).

It may seem odd for a military man to adopt such a comparison. Truthfulness compels me to.

I suspected I was just part of a racket at the time. Now I am sure of it. Like all the members of the military profession, I never had a thought of my own until I left the service. My mental faculties remained in suspended animation while I obeyed the orders of higher-ups.

I helped make Mexico and especially Tampico safe for American oil interests in 1914. I helped make Haiti and Cuba a decent place for the National City Bank boys to collect revenues in. I helped in the raping of half a dozen Central American republics for the benefit of Wall



Butler in Nicaragua, 1912

Street. The record of racketeering is long. I helped purify Nicaragua for the international banking house of Brown Brothers in 1909-1912.

I brought light to the Dominican Republic for American sugar interests in 1916. I helped make Honduras “right” for American fruit companies in 1903. In China in 1927, I helped see to it that Standard Oil went its way unmolested....

I had, as the boys in the back room would say, a swell racket.... I might have given Al Capone a few hints. The best he could do was operate his racket in three city districts. We Marines operated on three continents....

Our exploits against the American Indian, the Filipinos, the Mexicans, and against Spain are on a par with the campaigns of Genghis Khan, the Japanese in Manchuria and the African attack of Mussolini. No country has ever declared war on us before we first obliged them with that gesture. Our whole history shows we have never fought a defensive war.

Butler made these conclusions in his book *War is a Racket*:

- We must take the profit out of war.
- We must permit the youth..., who would bear arms, to decide whether or not there should be war.
- We must limit our military to defense purposes....

Secretly each nation is studying and perfecting newer and ghastlier means of annihilating its foes wholesale.... Ships will continue to be built, for shipbuilders must make their profits. And guns still will be manufactured... powder and rifles will be made, for the munitions makers must make their huge profits.... Victory or defeat will be determined by the skill and ingenuity of our scientists.

If we put them to work making poison gas and more and more fiendish mechanical and explosive instruments of destruction, they will have no time for the constructive job of building greater prosperity for all peoples. By putting them to this useful job, we can all make more money out of peace than we can out of war – even the munitions makers.

So...I say, TO HELL WITH WAR!

whom something clicks at the moment when hands clasp. I felt a strong attachment to him immediately. I heard later of highly complimentary comments he made about me. I felt as if I had known him all my life and apparently he felt the same about me. He said, "I think you're the man I've been hoping to run into to help me do an autobiography. There are things I've seen, things I've learned that should not be left unsaid. War is a racket to protect economic interests, not our country, and our soldiers are sent to die on foreign soil to protect investments by big business."

Butler was occupied with the thought that American boys were being killed not to protect their country, but to protect investments. He returned to this theme several times in the hours we talked. His life, his adventures and activities and what he had learned from first-hand experience would have made a fascinating book. I would have liked to do it, but I begged off. Nazi activities in the U.S. were assuming alarming proportions and no publication, other than the *New Masses*, had shown any interest. The Government seemed to ignore these activities completely. When I said I should concentrate on anti-Nazi activities, he nodded approvingly and offered to help. He too was troubled by the hate propaganda gaining momentum almost daily.

He said things about big business and politics, sometimes in earthy, four-letter words, the like of which I had never heard from the most excited agitators crying on street corners, from socialists speaking on the **New Haven Green** or, later, from communists.

He was describing a primitive variation of what we are learning today [1967] about the activities of our CIA. We use military power to enforce our political and economic policies. It is always done, according to official announcements, for high, shining moral objectives. In our schools, our churches and synagogues, as in unctuous pronouncements by heads of state, we are told to live by a set of nobly-expressed morals but are expected to acquiesce when governments openly or surreptitiously violate them. We still tamper with governments that displease us; we still instigate revolu-

"War is a racket to protect economic interests, not our country, and our soldiers are sent to die on foreign soil to protect investments by big business."
Major-General Smedley D. Butler

tions in countries which will not accept our "guidance;" we still send our men to fight in foreign lands, to kill and be killed, without having declared war. If any average citizen violated the U.S. Constitution as constantly and consistently as those who took solemn oaths before God and their fellow men to uphold, defend and protect it, he would be behind bars in short order.

I had heard radicals of every stripe say similar things, but now the man who had commanded our occupying and shooting forces in foreign countries was saying them, adding matter-of-factly such comments as: "We supervised elections in Haiti, and wherever we supervised them our candidate always won." When speakers on the Green denounced our military invasions and "dollar diplomacy," I was always conscious that they were political radicals, theoreticians who had read histories, economic philosophies and mountains of statistics, and concluded that "war is a racket" and took to their stands to tell all passersby. But this thin man was not a bookish theoretician; Butler had directed our Marines to land on foreign soil to protect American investments, and he was

The New Haven Green

John Spivak grew up just a few blocks from the Green, in New Haven, Connecticut, a "marketplace and common meeting ground [that] came to be accepted as the place where citizens went to voice their opinions." In his early years, before WWI, he "spent many evenings there listening to men who spoke on a seemingly endless variety of topics.... There were socialists and anarchists, Wobblies (as members of the aggressive Industrial Workers of the World were called).... even one sad-looking, wispy man... spreading the gospel of atheism."

From the beginning of Spivak's autobiography, to its conclusion, "the Green" is a metaphor for the physical and social space where freedom of speech and association are cherished.

saying things stronger than I had ever heard on the Green.

I explained again that I was from the *New Masses*. "It's supposed to be a communist magazine," I said.

"So who the hell cares?"

he said. "There wouldn't be a United States if it wasn't for a bunch of radicals." An impish look came over his face. "I once heard of a radical named George Washington. As a matter of fact from what I read he was an extremist – a goddamn revolutionist!"

I gave him copies of what had been deleted from his testimony. I explained that although the Committee reported to Congress that it had verified the plot, it did nothing about MacGuire's denials under oath. When I finished, he said: "I'll be goddamned! You can be sure I'll say something about this!"

I made public [in *New Masses*, Jan. 29, 1935] the parts that the Committee had edited out of his testimony. On Feb. 17, Butler got on national radio and denounced the Committee.

When the Committee's report appeared, Roger Baldwin, who did not look with friendly eyes on communists, issued a statement as director of the American Civil Liberties Union:

The Congressional Committee investigating un-American activities has reported that the Fascist plot to seize the government...was proved; yet not a single participant will be prosecuted under the perfectly plain language of the federal conspiracy act making this a high crime. Imagine the action if such a plot were discovered among Communists!

Which is, of course, only to emphasize the nature of our government as representative of the interests of the controllers of property. Violence, even to the seizure of government, is excusable on the part of those whose lofty motive is to preserve the profit system.

The Committee's report gave 6 pages to the threat by Nazi agents in this country, 11 pages to the threat by communists and one page to the plot to seize the government and destroy America's democratic system.

Source: Excerpts from John Spivak's autobiography, *A Man in His Time*, 1967, pp. 294-331.

The American Liberty League

By Richard Sanders, Editor, *Press for Conversion!*

Lurking in the background behind the plot to oust FDR was the American Liberty League, a pro-business think-tank and ultra-right lobby group. Its treasurer was Jerry MacGuire's boss, Grayson Murphy, a leading J.P. Morgan broker. One of its top donors was Robert Clark, who also tried to recruit Butler into the conspiracy.

General Butler testified to the MacCormack-Dickstein Committee that when he asked whether anything was "stirring" with regards to Jerry MacGuire's wealthy backers' plans for a "superorganization" to coordinate the coup against FDR, MacGuire predicted the American Liberty League's emergence, saying: "Yes, you watch; in two or three weeks you will see it come out in the paper. There will be big fellows in it. This is to be the background of it."

Jules Archer, in *The Plot to Seize the White House* (1976), said the "link between the conspiracy and the powerful interests...in the background" was "the most significant" part of Butler's testimony. However, MacGuire's foreknowledge of the League and its links to the fascist plot were deleted from the Committee's published report.

Archer notes that Butler was "stunned" and "genuinely alarmed" upon reading of the League's formation:

For the first time it dawned upon him that if the American Liberty League was the 'superorganization' behind the plot, [as] it seemed to be, the country's freedom was in genuine peril. Such money and power as the men behind the League possessed could easily mobilize a thinly-disguised Fascist army from the ranks of jobless, embittered veterans and do what Mussolini had done in Italy with the financial support of the Italian plutocracy.... MacGuire had outlined...the conspirators' plans for a *putsch* [coup], indicating it would easily succeed...because ...the American Liberty League, was behind it with mon-

ey and arms.... MacGuire revealed that the people behind him... could... raise \$300 million for the *putsch*.

On January 23, 1936, Senator Schwollenbach denounced all the "rascals and crooks who control the American Liberty League." Senator Robert La Follette, Jr., said it cannot "be expected to defend the liberty of the masses of the American people. It speaks for the vested interests."

The League, funded by Wall Street's leading fascists, received \$500,000 during its first year alone. So much of this money came from the du Ponts that U.S. Postmaster General, Jim Farley, called it the "American Cellophane League" because, he said, it was a du Pont product that you could see right through. The du Ponts – through their control of the Remington Arms Co. – were also prepared to provide weapons for the Croix de feu-like veterans' organization that the conspirators wanted Butler to lead as part of their plan to overthrow the government.

With a staff of 50 in their 31-room, New York City headquarters, the League was FDR's most formidable foe. It launched chapters at 26 colleges and universities and spawned 15 front groups across the country to spread anti-labour, anti-communist and anti-Semitic hatred. The League distributed 50 million copies of extremely right-wing, often blatantly fascistic, pamphlets. It bankrolled a speakers' bureau, hosted nation-wide radio shows and launched lawsuits targeting the New Deal's 1935 Wagner Act because it allowed collective bargaining.

Created in August 1934, this association of wealthiest corporate leaders said its goals were "to combat radicalism, to teach...respect for the rights of persons and property, and generally to foster free private enterprise." It attacked government funding for poverty relief and social services and opposed all "burdensome taxes imposed upon industry for unemployment insurance and old age pension."

League news releases were often used verbatim by corporate media that shared the League's anti-democratic values. Between Aug. 1934 and Nov. 1936, the League got 35 favourable, front-page stories in the *New York Times*. An exception to the anti-FDR media were the Scripps-Howard papers. In Jan. 1936, they ran a story headlined "Liberty League Controlled by Owners of \$37,000,000,000." It exposed that League backers directed U.S. Steel, General Motors, Standard Oil, Chase National Bank, Goodyear Tire and the Mutual Life Insurance Co.

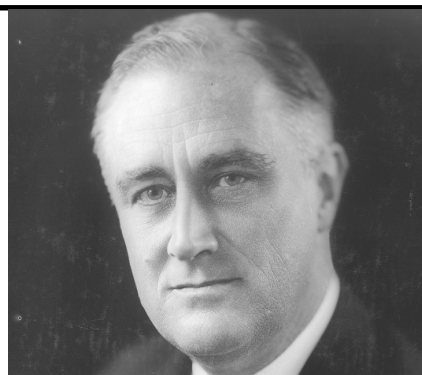


FDR on the League

On Jan. 3, 1936, in an unprecedented joint session of Congress, when President Roosevelt announced a ban on military exports to fascist Italy, he blasted the American Liberty League:

They steal the livery of great national ideals to serve discredited special interests.... This minority in business and industry... engage in vast propaganda to spread fear and discord among the people. They would gang up against the people's liberties.... They seek the restoration of their selfish power....

Our resplendent economic aristocracy does not want to return to that individualism of which they prate, even though the advantages under that system went to the ruthless and the strong. They realize that in 34 months we have



built up new instruments of public power. In the hands of a people's government this power is wholesome and proper. But in the hands of political puppets of an economic aristocracy, such power would provide shackles for the liberties of the people.

Give them their way and they will take the course of every aristocracy of the past – power for themselves, enslavement for the public.

Sewell Avery

(1874-1955)

American Liberty League funder and National Advisor of the Crusaders.

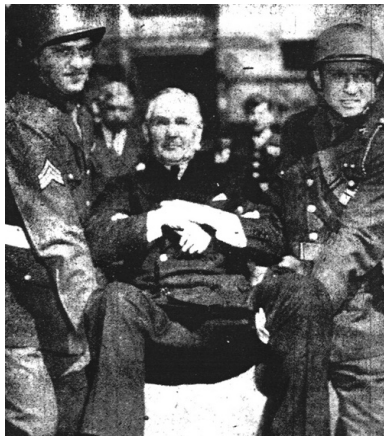
Sewell Avery, a precocious darling of the right-wing anti-New Deal movement, came from a wealthy Michigan family of lumber barons. Avery was president of Montgomery Ward, America's first mail-order business. Created in 1872, its first store opened in 1926. By 1929, it was the world's top retailer, with 530 outlets. He was a director of J.P. Morgan's U.S. Steel Corp. In 1931, Avery was president of U.S. Gypsum, America's top supplier of plaster.

Avery was a National Advisor of the Crusaders, a fascist front group of the American Liberty League. He was also a University of Chicago trustee "where an anti-radical drive took a sudden spurt after the Crusaders went into active anti-labor activity" (John Spivak, *New Masses*, Feb. 5, 1935). Avery gave generously to the Church League of America (CLA). Formed in 1937 to oppose the New Deal, it was "an information clearinghouse for industrial and business security agents" and gave employers blacklists of "unionists and subversives" (Public Eye Political Research Associates). The CLA, "one of the oldest private spy networks in the U.S., [created]... computerized files on U.S. citizens" and spearheaded religious propaganda to link communism with Satan and the Antichrist. Senator Joe McCarthy described the CLA as a "militant anti-Communist, Protestant group usefully serving the interests of America and God" (GroupWatch). More recently, it has helped homophobic crusades of the Christian Right.

Avery defied FDR's New Deal by refusing to pay \$30,000, as prescribed by the National Recovery Act. Despite this defiance, his vice president at Montgomery Ward (Frank Folsom) was appointed to FDR's National Defense Advisory Commission (1940-1941). During WWII, Avery would not comply with government orders to allow unionization efforts. As a result, National Guardsmen carried him from his office in 1944. "To hell with the government," he blurted out at the Attorney General, "You... New Dealer!"

In 1955, Sewell retired with a fortune of \$327 million. Although Montgomery Ward was a leading retailer of clothing made in Third World sweatshops, this reliance on virtual slave labour did not save it from bankruptcy in 2000.

U.S. Gypsum is now a \$3 billion Fortune 500 company. U.S. Steel recently reported a loss of \$463 million on revenue of \$9.3 billion for 2003.



**Carried from his office by
National Guard in 1944.**



**Presiding
over a banquet
with partners, 1935.**

Thomas Lincoln Chadbourne

(1871-1938)

Donated at least \$6,250 to the American Liberty League.

As a youth, Chadbourne was expelled from seven schools and excelled largely at partying. After briefly attending university, where he boxed for prize money, he appropriately joined the Chicago police. He began practicing law in 1893 and by 1903, upon moving to New York, he became one of the country's top business lawyers. He was hired by U.S. Steel in 1907. In 1921, during its first year, Chadbourne joined the Council on Foreign Relations, an elitist think-tank of wealthy Americans that still wields great influence over government policies. In the 1920s, Chadbourne masterminded a merger of New York City's subway, train and streetcar firms and became the City's "traction Czar." During the 1930s, public transit systems in 45 U.S. cities, starting in Manhattan, were acquired by National City Lines (NCL), a consortium of General Motors, Firestone Tires, Mack Truck and Standard Oil.

The NCL then destroyed these mass transit systems in order to force public reliance on cars. Chadbourne was on the board of International Motors (now Mack Truck) and has represented General Motors.

Chadbourne also successfully represented Charles Mitchell (President of Rockefeller's National City Bank of New York), when he was indicted for suspicious financial transactions during the 1929 stock market crash. Mitchell later sat on the Board of American I.G. Farben, a Nazi holding company. Although three Germans on this board were convicted for "crimes against humanity," Mitchell and four fellow-American board members were never tried: Edsel Ford (president, Ford Motors), Walter Teagle (president, Standard Oil), Paul Warburg (chairman, Federal Reserve Bank) and Herman Metz (director, Bank of Manhattan).

In 1931, as counsel for giant sugar firms, Chadbourne brokered a seven-nation agreement to limit sugar production. By then a millionaire, his Wall Street firm employed 60 attorneys and assisted 150 of America's biggest corporations. During the Depression, he sat on many boards, including Wright Aeronautical (now General Electric), Otis Elevator & Manufacturers Trust (now part of J.P. Morgan Chase Bank). Some of his earliest clients are still with the company, including North American Aviation (now Rockwell Automation) and Adams Express (investment).

Chadbourne & Parke, with 800 staff, offices across the U.S. and in London, Moscow, Kiev, Warsaw, Beijing and elsewhere, is among the world's largest law firms. It continues to serve many of the world's richest corporations.

***Who were the "big fellows" behind
the American Liberty League and the
fascist coup plot to overthrow FDR?
The League's top planners and funders
were among America's richest bankers
and industrialists. Most of their com-
panies still exist. They are now among
the world's most powerful corporations.***

**Dr. Samuel
Harden Church
(1858-1943)**

*Member, American Liberty
League's Advisory Council*

Samuel Church was an Oliver Cromwell buff, owning 75 biographies on this leading English anti-royalist of the 1600s. In *Cromwell, A History* (1894), Church said Cromwell overthrew “bloody rebellion in Ireland, and transformed the environment of that mad people into industry and peace.” Church also authored historical romances including *John Marmaduke: A Romance of the English Invasion of Ireland in 1649* (1897). When he wasn’t waxing poetic on England’s subjugation of Ireland, Church was active in Republican Party politics. He also dabbled in railways. In 1909, he was the Assistant Secretary of the Pennsylvania Railway Lines.

In 1926, Church, then prominent within the Association Against the Prohibition Amendment (which helped form the American Liberty League), told a Senate committee that rum was “one of the greatest blessings that God has given to men out of the teeming bosom of Mother Earth.”

Church is, however, most closely linked to the Carnegie Institute. He became its secretary in 1909 and was the longest serving president of its Board of Trustees (1914-1943). The Carnegie Institute has been a major funder of many far-right, elitist organizations, such as the Council on Foreign Relations. Church also oversaw the Institute’s role as a top funder of the American eugenics movement. Eugenics was a highly influential movement to forge a superior, white race in America by “purifying” the country’s gene pool. Thanks to eugenics, 60,000 Americans were forcibly sterilized between 1900 and 1930. The targets of this ethnic cleansing were the poor, Blacks, Indians, Eastern European Jews, the infirm and other “inferiors.” Hitler, praised U.S. eugenics laws in *Mein Kampf*, and later used this American pseudo-science to inspire the Third Reich’s genocidal Holocaust of Jews, gypsies, communists, unionists and others who were undesirable to Nazi interests.

In 1904, Mary Harriman and the Rockefellers had given more than \$11 million to create the Carnegie Institute’s Eugenics Laboratory on Long Island, N.Y. (This lab is now home for the Human Genome Project!) Mary Harriman’s son, Averill of Brown Brothers, Harriman (a Wall Street investment firm that financed Hitler before and during WWII and later laundered top Nazi industrialist Fritz Thyssen’s wealth after the war) had two key administrators: Prescott Bush and George Herbert Walker. After WWII, Averill Harriman and these two men, the grandfather and great grandfather of current U.S. President George Walker Bush, were reimbursed for their share of Nazi slave labour profits that were confiscated by the U.S. government in 1942, under the Trading with the Enemy Act. These origins of the Bush family millions helped pave the way for their entry into the oil business and the White House.



**William Lockhart
Clayton
(1880-1966)**

*Member, American Liberty
League's executive committee
(1934-35). Donated at
least \$7,850 to the League
and its Southern Committee
to Uphold the Constitution.*

William Clayton,
a.k.a. “Mr. Cotton,” co-founded

Anderson, Clayton & Co. in 1904 and served for many years as its president. As this cotton trading/refining firm grew to include sales offices on five continents, Clayton became the world’s greatest cotton merchant. In 1918, he was on the War Industries Board’s Committee on Cotton Distribution. He was a Mississippi delegate to the Democratic Convention, 1928. He worked for New York Governor Nelson Rockefeller to coordinate inter-American affairs and was the Export-Import Bank’s vice president (1940-1942). For the next 20 years, his ultra-right views were applied to government postings: Assistant Secretary of Commerce (1942), Administrator, Surplus War Property (1944) and Assistant Secretary of State (1944-1945). As Undersecretary of State for Economic Affairs (1945-1947), and member of the Manhattan Project’s Interim Committee, he helped form post-war nuclear weapons policy in May 1945. Clayton also helped build the International Trade Organization (forerunner of General Agreement on Trade and Tariffs (1948).

After WWII, Clayton returned to his cotton business. He also fathered the Marshall Plan, which both rebuilt Europe and poured tremendous wealth into U.S. firms. The Plan had its origins in the Council on Foreign Relations’ “War & Peace Study Groups.” Thanks to Clayton’s Marshall Plan, his cotton company got \$10 million in contracts, and Clayton himself profited to the tune of \$700,000 a year. The Plan also awarded huge contracts to General Motors (\$5.5 million) and the Ford Motor Co. (\$1 million), even though they had helped arm the Nazi war machine.

Clayton held key positions in global groups promoting corporate power, militarism and anti-communism: alternate governor, World Bank (1946-1949); vice president, Atlantic Union Committee (1949-1961); member, National Security Training Commission (1951-1954); chairman, National Committee on Campaign Contributions & Expenditures (1960); board member, Atlantic Institute (1960) and co-chairman, U.S. Citizens Commission on NATO (1961). In 1961, he created the William Clayton Professorship in International Economics at the Paul H. Nitze School of Advanced International Studies (SAIS), Johns Hopkins University, Washington, D.C., where Paul Wolfowitz, President Bush’s Deputy Secretary of Defense, was once dean.

By 1982, Anderson Clayton Corp., with gross sales of \$1.9 billion and a net income of \$55.4 million, had 15,000 employees worldwide. In 1986, it became a subsidiary of Quaker Oats. In 1997, Queensland Cotton Holdings of Australia acquired Anderson Clayton Corp. and became the world’s largest cotton-ginning company.



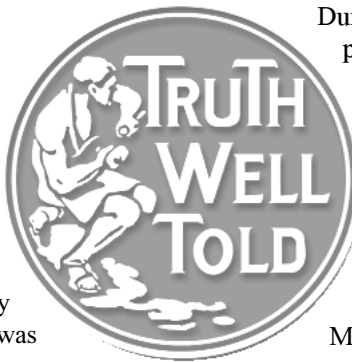
Alfred W. Erickson (1876-1934)

He donated at least \$975 to American Liberty League and its front, the Crusaders.

Alfred Erickson, a self-made millionaire, was the chairman of numerous companies and, reputedly, a close friend of Theodore Roosevelt. In 1902, at the age of 25, he started an ad agency in Manhattan. One of his earliest clients was the American Coal Tar Co. (Coal tar, a carcinogenic, industrial by-product used in dye-production became a major source of explosives during WWI, after German scientists associated with I.G. Farben, discovered its value in the creation of TNT.)

Around 1920, Erickson started investing in efforts to make colour movies. He and Technicolor's co-inventor and president, Herbert Kalmus, owned the most of its stocks. Erickson was later joined in this enterprise by some of his early clients: Eversley Childs, board chairman of Bon Ami (cleansing products) and A.W. Hawkes, President of Congoleum-Nairn (floor coverings). Besides advertising for Congoleum-Nairn, Erickson was also its board chairman.

Erickson donated generously to the fascist efforts of Merwin K. Hart, a lawyer who formed several ultra-right, anti-Semitic groups. With close ties to Father Coughlin's Christian Front, Hart led such ultra-right groups as the National Economic Council and the John Birch Society's New York branch. Hart was one of the world's leading propagandists for Spanish fascism. He visited Spain during its Civil War, met with Franco's officials, spoken on official Franco radio, formed the American Union for Nationalistic Spain and wrote *America Look at Spain* (1939). It warned against the dangers of both democracy and communism.



McCann-Erickson's Slogan

During the Depression, Hart fought the Unemployment Insurance and Child Labor Acts (saying they were commie-inspired) and spoke out against allowing those on relief to vote.

In 1930, Erickson teamed up with another advertiser, Harry McCann. They merged their firms to create McCann-Erickson. When Erickson died in 1934, the company had more than \$50 million dollars in billings and McCann took control. McCann had started his advertising career with Rockefeller's Standard Oil in 1911, just months after it was broken up by President Theodore Roosevelt's antitrust laws.

McCann created an ad agency to service all six of Standard Oil's companies. In 1927, Standard Oil entered a partnership agreement with I.G. Farben, the German chemical giant that financed Hitler's rise to power, and became Germany's main weapons supplier in WWII. By 1927, McCann was in the top handful of U.S. ad agencies and had offices across the U.S. and in London, Paris and Berlin, all just to serve Standard Oil.

McCann-Erickson came up with such classic slogans as: "Things go better with Coke" (1958) and "Put a tiger in your tank" (Esso 1964). By 1997, with billings at \$6.7 billion, the firm expanded into other communication services to become McCann-Erickson WorldGroup. In a self-promotional blurb, it call itself "the world's largest and most globally experienced advertising agency network. With offices in 130 countries, [it] is the leader in multinational advertising, handling more global accounts than any other ad agency." It won *Adweek* magazine's 'Global Agency of the Year' award in 1998, 1999 and 2000. In 2002, it had revenues of \$1.2 billion. Several of it's clients are mentioned in this issue of *Press for Conversion!*, including General Motors, Singer and Unilever.

Albert Wahl Hawkes (1878-1971)

Financial supporter of American Liberty League.

A.W. Hawkes' career mixed law, business, Republican politics and chemistry. His career in the chemical business began as a 15-year-old office boy but by 1926 he had worked his way up to executive vice president. In the meantime, he took night classes at Chicago's College of Law and was admitted to the bar in 1900. He also studied chemistry and then, during WWI, he worked in Washington, D.C. as director of the Chemical Alliance (1917-1918).

He was president of Congoleum-Nairn (1927-1942) which resulted from a 1920s merger of Congoleum Corp. (a leading U.S. maker of sheet and tile flooring) and Nairn (which created linoleum flooring in the late 1800s). Hawkes hired A.W. Erickson's ad company to promote Congoleum-Nairn. Congoleum, a simulated wood-grain product, was made with asphalt materials from the Belgian Congo and asbestos. When filing for bankruptcy in January 2004, due to increased asbestos-related lawsuits, it listed \$187 million in assets and \$206 million in debts.

Hawkes was the U.S. Chamber of Commerce president and sat on the Newark Labor Board and the Board to Maintain Industrial Peace in New Jersey (1941-1942). He



was one of four members representing employers on the National War Labor Board in Washington, D.C. (1942) and was a Republican Senator from New Jersey (1943-1949). His book, *Congress and the Patent System*, was published by the ultra-right National Association of Manufacturers. In 1951, in an effort to form a new conservative party, Hawkes and two other Republican Senators formed the National Committee for Political Realignment. When this failed, Hawkes went back to his former business activities until 1961.

He was a trustee of the Freedoms Foundation, created by prominent business leaders after WWII. It is still busily indoctrinating children in the patriotic values of militarism and respect for the flag. Its chairman, from 1949 to 1969, was former President Dwight Eisenhower.

Hawkes was a prominent member of the Freemasons, the Ambassador Unit of the Shriners' Salaam Shrine in New Jersey (along with Norman Vincent Peale), the Kiwanis Club and the Newcomen Society, which promotes the wondrous achievements of U.S. corporations and has honoured many of the firms cited in these biographies.

Howard Heinz (1877-1941)

Donated at least \$2,500 to American Liberty League and \$5,876 to the Crusaders.



Howard Heinz was the son of Bavaria immigrant, John Henry Heinz, who founded the Heinz company in 1869. After attending the small, private Shady Side Academy, Howard entered Yale University in 1900. He joined Delta Kappa Epsilon, an exclusive fraternity whose members have included Presidents George Bush, Jr. and Sr., Vice-President Dan Quayle, banker J.P. Morgan, newspaper magnate William R. Hearst, chewing-gum millionaire William Wrigley and motel man, Howard Johnson. When Heinz left Yale, he worked his way up through the family business from advertising and sales to president. He led the company for 22 years (1919-1941).

His directorships included Pennsylvania Railroad, the Mellon Bank, the Carnegie Institute and the National Industrial Conference Board (NICB). Founded in 1916, the NICB is the oldest of the "policy discussion groups" for big business leaders and is similar to the Council on Foreign Relations. William Dumhoff described these "policy-planning and consensus-seeking organizations of the power elite.... [as] training grounds in which new leaders for government service are informally selected.... During the 1930's and 1940's [the NICB] drifted to an extreme right-wing stance" (*The Powers that Be*, 1978). In 1942, it "began mapping plans... [to make America] the dominant force in Asia and exploit the colonies of former Dutch and French imperialists, from Indonesia to Indo-China, with all their cheap labor, oil, rubber and other valuable resources."

When Howard died in 1941, his son H.J. Heinz II, took over the company and some of his father's political concerns. H.J. Heinz II was on the "all-star board of direc-

tors" of the National Committee for a Free Europe (NCFE), which formed in 1948 as Radio Free Europe and Radio Liberty. U.S. intelligence funded this propaganda to support "the anti-Communist work of numerous [Eastern European] emigré organizations," using captured Nazi funds left over from the CIA's campaign to stop a communist victory in Italy's 1948 elections. The NCFE board provided a "thinly veiled 'private-sector'...cover to explain where all the money was coming from" (Christopher Simpson, *Blowback: America's Recruitment of Nazis*, 1988).

Howard Heinz left much of his wealth to the Howard Heinz Endowment. The "Chairman" of this \$1.6 billion foundation is Teresa Heinz. She inherited \$500 million when her first husband, Republican Senator John Heinz III, died in a 1991 plane crash. Her new husband, Senator John Forbes Kerry, is the Democratic candidate for president. (Kerry, a Vietnam War veteran, is a Yale grad who was inducted into its Skull and Bones secret society in 1965, just two years before George W. Bush.) Teresa Heinz and Kerry both belonged to the Council on Foreign Relations. She is a former co-chair of Congressional Wives for Soviet Jewry and board member of the Carnegie Corp., the Brookings Institution and vice-chair of the Environmental Defense Fund (EDF). The EDF is derided for "corporate environmentalism" by activists who dislike its "long history of compromising on issues.... back-door meetings with polluters.... [its funding] from some of the most anti-environmental corporations [and] foundations like Pew and Heinz, which are notorious for attaching dubious strings to the money they give out.... strings which usually push [it] into a position of playing footsie with the corporations that grassroots activists are fighting."

H.J. Heinz company describes itself as a "\$2.5 billion global icon" and "the most global, U.S.-based food company, with...powerful brands holding number-one and number-two market positions in more than 50 countries" (Enviro-sellouts).

E.F. Hutton (1875-1962)

Donated \$20,000 to the American Liberty League and \$500 to the Crusaders.

EFHutton

In 1904, Edward Francis Hutton, a New York financier, began what was to become a conglomerate of companies owned by the E.F. Hutton Group. Central to the empire was brokerage house E.F. Hutton & Co. Its subsidiaries included E.F. Hutton Trust, E.F. Hutton Life Insurance and the E.F. Hutton Bank. Hutton had his fingers in other corporate pies too, like General Foods (of which he was chairman). It was acquired by tobacco giant Philip Morris Co. in 1985, and is now Kraft General Foods, the world's largest consumer products company. He was also chairman of Zonite and a director of both Manufacturers Trust (a New York bank that is now part of the J.P. Morgan Chase banking empire) and Chrysler (which, along with Ford and General Motors, invested in Germany in the 1920s and 1930s, aided its rearmament and used slave labour from WWII concentration camps).

In the early 1980s, E.F. Hutton ran TV ads that confidently stated: "When E.F. Hutton talks, people listen." However, in 1985 his company collapsed in a fraud scan-

dal. E.F. Hutton & Co., one of America's largest brokerage companies, was caught laundering \$25.4 mil-

lion for an Italian organized-crime syndicate that smuggled some 750 kilos of heroin (worth about \$1.6 billion) into the U.S. Company president Scott Pierce pleaded guilty to 2,000 counts of fraud. Although the company did pay some fines and repaid its victims, Pierce never went to jail. He was, after all, then-vice-president George Bush Sr.'s brother-in-law (i.e., Barbara Bush's brother). In charge of the internal investigation into this high-level corporate scandal was lawyer Griffin Bell, who had some other high-profile clients in the 1980s. One was Eugene Hasenfus, the American mercenary shot down while illegally delivering U.S. weapons to counter-revolutionary Nicaraguan terrorists (the *Contras*). Soon thereafter, Bell was hired as the personal attorney for George Bush Sr., who was under fire for his own role in the Iran-Contra scandal.

In 1988, E.F. Hutton & Co. was purchased by Citigroup. It recently reported a record net income of \$17.85 billion in 2003.

**William S.
Knudsen**
(1879-1948)

Donated at least \$10,000 to the American Liberty League.

Signius Wilhelm Poul Knudsen immigrated to America from Denmark in 1900 and ended up directing the U.S. government's military production program during WWII. He became vice-president of du Pont-owned General Motors and donated generously to the fascist American Liberty League. Knudsen traveled to Germany in 1933, the year that Hitler took absolute control of Germany and the anti-FDR plot was brewing in America. Knudsen met with Nazi Luftwaffe Chief Hermann Goering and they discussed, among other things, GM's wholly-owned company, Adam-Opel. During WWII, it was one of Germany's main manufacturers of tanks, trucks and bomber engines. Upon his return from Germany, Knudsen told a reporter that Hitler's Germany was "the miracle of the twentieth century." That was also the year that GM vice-president J.D. Mooney accepted a prestigious Nazi medal from Hitler.

By 1936, GM was the world's largest corporation. Signius Wilhelm was then known as William S. or, simply, "the Speedup King." He received this moniker for his efforts to increase the speed of factory workers to such dangerous levels that they fainted from exhaustion. At the time, an average GM worker received \$900 a year, even though the "New Deal" government said that \$1,600 was the minimum needed by a family of four. Knudsen himself received a \$375,000 salary that year, which apparently was enough to feed a family of about 1000. Knudsen became president of GM in 1937 and served in that position until 1940.

That year, President Roosevelt's National Defense Advisory Commission was revived and Knudsen was put in charge. He probably felt at home with U.S. Steel's Edward Stettinius, a Council on Foreign Relations member who later became Secretary of State (1944-1945), and Sears' chairman, Donald Nelson, the anti-Semite who chaired the America First Committee, an influential outfit that strongly opposed fighting Nazism. By 1941, Knudsen was co-chairing the Office of Production Management to oversee the country's armament program. He probably felt less at home though with Roosevelt's choice of co-chair, Sidney Hillman, a Jewish labour leader. But, all-in-all, WWII was highly profitable for Knudsen and his company. GM received \$14 billion in contracts from the U.S. War Production Board, which was conveniently chaired by Knudson. GM's vehicle factories in Germany churned out most of Hitler's army trucks and many bomber aircraft engines for the Nazi war effort. In 1942, Knudsen was recognized in a special way by the U.S. Army. No he wasn't arrested for conflict of interest or conspiring to arm the enemy, he became the first civilian to be made a U.S. Army General.



**Andrew W.
Mellon**
(1855-1937)

Donated at least \$1,000 to the American Liberty League.

Most prominent among the Mellon family supporters of the American Liberty League was Andrew Mellon. Perhaps only the son of a banker, like Andrew, could start a successful lumber business at age 17. He then worked in his father's bank (T. Mellon & Sons) and started building his fortune in oil, steel, shipbuilding and construction. By 1914, he was one of America's richest men. He was a trustee of the Carnegie Institute, 1924-1937, a long-time activist in the Republican party and one of its top donors.

Mellon was not fondly admired, except by the extremely rich, for his role as U.S. Secretary of the Treasury under Presidents Harding, Coolidge and Hoover (1921-1923, 1923-1929, 1929-1932). His main accomplishments were reducing taxes for the rich and cutting government spending to social programs. Sound familiar? In 1921, the Revenue Act saved corporate stockholders about \$1.5 billion by eliminating the excess profits tax. As a result, U.S. Steel got \$27 million and the Mellon Bank got \$91,472. The biggest beneficiary was John D. Rockefeller, who received \$457,000. Mellon himself got the second biggest rebate, \$404,000. In 1923, the "Mellon Plan" proposed that taxes paid by the country's elite should be reduced from 50% to 25%, while taxes paid by those with the lowest incomes would be reduced from 4% to 3%. If passed, this would have cut his own taxes by \$800,000. By 1926, Mellon finally succeeded in slashing the elite's taxes and, in 1928, he got a law to cut corporate taxes even more. At that time, the top 10% received 50% of the country's total income, while the top 1% received 24%. Under Mellon, corporations got tax rebates of \$6 billion, and those with incomes over \$300,000 had taxes reduced by 60%. This led to increased stock market speculation and contributed to the 1929 crash. Mellon also gave secret tax cuts to huge corporations that were owned by him, his family and friends. Congress eventually demanded his impeachment, he resigned in 1932, became Hoover's Ambassador to the Court of St. James, i.e. Britain, and retired from politics the next year.

Mellon's wealth was tied up in the Mellon National Bank (one of America's largest), Carborundum (now Unifrax, a leading industrial insulation producer), Koppers (a top global producer of naphthalene and coal tar), Gulf Oil and the Aluminum Corp. of America (ALCOA). ALCOA's trade with the Nazis, through a cartel with I.G. Farben, sabotaged U.S. military access to aluminum. In 1943, anti-fascist journalist, George Seldes, said ALCOA was "largely responsible for the fact America did not have the aluminum with which to build airplanes before and after Pearl Harbor, while Germany had an unlimited supply" (*Facts and Fascism*, 1943). In 1941, Secretary of the Interior Harold Ickes



had warned: "If America loses the war it can thank the Aluminum Corporation of America."

During WWII, Andrew's son, Paul Mellon, was station chief for the Office of Strategic Services in London and liaison to British intelligence. In *Acid Dreams*, M.A. Lee and B. Schlain note that "After the war, certain influential members of the Mellon family maintained close ties with the CIA. The Mellon family foundations have been used repeatedly as conduits for Agency funds."

Another Mellon family member with CIA connections was Billy Mellon-Hitchcock. Known as "the Daddy

Warbucks of the Counterculture," he was Timothy Leary's "Godfather." In the early 1960s, Mellon-Hitchcock financed the mass-production and distribution of LSD, which was then undergoing testing through the CIA's MK-Ultra program. Mellon-Hitchcock's funding was done through the Castle Bank of the Bahamas, an institution founded by Paul Helliwell, paymaster for the CIA's failed Bay of Pigs invasion and boss of Watergate burglar E. Howard Hunt.

The Andrew W. Mellon Foundation's market value in 2003, was \$3.6 billion (down from its peak of \$5 billion in 2000). It disburses about \$200 million per year.

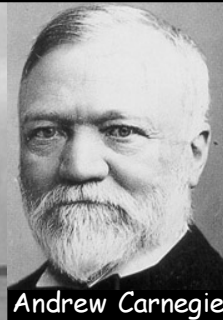
Nathan Lewis Miller

(1858-1953)

Member of the Initiating Executive Committee of the American Liberty League.



The "Governor Miller," named for Carnegie's lawyer, moved iron ore for U.S. Steel, a corporation that supplied the Nazi war effort.



Andrew Carnegie

won nothing. This ad campaign ushered in a public relations effort accusing unions of trying to overthrow the government. By 1919, the "Palmer Raids," in which thousands of activ-

Miller's career in corporate law and his ascent through Republican ranks to the governorship of New York in 1921, was due largely to his relationship with Andrew Carnegie and the U.S. Steel Corp. Miller's friend H. Graham Morison, a WWII Marine captain who worked in top positions for the Attorney General (1945-1952), explains that from Miller's beginnings

as a country lawyer in upstate New York, he was employed by Andrew Carnegie to effect the mergers that created U.S. Steel Corp. and was vice president and General Counsel of U.S. Steel continuously, except during the term he served as Chief Justice of the Supreme Court of the State of New York [1903-1913] and later when he was Governor of New York [1921-1922]

(Oral History Interview, Truman Library, 1972).

Miller helped Carnegie get out of the steel business. Carnegie Steel had been plagued by labour unrest, like the Pennsylvania strike in 1892 when a gun battle between Pinkerton agents and workers left 16 dead. Then, 10,000 state militia were mobilized to help smash the strike. At a 1900 meeting of steel industrialists and bankers in New York, Carnegie's representative Charles Schwab (of Bethlehem Steel, who later founded the Navy League to promote U.S. entry into WWI) suggested a steel merger. This caught J.P. Morgan's attention. He needed rails for his Pennsylvania Railway and wanted a steel monopoly to eliminate his competition. Morgan bought Carnegie Steel for \$420 million and merged it with his Federal Steel Corp. to make U.S. Steel. Carnegie became the world's richest man. Morgan sold stocks and bonds in U.S. Steel worth \$1.4 billion, although its value was \$700 million. Miller was on Morgan's preferred-client list, enabling him to do insider trading, which was still legal in those days. In 1910, President Taft launched an unsuccessful antitrust suit against U.S. Steel.

WWI was good for U.S. Steel. In 1916, it made \$348 million in profit. By 1919, when 350,000 steelworkers were on strike, U.S. Steel bought full-page ads accusing union organizers of being Bolsheviks, Reds and Huns. When the strike ended, 20 workers had been killed and labour had

ists were arrested and exiled, made MacCarthyism's witch-hunts look exceedingly soft on communism.

While serving as U.S. Steel's vice-president and legal counsel, Miller was an active Republican. In 1921, he defeated Democratic incumbent Al Smith, and became New York's governor. As governor, Smith addressed the League of Women Voters' annual convention saying they were "dangerous" and "a menace to American institutions." By then, women could vote and so Smith returned as governor in 1922. Miller returned to law and U.S. Steel. By the 1930s, U.S. Steel and other U.S. steel firms, were supplying Hitler's assault on communism. They even refused to fill U.S. government contracts during WWII because their priority was to meet Nazi demands. The U.S. Steel Co. was aligned with Krupp and Schmidt, two top Nazi companies.

In 1938, Miller was still leading the New York corporate law firm, Miller, Owen, Otis & Bailey. That year, Carnegie's Pittsburgh Steamship Co. named a ship after their lawyer. They called the 611 foot ore-bearer the "Governor Miller." It was one of the four largest ships plying the Great Lakes. (Carnegie had started buying ships back in 1899 to move iron ore to Carnegie Steel foundries. By 1901, they had 112 ships. U.S. Steel now owns the fleet which, in 1981, was renamed the USS Great Lakes Fleet.)

By 1941, Miller was U.S. Steel's General Counsel. In 1944, he and two other lawyers advised the Council on Foreign Relations' Informal Agenda Group on its plans to create the UN. Nathan Miller, John W. Davis (the J.P. Morgan attorney, and Singer heir who tried to recruit Butler into the fascist plot to oust FDR) and Charles Hughes (a retired Supreme Court judge), approved the CFR's UN plan which immediately became U.S. policy.

In 1952, Miller and Davis teamed up again, this time when President Truman thought a nation-wide steel-workers strike might jeopardize the war against communism in Korea. Truman used emergency war powers to seize the mills of the America's largest steel firms. Miller and Davis on the case supporting U.S. Steel. (Davis argued the cause in the Supreme Court on behalf of all the Steel companies.)

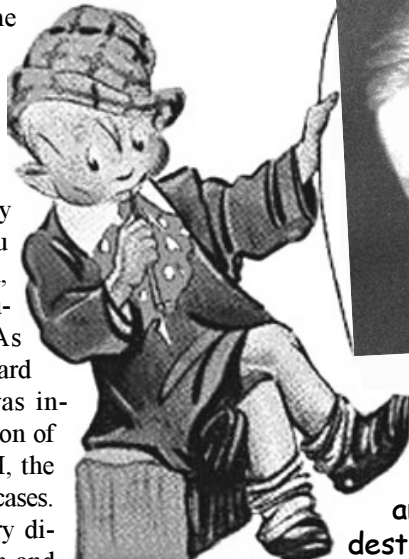
George M. Moffett

Donated at least \$10,000 to American Liberty League and \$7,500 to the Crusaders.

As president of the Corn Products Refining Co. (CPRC), Moffett presided over some of the country's most advanced, chemistry labs. CPRC processes made pure starch, for corn "syrup," and had invented Mazola oil in 1910. Corn is more than just a food, it's also a source of raw power, metaphorically and literally. In 1906, the leading U.S. corn refiners merged into one huge company, with capital of \$33 million. It was organized by Edward Bedford, of Thompson & Bedford Co., a marketing firm for Rockefeller's Standard Oil lubricants. Bedford, a Standard Oil director since 1903, also had a brother and cousin on the board. By 1912, CPRC was one of the world's largest company. In 1916, Judge Learned Hand ruled against the edible oil, "Glucose Trust." During that suit, a memo was exposed in which the CPRC president said, "We have built a Chinese Wall around our competitors and have them in chains." (For decades, CPRC fought antitrust actions and continued its predatory practices.) By 1919, CPRC controlled Canada Starch and the plot thickened. In the 1920s and 1930s, CPRC's alcohol distilleries were linked to the mafia's National Crime Syndicate, that was bootlegging liquor. In those years, CPRC was among fewer than two dozen companies that dominated U.S. investments in Germany. When Germany's Knorr Co. needed infusions of cash starting in 1922, the CPRC's German subsidiary got loans from the U.S. head office. By 1958, CPRC owned Knorr completely.

In a joint venture with Texaco called Pekin Energy, CPRC uses corn starch to make millions of gallons of Ethanol per year. The history of this fuel is instructive. When Germany's oil supplies were threatened in 1915, they switched to ethyl, thus prolonging WWI. In the 1920s, Henry Ford, author of *The International Jew: Jewish Influences in American Life*, one of Hitler's greatest fans and financiers and president of the Ford Motor Co., called ethyl the "fuel of the future." By the 1930s, there was much research into the fuel. Ethyl-gas use was growing, especially in Europe, but the major oil firms squashed it by acquiring control over industrial alcohol production. Between

1913 and the 1930s, the U.S. government's anti-trust committees looked into this sinister connection. Investigations into Standard Oil's links to I.G. Farben, in the early 1940s revealed that du Pont, a top oil behemoth, owned large U.S. and Cuban distilling firms. As mentioned above, a Standard Oil director/marketer was instrumental in the formation of CPRC. Just before WWII, the U.S. dropped its antitrust cases. However, top oil industry directors did have to resign and



oil firms' supposedly sold off their alcohol distillery stocks.

Vast investments in Germany, and the financing of fascist groups in the U.S., were not obstacles to Moffett's involvement in government war planning. In 1940, Roosevelt appointed Moffett to the Council of National Defense, which oversaw industrial production. GM executive and Nazi admirer, William Knudsen, oversaw the government's National Defense Advisory Commission. He had senior officials from large industries advising on construction, machine tools, heavy ordnance, aircraft, shipbuilding, small arms and ammunition. Advising on chemicals was George Moffett, for the CPRC.

In 1942, the U.S. government seized American assets of I.G. Farben, the Nazi's top chemical/munitions cartel, namely, General Aniline & Film (GAF), General Dye-stuffs, its 50% holding in Winthrop Chemical and its Jasco stock (in trust for Standard Oil, NJ). The U.S. Alien Property Custodian imposed new managers on these Nazi-linked companies, but the Justice Department's Antitrust Division (AD) objected to the managers chosen. One was a U.S. oil firm official. An AD official said: "the connection between I.G. Farben and all oil concerns here is well-known." Despite having major chemical subsidiaries and investments in Germany, another new manager came from CPRC. The AD said: "It can be assumed that [CPRC's German] subsidiaries... are connected by cartel agreements with other German chemical works, especially I.G. Farben." In the early 1930s, CPRC and GAF were linked through Gibson Island Research Conferences, which brought together top U.S. corporate chemists on a secluded island. Other American Liberty League-linked chemical firms, also networked at these intimate getaways: du Pont, Firestone, H.J.Heinz, Pittsburgh Plate Glass, Standard Oil and Sun Oil.

Perhaps the saddest chapter in CPRC's litany of scandals was its role in stealing Skippy, a popular comic strip that hit the papers in the early 1920s. It's maverick creator, Percy Crosby, knew General Smedley Butler and shared his convictions. Crosby used his cartoon character to tackle politicians, corporate criminals, Al Capone's mafia and the KKK. Skippy ran worldwide from 1926 to 1945 and cham-



Percy Crosby
creator of the
Skippy cartoon.
His life was ruined
and his business was
destroyed by Moffett's
Corn Products Company.

pioned civil rights, child labour laws and free speech. Crosby became a wealthy man but was obviously a threat to the upscale fascist, corporate elite and seamy underworld gangsters. Then, in 1933, along came a bankrupt company, Rosefield Packing. It stole the good Skippy name, its lettering and distinctive graphics and used them to sell peanut butter. They even had a "Skippy" radio show, 1933-1935. It was sponsored by an I.G. Farben subsidiary, Sterling Products Co., and a CPRC official was on the Sterling Drug Co. board.

The CPRC sugared up "Skippy" peanut butter and

later purchased Rosefield. Crosby had to fight a David-and-Goliath-style legal battle against CPRC. It turns out that Crosby's lawyer, Herbert Brownell, also worked for the CPRC! Brownell later became Attorney General for Eisenhower and Nixon. Crosby's daughter, Joan, notes that 'Wild Bill' Donovan, former head of the [Office of Strategic Services, the CIA's forerunner], was one of my father's former lawyers. Allen Dulles and [brother] John Foster [were lawyers] with the Sullivan & Cromwell law firm (which was lead counsel for Best Foods in 1954 when it 'bought' Skippy assets from Rosefield Packing).

In 1958, CPRC and Best Foods merged to form CPC. The McCarthy-era legal battle over Skippy devastated Crosby. He was forced into a psychiatric institution for 16 years until his death in 1964. His efforts to contact family, friends and authorities were thwarted. Crosby's daughter says he was a political prisoner of the powerful Corn Products Corp., which had stolen his Skippy business, destroyed

his reputation and career, and looted his estate of valuable assets. My father was held hostage by this evil combination, and died in virtual poverty, while CPC made millions of dollars from the Skippy criminal enterprise. CPC has tried to ban her website <www.skippy-scam.org>.

In 1996, CPRC paid \$7 million to settle a lawsuit for corn syrup price fixing. In 2003, it was revealed that the International Life Sciences Institute, an international "food" industry association, had infiltrated the World Health Organisation to exert "undue influence" over policies on diet, pesticides, additives, trans fatty acids, sugar and genetically modified foods. It was founded in 1978 by the Heinz Foundation. Among its top members are CPC International and Knorr. With sales of \$2.3 billion in 2003, CPC is the world's top dextrose producer and one of America's top 30 industrial stocks. It has 115 plants in 60 countries and employs 50,000. Since Unilever bought Bestfoods in 2000, CPRC is now part of that corporate conglomerate.

Pitcairn family

John Pitcairn's three sons donated to American Liberty League's fascist *Sentinels of the Republic*: Raymond (\$91,000), Rev. Theodore (\$3,500) and Harold (\$5,000).

The Pitcairns are among America's wealthiest families. Corporate patriarch, John Pitcairn, was president of Pittsburgh Plate Glass from 1896 to 1906. In 1900, his company produced 65% of the plate glass made in America. The most politically active member of the family was his first son, Raymond (1885-1966). He was a lawyer and a businessman, but is now fondly remembered as a collector of ancient and medieval art. He supervised the building of a Gothic/Romanesque Cathedral in Bryn Athyn, Pennsylvania, and a castle-like building, called Glencairn. Now a museum housing his priceless collection of antiquities, this castle was Raymond's home between 1928 and 1939.

Not so well known is that Raymond was a leader and the major financial supporter of a particularly noxious gang, funded by the American Liberty League, called the *Sentinels of the Republic*. This group, formed in 1922, took openly pro-fascist positions on the New Deal calling it "Jewish Communism." In 1926, speaking to a *Sentinels'* meeting in Washington, a fundamentalist Christian professor, Gresham Machen, spoke against the creation of a federal Department of Education, comparing the threat with socialism and slavery. In 1933, speaking on "The Necessity of the Christian School," Machen praised the *Sentinels* for their efforts to stop child labour laws that he called "vi-



cious" and an "attack upon American institutions and the decencies of the American home." The National Association of Manufacturers also opposed these laws, which threatened some of their members' profitable exploitation of children. By 1934, the *Sentinels of the Republic* was largely discredited and there arose the National Committee for the Protection of Child, Family, School and Church. Its executive committee, overlapped with the *Sentinels*. Representing print media publishers and industrialists, it continued the *Sentinels'* propagandistic scare tactics.

In 1934, while Pitcairn was national chairman of the *Sentinels*, he organized a mass campaign against a new tax law that would publicise data such as an individual's gross income. Pitcairn distributed hundreds of thousands of protest stickers and form letters urging people to demand that Congress repeal this "outrageous invasion of privacy." Congress backed down when thousands sent in letters and telegrams.

Pitcairn's political efforts also included leading the Republican Party's successful presidential campaign in 1952. This put General Dwight Eisenhower into the White House, with Nixon as his vice president.

Pitcairn family members were active in Pittsburgh Plate Glass Co. until 1985 when they sold their stock. John Pitcairn's three sons formed Pitcairn Trust in 1923. Still dominated by the family, it describes itself as "one of the leading private investment concerns in America." The Foreign Policy Research Institute (FPRI) says Pitcairn Trust serves "the wealth management needs of affluent individuals and families."

The FPRI, a think tank with close ties to the U.S. "security" establishment and intelligence agencies, publishes the Pitcairn Trust's annual lectures on World Affairs. The first of these lectures, in 2002, by former CIA director James Woolsey, was on "The War on Terrorism." Last year's speaker, Robert Kaplan, a foreign affairs journalist, spoke glowingly of covert actions, like assassinations, by the CIA and "special forces" that are needed to fight communism and empower the American empire.

J. Howard Pew (1882-1971)

In the 1930s, J. Howard Pew was on the American Liberty League's Advisory Council and its Executive Committee. He also made donations to the League (\$20,000), the *Sentinels of the Republic* (\$5,000) and the *Crusaders* (\$4,000).

Other Pew family members also donated generously, particularly to the *Sentinels of the Republic*.



When Joseph Newton Pew, the founder of Sun Oil (now Sunoco) died in 1912, his son Joseph Howard Pew, who had started working for the company in 1901, became its president. Under Howard's leadership, Sun Oil grew 40 fold. Its success owed much to war. It supplied most of the lubricating oils used by Allies in WWI and was a leading supplier of WWII aviation fuel. J.H. Pew also directed Sun Shipbuilding. Its first ship, built in 1917, was just in time for America's entry into WWI and it built about 550 more ships over the next sixty years. In the 1920s, it built oil tankers for Rockefeller's Standard Oil Co. During WWII, it built about 40% of America's oil tankers and some of its cargo ships were converted for military use. After WWII, Sun Ships repaired Navy destroyers, scrapped aircraft carriers and even built a ship for a 1973 CIA mission to retrieve a sunken Soviet sub.

In 1933, when use of ethyl-gas blends began accelerating in the U.S., the American Petroleum Institute formed emergency committees. The Sun Oil Co. and others, paid radio stations to run propaganda that criticized alcohol fuel, and J.H. Pew told them to pretend that the paid ads were news items. In 1940, Pew threatened the *New York Times* that he'd withdraw his ad contracts and is credited with making that paper go Republican.

In 1947, J.H. Pew resigned as president, and his brother Joseph N. Pew, Jr., took over. But J.H. stayed onboard as an influential director of the company. In 1957, Sun Oil faced its first major foreign strike in Venezuela. Sun Oil profited from one billion barrels of that oil until 1975 when Venezuela nationalized the industry. (Sun now operates mostly in the Athabasca oil sands in Alberta and the North Sea.) Gerard Colby and Charlotte Dennett's book *Thy Will be Done, The Conquest of the Amazon*, shows that from early 1900's until the 1980's the Pew family, Sun Oil Co., Weyerhaeuser, Standard Oil and Placid Oil worked with the CIA and Wycliffe/SIL (the largest U.S. missionary organization) to secure access to rich Amazonian resources. This plundering, largely for oil, resulted in near-genocidal massacres of indigenous peoples.

The Pew family's main contribution to the American right has been its funding of a bewildering variety of extreme-right organizations, campaigns and publications. The Pew Charitable Trusts were created between 1948 and 1979 by Joseph N. Pew's four children. J.H. Pew in particular was a major financier not only of the American Liberty League, and its front organizations in the 1930s, but a

seemingly endless slew of ultra-rightwing causes since then. Here are just a few of the organizations that he financed:

- ♦ **National Association of Manufacturers:** This fascist-linked network of industrialists was at the heart of many anti-New Deal campaigns and it continues to this day.

- ♦ **American Action, Inc.:** The successor of the American Liberty League in the 1940s.

- ♦ **Foundation for Economic Education (FEE):** Pew was one of FEE's trustees. He help fund this "think tank" which, from its start in 1946, fueled a get-government-off-people's-backs philosophy. By 1950, it was under investigation for illegal lobbying activities. A radio commentator then called it "one of the biggest and best financed, pressure outfits in America.... the fountainhead for half-truths and distortions, designed to deceive the American public" and "a vicious anti-labor propaganda outfit [that] spreads its venom...to crush organized labor." The CIO News sarcastically said the FEE's goal was to "convince the average American that the country is going socialist...and that...social security, unemployment compensation, public housing, rent and other price controls are depriving him of his freedom to go hungry and unsheltered."

- ♦ **Christian Freedom Foundation (CFF):** Pew started this tax-exempt outfit in 1950 with a \$50,000 grant. In the 1960s and 1970s, at least \$2.3 million in Pew money flooded in. Some was channeled into Third Century Publishers to fuel ultra-right Christian politics. In 1976, the CFF's goal was to make America a "Christian Republic" by electing Christian conservatives to Congress.

- ♦ **Christian Economic Foundation (CEF):** In the 1950s, after failing to move the National Council of Churches to the far right, Pew helped create the CEF. In the 1960s, it sowed the seeds of the Christian Right by sending its free magazine, *Christian Economics*, to clergy across the U.S.

- ♦ **John Birch Society (JBS):** J.H. Pew was a longtime supporter and close friend of Robert Welch, who founded the JBS in 1959. For many years, it led America's far-right, rabidly anti-communist pack. By 1963, funded largely by J.H. Pew and other oil and military corporations, the JBS had 1,000 chapters and 80,000 members.

- ♦ **Barry Goldwater:** In 1964, Arizona Senator Barry Goldwater faced off against New York Governor Nelson Rockefeller, Goldwater became the Republican presidential candidate and J.H. Pew was one of his top donors. In Goldwater's campaign, he refused to distance himself from the John Birch Society, he called for a nuclear war against Vietnam, he fought hard against the Civil Rights Act and he got trounced by the relatively "moderate" Johnson, who won with the biggest popular vote ever.

- ♦ **Gordon-Conwell Theological Seminary:** By merging two schools in 1969, J.H. Pew was instrumental in creating this right-wing Christian missionary training centre. Also involved was Billy Graham, whose magazine *Christianity Today*, was also funded by Pew.

- ♦ **The Presbyterian Layman:** This magazine was first published in 1968 by the Presbyterian Lay Committee, a fundamentalist group that is part of a campaign to move the churches' policies to the far right.

Having spent seven decades with the company, J.H. Pew retired from Sunoco in 1970, and died the following

year. Since his death, the Pew Family foundations continued to push their agenda by founding and/or funding such reactionary groups as:

♦ **American Enterprise Institute:** This conservative think tank was founded in 1943. It moved much farther right when donations increased 10-fold in the 1970s. It is now an arch-conservative lobby group with ties to Paul Wolfowitz, Richard Perle, Jeane Kirkpatrick, John Borke, Charles Murray, Elliot Abrams, Dick Cheney and his wife.

♦ **Heritage Foundation:** Created in 1973 by Joseph Coors, a racist, homophobic, anti-labour brewer; right-winger Paul

Weyrich; and industrialists Richard Scaife and Ed Noble.

♦ **British-American Project for the Successor Generation:** Founded in 1985 by devotees of Reagan and Thatcher, it grooms right-wing U.S. and British youth as leaders.

♦ **The Manhattan Institute for Policy Research:** Founded in 1978 by William Casey, who later became Reagan's CIA director, it promotes privatization, deregulation and cuts to social welfare programs.

The Pew family foundations had assets of about \$4 billion in 2002 and Sunoco reported a net income of \$312 million in 2003.

John Lee Pratt (1879-1975)

Donated at least \$20,000 to American Liberty League.

Son of a Confederate soldier, Pratt started work in a farm equipment store. His interest in mechanics led him to attain a civil engineering degree at the University of Virginia in 1902. After graduating, he worked as an engineer for the du Pont Corp. (1905-1919). He transferred to General Motors in 1919 and became the company's vice president (1922-1937). Although he retired in 1939, Pratt continued on GM's Board of Directors until 1968. Upon retiring, Pratt served on Roosevelt's War Resources Board by Edward Stettinius, the chairman of U.S. Steel. Stettinius, a former vice president of GM, had been Pratt's special assistant there in 1926. Stettinius later served as U.S. Secretary of State (1944-1945). The War Resources Board was meant to give advice on economic mobilization policies to the Munitions Board. However, it was dissolved in only six weeks after a public scandal erupted. People were upset with the board's heavy corporate leanings and its lack of any labour or farm representatives.

Joseph Meyer Proskauer (1877-1971)

Member of the American Liberty League Advisory Council and its Executive Committee.

J.M. Proskauer was a trusted political adviser, speech-writer and golfing partner of New York Governor Alfred E. Smith, who appointed him to the N.Y. Supreme court in 1923. In 1924, Proskauer returned the favour by nominating Smith for president. Although both were leading Democrats, they led vociferous opposition to Roosevelt's "New Deal" in the 1930s. Proskauer returned to private practice in 1930 and remained with Proskauer, Rose & Paskus for 40 years. The Proskauer Rose website notes that among the cases "considered his most significant were the defense of [the Rockefeller family's] National City Bank in lawsuits seeking recovery of confiscated assets following the Russian Revolution...and the Harriman Bank receivership."

When the American Liberty League was formed, Proskauer was the Consolidated Gas Co.'s general counsel and was considered a stooge of J.P. Morgan. He was also an executive of the American Jewish Committee which, during the 1930s, opposed efforts by the American Jewish



Congress to promote a widespread public boycott of German products. (The American Jewish Committee now has 100,000 U.S. members. It sponsors Campus Watch, a right-wing campus organization that monitors academics who oppose the Israeli occupation of Palestine. They argue that all "boycotts of Israeli goods or other protests against its policies are inevitably anti-Semitic.")

In Spivak's 1935 exposé of the anti-FDR fascist plot, Proskauer is identified as "close to Hearst interests" (*New Masses*, Feb. 5, 1935). After 70 years, Hearst Entertainment is still listed as a Proskauer Rose client. The firm now has 590 lawyers serving many of the world's wealthiest corporations, including some mentioned in this issue:

- ♦ Akzo Nobel
- ♦ Banque Privée E. Rothschild
- ♦ J.P. Morgan Chase & Co.
- ♦ Morgan Stanley
- ♦ New York Stock Exchange
- ♦ New York Times
- ♦ The Rockefeller Group
- ♦ Walt Disney Productions
- ♦ Warburg Dillon Read
- ♦ Yale University

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David Aiken Reed (1880-1953)

Member of the American Liberty League's Advisory Council.

Republican David Reed amply demonstrated his racist and fascist world views during his years in the Senate (1922-1935). In a July 1, 1932, Senate speech, Reed said:

"I do not often envy other countries and their governments, but I say that if this country ever needed a Mussolini, it needs one now." As Reed spoke, 20,000 protesting WWI veterans and their families, black and white, were living in Hooverville near the White House. The first Hooverville baby had been born that month. On July 28, their homes were burnt to the ground by U.S. Army forces.

In 1896, he finished classes at the exclusive Shady Side Academy (as did H.J. Heinz in 1900). Reed graduated from Princeton (1900), and the University of Pittsburgh Law School (1903) and worked as a lawyer (1903-1917). In WWI, he was an Artillery Major. After the war, he held top positions on the Allied Economic Commission and the Inter-Allied Armistice Commission (which enforced the terms of Germany's surrender, disarmament and demobilization).

He returned to Pittsburgh law practice in 1919, working for Reed Smith, Shaw and McClay. Now called Reed Smith, after co-founder James Reed, this firm had represented Carnegie, Frick, Mellon, Heinz, Westinghouse and other wealthy family companies since 1877. In 1901, it rep-



resented Andrew Carnegie in forming U.S. Steel, the "world's first billion dollar corporation," and J.H. Reed became one of its directors. In 1913, Reed Smith helped Andrew Mellon form the Mellon Institute of Industrial Research. It later merged with the Carnegie Institute of Technology to become one of Reed Smith's enduring clients, Carnegie Mellon University. Reed Smith had an income of about one million in 1922. By 2001, this had grown to \$270 million. Now one of the world's top 20 law firms, ten percent of its clients have been there since 1877.

David Reed left Reed Smith to become a Senator in 1922. He chaired the Committee on Military Affairs and was a member of committees on Finance, Foreign Affairs and Immigration. He also sat on the Republican National Committee. His biggest contribution was the 1924 Johnson-Reed "Immigration Restriction Act." It established the "national origins quota system" which governed U.S. immigration policy for the 30 years. This racist law was a victory for the Ku Klux Klan's nativist philosophy. The then-powerful KKK had millions of members. In 1925, 40,000 fully-robed Klansmen marched in Washington. The Klan liked Reed's racist law because it targeted all the nationalities that they deemed dangerous. Only "Nordic" Europeans were desirable. Reed's role in entrenching such a bigoted law did not deter Princeton University from honouring him. Indeed, it was likely his law that led Princeton to award him with an Honorary Law degree in 1925. In 1930, Reed was the U.S. delegate to the London Naval Conference, which established a treaty between Japan, Britain and the U.S. regarding the size of their naval forces. Reed is also known to have been a prominent Freemason.

Hal Roach (1892-1992)

Member of the American Liberty League's executive committee.

After skinning mules and prospecting for gold in Alaska,

Hal Roach did some stunt work in cowboy movies. When he inherited some money in 1914, he moved from New York to Hollywood and began his career directing and producing films, including the lovable "Our Gang" series (a.k.a. the "Little Rascals"). His most popular flicks starred Laurel and Hardy in the 1920s and 1930s.

During WWII, Roach Studios were used to make U.S. Army training films. Decades later, in a 1985 interview, President Ronald Reagan was caught fibbing when he said: "I know all the bad things that happened in that war. I was in uniform four years myself." During WWII, Reagan was not actually "in uniform," he was an actor "in costume" at the Hal's "Fort Roach" Studios.

In the 1930s, Vittorio Mussolini, son of the Italian dictator, visited Hollywood. He was met by many celebrities including Tyrone Power and Bette Davis. But Roach did more than just meet the young Mussolini, he started a business partnership with him. They called it RAM Films, short for "Roach and Mussolini." Their joint company,



**Stan Laurel, Hal Roach & Oliver Hardy
at the 1932 Academy Awards.**

which was supposed to make documentary news reels promoting Italy, eventually flopped.

In 1938, Leni Riefenstahl – Germany's top film artist – came to Hollywood. She arrived right after the infamous Kristallnacht, when Nazi thugs murdered Jews all over Germany. Her "Triumph of Will" (1934), promoting Hitler and Nazism, is considered one of the

greatest propaganda films ever made. She was an intimate friend of Hitler, who had admired her since her debut film, "The Holy Mountain" (1926). When she arrived in Hollywood to show off "Olympia," her film about the 1936 Berlin games, she was dogged by protesters. Hollywood notables largely snubbed her. Roach's partner, Vittorio Mussolini, complained about this to his dad, the dictator, saying: "There are more Jews in Hollywood than in Tel-Aviv!" Only two studio heads met with Riefenstahl: Hal Roach and Walt Disney. Walt gave her a personal tour of his studios.

When Roach retired in 1955, his son Hal Jr., took over and the studio was bankrupt in four years. Hal Sr., who lived to be 100, received an honorary Oscar for comedy in 1984, while Ronald Reagan was acting as president.



Benito Mussolini with his sons, Bruno and Vittorio, on the cover of Time, 1935.

Rockefeller Associates

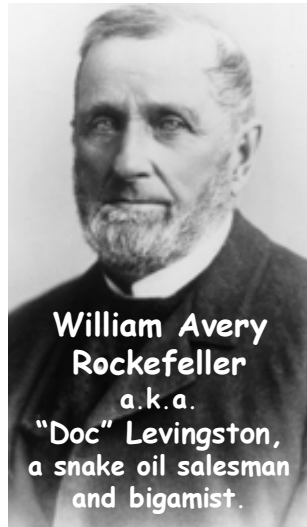
The Rockefellers were heavy financial backers of the American Liberty League.

John Davison Rockefeller (1839-1937), the world's first billionaire, was America's most generous philanthropist, fascist financier and Nazi collaborator.

Although Rockefeller's wealth was based largely on a near global control of oil refining, he also had large interests in other monopolies. As Anthony Sutton notes, Rockefeller "controlled the copper trust, the smelters trust and the gigantic tobacco trust, in addition to having influence in some Morgan properties such as the U.S. Steel Corporation as well as in hundreds of smaller industrial trusts, public service operations, railroads and banking institutions. National City Bank was the largest of the banks influenced by Standard Oil-Rockefeller, but financial control extended to the U.S. Trust Co. and Hanover National Bank [and] major life insurance companies – Equitable Life and Mutual of New York" (*Wall Street and the Bolshevik Revolution*, 1981).

His incredible rags-to-riches success story owes much to what he learned from his father's attitudes towards business and respect for the public good. Descended from hardworking German immigrants, his father William Avery Rockefeller was a travelling, snake oil salesman. "Big Bill" excelled as a quack doctor, or pitch man, conning the sick and desperate into buying expensive remedies that were either useless or downright dangerous. "He would be gone for months and come back with a great roll of money.... He would go to small towns and put up handbills advertising himself as 'The Celebrated Dr. Levingston.' He advertised to cure anything, but made a specialty of cancer and kidney troubles" (MacDonald, "Double Life," *New York World*, February 2, 1908). But these were not "Doc's" only crimes. He was indicted for rape, but was not arrested or tried. He fled the area with family and escaped neighbours who accused him of horse thieving, burglary, arson and counterfeiting. He had two wives, simultaneously, and was a bigamist for 34 years. He met his second wife in Norwich, Ontario, where he sold lumber in 1853, calling himself William Levingston.

William's example provided ample life lessons to his sons about the business values of duplicity, deceit, and a blatant disregard for public health. John dropped out of high school in 1855 to take a business course. He worked as a bookkeeper and then teamed up with a friend to start a grain commission business. In 1863, the Civil War propelled him into the oil business. That year, he – like J.P. Morgan and other rising stars – paid \$300 to avoid conscription. It was a small price for them, but unattainable for the thousands who would die. At first, he sold whiskey



at inflated rates to Federal soldiers. Then, he invested his profits in oil refineries. The South had been supplying turpentine to the North for camphene-fueled lights. When the war cut off the North's access to this fuel, kerosene from Pennsylvania oil quickly took over as the lamp fuel of choice and stimulated his oil business.

In 1865, Rockefeller bought out his partners in the kerosene business for \$72,500. In 1870, he and a few others, organized The Standard Oil Company, with capital of \$1 million. He built his company by buying out competitors, price cutting and controlling secondary businesses related to pipelines, trains, oil terminals and barrel making. By 1880, his monopoly controlled the refining of 95% of America's oil. In 1885, 70% of Standard Oil's sales were overseas, largely to northern Europe and Russia. All of its properties were merged into the Standard Oil Trust with an initial capitalization of \$70 million, and by 1900 Rockefeller controlled about two-thirds of the entire world's oil supply. He was also a director of the U.S. Steel Corp when it formed in 1901.

In the 1880s, an oil boom was brewing in Tsarist Russia, around the Caspian Sea town of Baku. Robert Nobel, the son of Alfred Nobel (originator of Sweden's peace prize and the inventor of dynamite), was soon competing with the Parisian Rothschilds for control of Central Asia oil treasure. Their exports threatened Rockefeller's near global oil monopoly, especially when Marcus Samuel, future founder of Shell Oil, developed tankers to carry the Rothchild's oil to Europe and Asia. In 1903, Rockefeller made a deal with the Tsarist government to lease and then buy the Baku oil fields. Besides selling vast quantities of American oil to pre-Soviet Russia, Rockefeller also had millions invested there. Thereafter, seeing an inevitable revolution looming on the horizon, Rockefeller also invested in anti-Tzarist forces to protect this branch of his empire. The Soviets did expropriate the Caspian oil fields from the Nobels and Rothschilds. Rockefeller's National City Bank also lost assets, thanks to the revolution. Its lawyer, Joseph Proskauer,



fought a legal battle to get Rockefeller's money back. In 1926, Walter Teagle, the president of Standard Oil of New Jersey, successfully negotiated oil concessions in the Soviet Union.

By that time though, Standard Oil's near global monopoly had been broken up. In 1911, the U.S. Supreme Court decided it was violating anti-trust laws and dissolved it into about three dozen companies. Many of these are now household names like Chevron (Standard Oil California), Amoco (Standard Oil Indiana), Mobil (Standard Oil New Jersey) and Exxon, previously called

Esso (Standard Oil New Jersey).

When the U.S. was debating whether to join WWI, a group of so-called "War Hawks," calling themselves the National Security League, knew that this war would be a

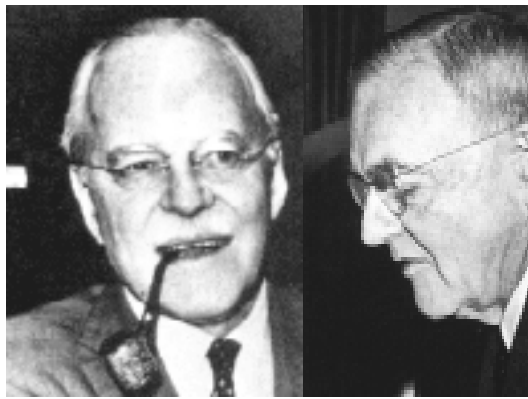
major boon to profits. This League of bankers and industrialists, including Rockefeller, J.P. Morgan, Coleman du Pont and H.H. Rodgers of Standard Oil, promoted increases in arms production and universal military training. By 1917, they had helped build war hysteria to a fever pitch. But not all Americans were on their side. The Woman's Peace Party, many suffragists and others, strongly opposed America's entry into WWI. However, the League was successful and the War Hawks' profits skyrocketed.

Soon after WWI and the Russian revolution, many among America's wealthy elite felt threatened by rising radicalism, particularly among unions. In April 1919, letter bombs, destined for John D. Rockefeller, J.P. Morgan and others, were supposedly discovered in the U.S. postal system. The media quickly stirred up a massive Red Scare by blaming unions, communists, anarchists and foreign agitators. Spivak says: "Trade unions were openly disbelieving and denounced with anger the so-called discoveries as a deliberate frame-up to provide excuses for more raids against organized labour" (*A Man in His Time*, 1967). This incident and others were used as pretexts for the Palmer Raids, during which the government rounded up more than ten thousand activists across the country.

Throughout the 1920s and 1930s, while the persecution of leftists continued, corporate leaders on the extreme right, continued their criminal rampages in pursuit of profit. Although Rockefeller's many links to Nazism are too numerous to list here, a few examples are worth noting. In the 1920s, Exxon entered into partnerships with Germany's top chemical cartel members, BASF and I.G. Farben. The Bank for International Settlements, which helped fund the Nazis before and during WWII, was created in 1930 by the world's central banks, including the Federal Reserve Bank of NY. Its creation was inspired by the Nazi government and its bankers. Its first president was Gates McGarrah, a Rockefeller banker formerly of Chase National Bank and the "Fed."

In 1932, Chevron struck oil in Bahrain and was soon operating in Saudi Arabia. In 1933, when Hitler seized power, Standard Oil New Jersey supplied Germany with the patents it required for tetraethyl lead aviation fuel. In 1936, the company Schroder, Rockefeller Investment Bankers, included board directors linked to the Gestapo and several European, Nazi-linked banks. Its lawyers were John Foster Dulles and Allan Dulles, leading Wall Street fascists who drummed up American investments in Germany and elsewhere. The Dulles law firm represented I.G. Farben and Fritz Thyssen. Thyssen was Hitler's biggest German financier. The Dulles brothers later became Secretary of State and CIA Director, respectively.

In 1937, John D. Rockefeller died, but his legacy of using oil money to grease the wheels of fascism continued.



**J.D. Rockefeller's lawyers, were among Wall Street's leading fascists:
Allan Dulles and John Foster Dulles,
later CIA Director & Secretary of State**

That year, as the Spanish Civil War raged, Texas Co. (later called Texaco) fueled Franco's fascists. (In 1936, Texas Co. and Standard Oil California formed California Texas Oil (later Caltex) to combine Texas Co's marketing network in the Middle East with Standard's operations there.) Texas Co. also continued shipping oil to Germany during WWII. In 1938, Brown Brothers, Harriman, the Wall Street investment firm (with senior partners Prescott Bush and George Herbert Walker) was involved in funding the supply of leaded gas for the Nazi Luftwaffe. Chevron and Texas Co. created Aramco in 1939, to

pump Saudi oil for the Nazi war machine. In 1940, Texaco provided an office, in their Chrysler Building, for a Nazi intelligence officer, Dr. Gerhardt Westrick. Executives of Standard Oil's German subsidiary were "Prominent figures of Himmler's Circle of Friends of the Gestapo – its chief financiers – and close friends and colleagues of the Baron von Schroder" a leading Gestapo officer and financier (Charles Higham, *Trading with the Enemy*). Just before WWII, the Rockefeller's Chase Bank collaborated with the Nazi's Schroder Bank to raise \$25 million for Germany's war economy. They also supplied the German government with names and background information on 10,000 fascist sympathizers in America. Throughout WWII, Rockefeller's Chase Bank stayed open in Nazi-occupied Paris, providing services for Germany's embassy and its businesses.

In 1943, Roosevelt's government took control of Rockefeller's Aramco. It also seized assets of the Union Banking Corp., which Harriman, Bush and Walker had built up by collaborating with Nazi companies that used slave labour. This money was later returned and it launched the Bushes in oil and politics.

In 1953, after an elected upstart named Dr. Mohammed Mossadegh nationalized Iran's oil business, a UK/U.S.-backed coup returned the Shah to power. CIA Director Allan Dulles and his brother, Secretary of State John Foster Dulles, were instrumental in this coup. Previously, Iran's oil had been controlled by the Anglo-Persian Oil Co. (i.e., British Petroleum, BP) but after the U.S. role in this coup, U.S. companies got a 40% share and the top beneficiary was Standard Oil of New Jersey.

The next year, the Dulles boys were at it again orchestrating a coup in Guatemala. This one ushered in decades of fascist military governments that killed hundreds of thousands of innocents. But, it brought great profits for Rockefeller's United Fruit Co., in which the Dulles were invested. Allen had also been on its Board of Trustees.

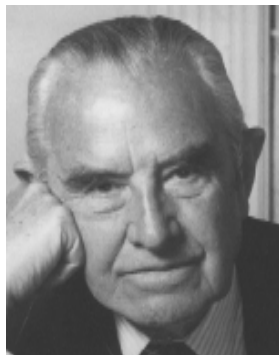
John D. Rockefeller would be happy to see the re-merging of his great monopoly. In 1988, Standard Oil merged with British Petroleum. Since then, other mergers have reunited many of his original oil companies. Exxon and Mobil reunited in 1999, to become the world's top oil business. They made profits of \$17.7 billion the next year. BP, merging with Amoco and Standard Oil Ohio, was number two that year and made profits of \$12 billion.

J.D. Rockefeller's philanthropy has been much lauded. Even as a student, he reportedly gave donations to his Baptist church and to foreign Sunday schools. By 1900, he offered to *buy* a whole church for Baptist preacher Thomas Dixon, a former, southern politician who was then flogging his white supremacist gospel in New York. But from the pulpit, Dixon's fiery tirades against "creeping negroidism" didn't reach enough people, so he took up writing respectable, romantic novels about the KKK. He churned out two dozen books. *The Clansman*, his race-baiting best seller, extolled the Klan's role in redeeming the South. In 1915, it was made into a movie, called *The Birth of a Nation*. Endorsed by President Wilson, the film helped revive this dreaded terrorist organization.

Rockefeller's great generosity was aimed largely at medical education, perhaps because of his father's career and its peculiar contributions to medicine. J.D. Rockefeller, being a high school dropout, was not well-suited to his new role as godfather of the country's centres for higher learning. His philanthropy was permeated with extremely racist views. In 1901, the Rockefeller Institute for Medical Research was created. In 1902, the General Education Board (GEB) began four decades of tremendously controversial influence over American schools and universities.

That same year, J.D. Rockefeller and Averell Harriman, a business partner of Prescott Bush and George Herbert Walker in Brown Brothers Harriman, gave \$11 million to create the Cold Spring Harbor Laboratory. Built on Manhattan property owned by the Dulles brothers, it spawned America's ground-breaking "eugenics" research and the world's first "racial hygiene" laws. By 1907, Rockefeller funding was heavily influencing America's medical institutions. The Rockefeller Institute created the first genetics lab in 1909. The following year, the Eugenics Research Association and the Eugenics Records Office were founded near Cold Spring Harbor, New York, on land donated by the widow of Averell Harriman. In 1911, John Foster Dulles summed up eugenics, saying that by eliminating "the weakest members of the population" a purer race could be created.

In 1928, Germany's Kaiser Wilhelm Institute for Eugenics, Anthropology and Human Heredity was created. Run by Ernst Rudin, Hitler's foremost "racial hygienist," the institute's main financing came from Rockefeller. Ironically, by 1936 an early psychiatrist at that institute, the half Jewish Dr. Franz Kallmann, had fled Nazism to America. According to Anton Chaitkin, Kallman's experiments on 1,000 schizophrenics, published by the Freemasons, was used in 1939 to justify the Nazi's mass murder of "mental patients and various 'defective' people." Meanwhile, other Nazi doctors conducted incredibly cruel and vicious experiments on live, captive human subjects. Their body parts "were delivered to [Josef] Mengele, [Otmar] Verschuer and the other Rockefeller-linked contingent at the Wilhelm Institute."



Averell Harriman

Pauline Sabin (1887-1955)

The only woman on the American Liberty League's executive committee.

Pauline Sabin grew up in a wealthy, political family. Her grandfather, J. Sterling Morton, had been a Democratic Senator, Nebraska's governor and U.S. Secretary of Agriculture (1893 - 1897). Her father, Paul Morton, a Republican, was a railroad executive, U.S. Secretary of the Navy (1904-1905) and the Equitable Life Assurance Society's president. In 1934, Pauline inherited millions from uncle Joy Morton, the founder of Morton Salt.

She was deeply involved in Republican Party politics, serving on the Suffolk County, NY, Republican Committee (1919) and the party's executive committee for that state (1920). She co-founded the Women's National Republican Club and was its president (1921-1926). In 1924, she was the first woman on the Republican National Committee. That year, and in 1928, she was a delegate to the Republican National Convention. During the presidential campaigns of both Coolidge and Hoover, she headed up women's activities in the east. However, in 1929, she resigned from Republican Party when Hoover changed course and supported prohibition.

Sabin is best known for founding the Women's Organization for National Prohibition Reform (WONPR), often called "The Sabin Women." This group, which burst onto the scene in 1929, was started by affluent wives of bankers and industrialists who dominated the all-male Association Against the Prohibition Amendment (AAPA). Pauline's husband, Charles Sabin, a prominent Democrat and president of J.P. Morgan's Guaranty Trust Co., had been active with the AAPA since the early 1920s and was its treasurer. The media gave good coverage to Sabin and her clique of fashionable, high-society ladies. By 1931, the WONPR was the country's biggest, female repeal organization, with some 1.5 million members. WONPR's success was based on the "hijacking of traditional female concerns about the home and family," says Kenneth Rose, author of *American Women and the Repeal of Prohibition* (1996).

In 1933, her husband died just before prohibition was repealed. Sabin and numerous top AAPA organizers then became active in the American Liberty League and she served on its executive committee. She also co-chaired Fiorello La Guardia's successful campaign for New York mayor. In 1936, she worked on Alfred Landon's successful campaign for Governor of New York. That year, she married Dwight Davis, a former Secretary of War (1925-1929) and U.S. governor general of the Philippines (1929-1932). She lived long enough to see her son, James Hopkins, become Assistant Secretary of the Navy for Air (1952-1956).



Gracing the cover of Time magazine, 1932.

Jouett Shouse (1879-1968)

A key founder and spokesman for the American Liberty League, he was on its Initiating Executive Committee and its president (1934-1938).

Shouse worked his way up from newspapers, to railways, to banking, to state and federal politics. From the top position in the Democratic Party's executive committee, he stepped into the presidency of America's top fascist group, the American Liberty League. His career began at the *Lexington Herald*, where he worked as editor (1898-1904). He stayed in the news business until 1911 and was the Lexington Chamber of Commerce secretary. He then became vice president and treasurer of the Kansas, Mexico & Orient Railroad and Kinsley Bank director (1911-1913). He became a Democratic State Senator in Kansas (1913-1915) and then represented Kansas in Congress (1915-1919) and was President Wilson's Assistant Secretary of the Treasury (1919-1920).

In 1928, former GM director and du Pont lawyer, John Raskob, became chair of the Democratic National Executive Committee and led Al Smith's failed bid for U.S. president. Raskob ensured that his protégé, Shouse, became executive director of the Democrat's top committee (1929-1932). Like Raskob, Shouse used his party position to oppose prohibition. Roosevelt never liked their fanatical efforts which had almost torn the party apart. Shouse left his top party post and became president of the Association Against the Prohibition Amendment (AAPA), 1932-1933.

In early 1934, Raskob and Shouse created the American Liberty League, drawing on wealthy AAPA contacts who strongly opposed FDR's "New Deal." By the spring, Shouse met with FDR to discuss the League's imminent launch. Shouse feigned support for FDR, who feigned support for the League. A week later, at a media conference in his National Press Building office in Washington, Shouse announced the League's birth. He proclaimed that it would be a mass movement uniting "several millions of people from all walks of life." He said it had "no covert purposes," was not "antagonistic to the administration" or "anti-Roosevelt," but wished to protect "property and constitutional rights." He said "if a tendency towards extreme radicalism developed... we might be most helpful with our organization in which we expect to enlist 2,000,000 to 3,000,000." The next day, J.P. Morgan's paper *The New York Times* kindly reprinted the League's statement (written by Shouse and Raskob). FDR responded that the League preached "love thy God but forget thy neighbor, and God in this case appeared to be property." This was the start of battles between the League and the White House.

Shouse eventually went back to practicing law and later, in 1953, he chaired the board of Anton Smit and Co. This company continues to make industrial cutting tools with diamonds and is now a Division of Diamond Productions, one of the largest such U.S.-owned companies.



Alfred Pritchard Sloan, Jr. (1875-1966)

Member, Advisory Council of the American Liberty League.

Son of a coffee and tea importer, Alfred Sloan, became America's first great corporate celebrity.

His greatest contributions to his class included the destruction of mass transit, the crushing of labour strikes at General Motors (GM), arming Hitler before and during WWII and promoting President Wilson's slogan that "What's good for General Motors is good for the U.S." (That's GM president Charles Wilson, 1941-1953).

Armed with an MIT electrical engineering degree in 1895, Sloan was a machine shop president in 1899. His company merged with two others to form GM in 1918. Sloan was vice-president and then president (1923) and GM's chairman (1937-1956). Under Sloan's leadership, GM systematically bought up and destroyed America's highly-efficient electric train, streetcar and tram infrastructure, and literally burnt the vehicles. Knowing the public preferred streetcars over fume-belching buses, GM bought up America's largest bus operator (Omnibus) and largest bus manufacturer (Yellow Coach). Manhattan was their symbolic starting point. GM acquired controlling interest in its rail system and then dismantled it (1926-1936). Bus services were decreased and mass PR campaigns were launched selling the notion that what people really wanted was cars. Thus, Sloan "motorized" America for GM.

Sloan unceasingly propagated the myth that corporations are central to public happiness and prosperity. This helped cover up the fact that corporations will quickly sacrifice public interest in their selfish drive towards greater profits. David Farber, author of *Sloan Rules: Alfred P. Sloan and the Triumph of General Motors* (2002) said:

There's a lot I don't like about Mr. Sloan. His steady opposition to making safer automobiles, his dismissal of workers' rights, his inability to see Adolf Hitler as evil and dangerous..., and his general disregard for social justice and the common good make him a not very lovable figure. Those failings are usually not weaknesses in a corporate manager, even as they make Sloan less than a model of good citizenship. But good citizenship has little to do with maximizing corporate profits. Which makes it pretty obvious to me that putting corporate leaders in charge of our public good is ill-advised.

Farber also notes that GM destroyed Sloan's files to protect itself from lawsuits regarding antitrust issues, the neglect of automobile safety and its investments in Nazi Germany.

The Alfred P. Sloan Foundation, established in 1934, had assets worth over \$1.3 billion in 2002.

GM is the world's largest company. With operations in 104 countries and sales of \$125 billion a year, GM's revenues are the equivalent of the world's 6th largest country.

TIME

THE WEEKLY NEWSMAGAZINE





William H. Stayton
(1861-19??)

Initial secretary of the American Liberty League's Executive Committee.

When Roosevelt's government ended prohibition in 1933, Captain William Stayton was at loose ends. He had devoted himself to this cause since 1919, when he founded the Association Against the Prohibition Amendment (AAPA). Like other AAPA organizers, he soon began fighting Roosevelt's "New Deal."

Stayton graduated from the U.S. Naval Academy in 1881 and served aboard the U.S.S. Hartford off the coast of Chile and Peru. In 1887, he worked for the Navy Judge Advocate General in Washington. He earned a law degree (1889) and a master's degree (1890). In 1896, while a New York Naval Militia Lieutenant, he promoted recruitment in *Outing*, a sports magazine. In 1898, during the Spanish-American War, he commanded the *Enquirer* along the eastern seaboard and was made Captain.

Stayton then began a Baltimore law practice and moved into the lucrative steamship business. In 1918, he worked for the Navy League in Washington. Founded in 1902, it lobbied for U.S. involvement in WWI. Its honorary vice president, J.P. Morgan, and son-in-law, William Satterlee, were on board. At a 1909 peace conference, Henry Villard, referred to Morgan and others behind the League, as a combination of wicked persons who stand to profit by a big navy.... It has a treasurer and counsel who are close relatives of the man who organized the shipbuilding trust and the International Mercantile Marine and who themselves are interested in many companies that make a profit out of the building of ships and armor plate and on its board of directors [sits] the man who owns all the nickel mines in the United States (*Deals of the Century*, 2003).

In 1918, while advocating more military shipbuilding and denouncing unions, Stayton said he was "particularly alarmed...by two movements...; one, to procure the passage of a child-labour amendment, so that the management of the family would be taken out of the control of parents, and, second, an effort to pass a Federal prohibition amendment" (David Kyvig, *Repealing National Prohibition*, 1979). When the Prohibition Amendment passed, Stayton formed the AAPA. It claimed phenomenal growth: 100,000 members (1921), 457,000 (1922) and 726,000 (mid-1926). It supposedly raised \$800,000 between 1921-1926. In 1926, he began recruiting wealthy corporate leaders. The AAPA soon included Charles Sabin, John Raskob, Irene and Pierre du Pont, Grayson M.-P. Murphy and Samuel Church. They opposed government control over business and reasoned that liquor taxes would greatly relieve – if not eliminate – their share of the tax burden.

James Wolcott Wadsworth, Jr.
(1877-1952)

Member, Initiating Executive Committee of the American Liberty League.



James Wadsworth, Jr., was, at heart, a gentleman farmer. During his political career, spanning both world wars and almost half a century, he advocated increased military power and denounced women's right to vote. A strong gold standard supporter, he helped found the American Liberty League.

Son of a famous civil war general, wealthy New York landowner, lawyer, politician and banker, James Jr. was destined for power. He graduated from Yale in 1898 and served in the Spanish-American War's Puerto Rican campaign (1898). After the war, he retreated into farm life until 1905. Wadsworth was not your average farmer, but a member of the secret, fraternal club Order of the Patrons of Husbandry, whose lodges were called granges. Grangers were "gentlemen, merchants and landowners." He reemerged from farm life in 1905, was elected to New York's state assembly and was its Speaker, 1906-1910. He retreated again into farm life, this time managing a Texas cattle ranch (1911-1915). A diehard Republican, Wadsworth was a New York delegate to seven of its National Conventions, 1908-1940. He was a failed candidate for New York's Lieutenant Governor, 1912, but in 1915 he became a Senator.

In *A People's History of the United States*, 1980, Howard Zinn describes Wadsworth's role in military affairs during the years before WWI:

Socialism was growing. The [Industrial Workers of the World] IWW [a radical, anarchist union] seemed to be everywhere. Class conflict was intense. In...1916, during a Preparedness Day parade in San Francisco, a bomb exploded, killing nine people. Two local radicals...were arrested and spent twenty years in prison. Shortly after that, Senator James Wadsworth...suggested compulsory military training for all males to avert the danger that 'these people of ours shall be divided into classes.' Rather: 'We must let our young men know that they owe some responsibility to this country.'

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Wadsworth later chaired the Senate Committee on Military Affairs (1919-1927). Following WWI, when the Senate debated changes to military structure, the National Defense Act (1920) was passed, based on Wadsworth's bill.

In 1924, Wadsworth's daughter married W.S. Symington, an industrialist who, in 1947, became President Truman's first Secretary of the Air Force. The significance of nuclear bombers, made Symington, by military reckoning, "the third most powerful man in government, after the President and Secretary of Defense" (Walter Boyne, "Stuart Symington," *Air Force*, Feb. 1999).

Wadsworth's failed campaign for re-election in 1926, was probably due to his strident opposition to women's suffrage. His wife, Alice Hay Wadsworth, founded the National Association Opposed to Woman Suffrage (NAOWS) in 1911 and was its president, 1917-1920. (Her father was President Lincoln's secretary, a diplomat in four European countries and President Hayes' First Assistant Secretary of State, 1879-1881.)

Although both Alice and James fought hard to prevent women's franchise, U.S. women did finally receive the vote in 1919. Suffragists successfully organized against Senator Wadsworth's re-election in 1926 and he again retreated into farm life. He returned with a vengeance to sit as U.S. Representative from New York, from 1933 to 1951. During that period he:

- Was an officer of the Carnegie Corporation (1936)
- Sponsored the Selective Service Act (1940) drafting all men (21-34), the first peace-time draft in U.S. history.
- Introduced a Senate resolution (1949) for the Association to Unite the Democracies (then called Federal Union). It urged a national convention to consider a federal union with Canada and Western Europe. This set the stage for NATO and, later, greatly influenced it. The idea was supported by, among others: Will Clayton, Nelson Rockefeller, Richard Nixon, Eugene McCarthy, Averill Harriman, Henry Kissinger, George Marshall and Lester B. Pearson.
- Was appointed by President Truman to chair the National Security Training Commission, 1951-1952.



Senator Wadsworth's wife, Alice Hay Wadsworth, founded the National Association Opposed to Woman Suffrage in 1911 and was its president, 1917-1920.

Women Voters Defeated Senator Wadsworth in 1926

Wadsworth's wife, Alice Hay Wadsworth, founded the National Association Opposed to Woman Suffrage in 1911. In the 1926 Senatorial campaign, the League of Women Voters unofficially opposed Wadsworth. Women voters mobilized to prevent his re-election. Interviewed in the *New York Times*, activist Mary Garrett Hay said that it was women who had defeated Wadsworth. Although she herself was a Republican, Hay voted for Wagner, the Democratic candidate. She praised his victory, saying:

Judge Robert F. Wagner is a fine man and will make an excellent representative in the Senate.... Wadsworth never did anything for man, woman, [or] child while holding public office. As a matter of fact, he always voted against progressive laws. (Nov. 9, 1926)

Senator Wagner wrote the 1935 Wagner Act. This progressive "New Deal" legislation allowed workers to organize unions. Much to Wall Street's chagrin, workers in the auto and steel industries soon had their first unions.



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Ernest Tener Weir (1877-1958)

Donated at least \$20,000 to the American Liberty League and \$10,125 to the Crusaders.

E.T. Weir was a symbol of the American Dream. Armed with only a grade-eight education, he began his rise to the top of one of the world's wealthiest steel companies, as an office boy for the U.S. Steel Corp. By 1905, at age 28, Weir was the general manager of a tin plate mill near Pittsburgh. That year, he and J.R. Phillips bought a tin mill in West Virginia. In 1909, Weirton Steel relocated, built ten more mills and founded the boomtown of Weirton. By 1915, Weir had 50 mills and was the world's number two producer of tin plate.

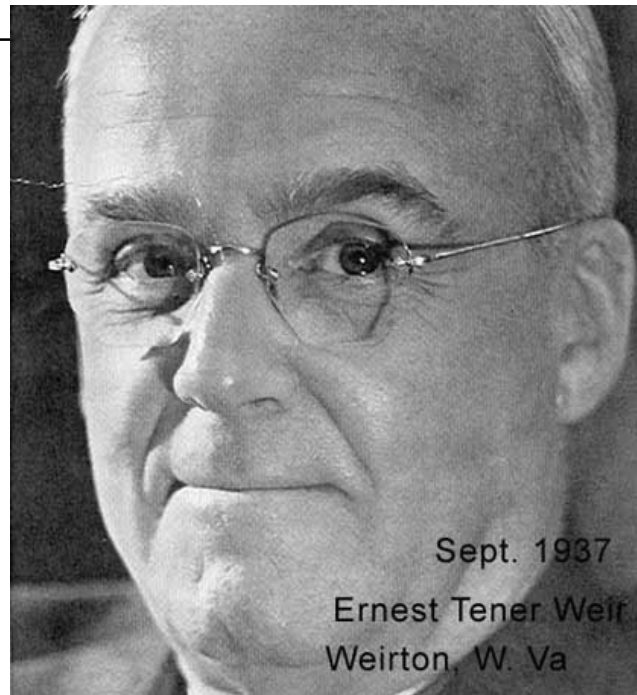
During the WWI, Weirton Steel continued its incredible growth. In 1919, because striking American steel workers didn't want to work 12-hour days and 68-hour weeks, steel companies concluded that unionists were "Reds," and some were. Having profited handsomely from WWI, steel companies used military force to terrorize strikers. In West Virginia, police under the pay of Weirton Steel forced 118 strikers to kneel and kiss the U.S. flag.

In 1929, Weirton Steel merged with two other firms to create National Steel Corp. Strikers occupied Weirton's coal mines in 1936. In 1937, the Steel Workers Organizing Committee (SWOC) planned strikes at Bethlehem, Republic, Inland Steel and Youngstown Sheet & Tube. However, SWOC did not dare call for any strikes at Weir's National Steel. Benjamin Stolberg, in *The Nation* ("Big Steel, Little Steel & CIO," July 31, 1937), said SWOC feared a

wholesale massacre. Weirton is literally a little fascist principality, patrolled by notorious killers who keep the plants in a state of terror.... The place is too dangerous to ask the men to strike for their rights.

In 1940, Weir was finance chairman of the Republican Party. During WWII, Weirton Steel supplied the Army with 8-inch howitzer shells. In the first month, they shipped 12,500. Later, they reached 70,000 a month. Their rolled magnesium sheets won Weirton a Navy ordnance award.

In 1945, as the McCarthy Era dawned, a new corporate-backed, fascist group called American Action, Inc. (AAI), succeeded the American Liberty League, which had dissolved in 1940. Weir became a key figure in this the rabidly anti-Semitic and nationalistic organization that gave early support to Joseph R. McCarthy. The AAI promoted fears that America was threatened by international Jewish bankers and Jewish communist immigrants from Russia who



Cover of *Life* magazine, 1937

supposedly controlled U.S. unions, businesses and the government. The AAI's goals, dovetailing nicely with McCarthyism, were to "fight communism, defeat communist-backed candidates for Congress, and rally anti-communist voters all over the country" (United Press, Oct. 19, 1946). To do this, the AAI mustered some of the country's most extreme and militant racists. It's extremely wealthy backers included E.T. Weir, Lamont du Pont, John Raskob and Joseph Pew. The AAI, like the American Liberty League, was non-partisan, i.e., it built support within the Democratic and Republican parties. It also garnered support from top officials of the American Legion and Veterans of Foreign Wars for the National Association of Manufacturers' anti-labour initiatives. The AAI reportedly raised a million dollars in 1947 to "purge" Congress of 187 political holdovers from the "New Deal." Gerald L.K. Smith appealed to all former supporters of the "America First Crusade" to support the fledgling AAI.

In a 1947 court statement explaining his noncompliance with a House Committee on Un-American Activities subpoena, communist Eugene Dennis, said:

The way to democratic and orderly progress is to stop the force and violence of American Action, Inc., the KKK and the lynch mobs – by helping win equal rights for the Negroes and civil liberties for all.

In the early 1950s, National Steel named a freighter the *E.T. Weir*. Although his wealth came largely from supplying the government for war, Weir was – hypocritically – an outspoken isolationist and an opponent of "big government." In 1954, he wrote a much-lauded isolationist article in the right-wing libertarian journal, *Faith and Freedom*.

Since WWII, Weirton Steel has continued to supply products for U.S. wars. With a revenue of \$1.1 billion, and employing 3,800 workers, it is the seventh largest U.S. steel producer. In 1999, Weirton's Independent Steelworkers Union (i.e., independent from other steelworkers' unions) supported Pat Buchanan's failed bid for the U.S. presidency. In 2003, the U.S. Steel Corp. bought assets of National Steel Corp. and became the largest steel producer in the U.S.



Joseph Early Widener (1871-1943)

Donated at least \$20,000 to the American Liberty League

The Wideners were close to being an American royal family. Joseph's vast inheritance made him one of the country's richest men and allowed him to spend his life engaged in the passions of racing and breeding thoroughbred horses, collecting priceless works of art, donating to fascist causes and hobnobbing with others in his elite class.



Joseph's great wealth came from his father, Peter Arrell Brown Widener (1834-1915), a Philadelphia butcher who, thanks to the Civil War, and his Republican Party connections, got a \$50,000 government contract to supply meat to all Union soldiers within 10 miles of town. In 1873, he served as Philadelphia's Republican treasurer. Two years later, he started buying railways, like the Pennsylvania Railroad (the country's biggest) and streetcar companies in Philadelphia, Pittsburgh, Baltimore and Chicago. He was a Director of both the Reading Railroad and the Baltimore & Ohio Railroad. Gustavus Myers, in *History of the Great American Fortunes*, says that to secure his grip on the rails, Widener bribed the Philadelphia city council and the Pennsylvania Legislature. PAB, an organizer of U.S. Steel and the American Tobacco Co., was also, along with J.P. Morgan, a top shareholder in the International Mercantile Marine, owner of the White Star Line. When it's flagship, the *Titanic*, sank in 1912, Joseph's brother George and nephew Harry both died.

In 1915, Joseph became the 20th richest man in America when he inherited \$60 million (the equivalent of about \$657 million in 2002). He attended Harvard and Philadelphia Universities but was not terribly interested in being a businessman. Waited upon by 100 servants, Widener lived at Lynnewood Hall, a grand, 110-room, Georgian-style palace on a carefully manicured 300-acre estate near Philadelphia. (During WWII, the grounds were turned over for the training of U.S. military dogs.) Joseph and Queen Mary exchanged catalogues of their art collections in 1932. Widener's collection included works by Renoir, Manet and Rembrandt and he entertained Spanish, Russian and Swedish royals who came to see his precious art collection. In 1939, much of this collection was donated to the National Gallery of Art and Philadelphia's Art Museum. In 1930, Widener spent \$2.5 million on another home, in Palm Beach Florida. (This 40,000-square-foot, Italianate mansion is now owned by the pioneer of Netscape.)

During the 1920s, Widener had been mostly breeding and selling horses. Among his buyers were Averill Harriman and George Herbert Walker who, in those years, through their company, Brown Brothers Harriman, were busy with George W. Bush's grandfather, Prescott, in the

task of financing Hitler's rise to power. But Widener was so preoccupied with collecting horses and art that he didn't seem to dirty his hands much with politics. In 1934, as president of the Hialeah racetrack, he did stop a strike by trainers who were wrongfully blamed for drugging their horses with caffeine.

Widener was, however, donating princely sums to finance fascist political groups like the American Liberty League in the 1930s and a Texas-based organization, called Christian America, in the 1940s. This second group had been organized by Vance Muse in 1936, and was backed largely by the Kirby family of Texas. Two years earlier, Kirby and Muse, an associate of Gerald L.K. Smith, also organized the Southern Committee to Uphold the Constitution, an American Liberty League front organization. Thanks to Widener and his ilk, the "Christian Americans" were well-funded. Its group members saw Hitler as a "new messiah" on a mission to save Germany from "political confusion," "bedlam and chaos" caused by "Jewish ownership." They criticized Roosevelt and his "pink cabinetees," for "blatantly and violently broadcast[ing] silly insults" against Hitler. Seeing unions as dangerous hotbeds for Reds and other subversives and radicals, Muse led Christian America's political campaign for anti-labour right-to-work laws in sixteen states during the early 1940s. He couldn't have done it without backers like Alfred Sloan, the du Ponts and Wall Street lawyer Ogden Mills (Andrew Mellon's Treasury secretary who took over that post when Mellon resigned in scandal.) and, of course, Joseph Widener.

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William Woodward Sr. (1876-1953)

Donated at least \$14,000 to the American Liberty League.

William Woodward was a lawyer, one of America's most powerful bankers and a breeder of prize race horses. He rubbed shoulders with many in his class who also dabbled in fascist causes.

Soon after graduating from Harvard Law School in 1901, he was secretary to Joseph Choate, the U.S. ambassador to Britain. While there, William frequented the race track with another famous horse breeder, Edward VII and entered the new King's "inner circle." The King was related to most other European royals including Emperor Wilhelm II (Germany), Tsar Nicholas II (Russia), King Alphonso XIII (Spain), Duke Karl Eduard (Saxe-Coburg-Gotha), King Haakon VII (Norway); King George I (Greece), King Frederick VIII (Denmark), King Albert I (Belgium), Manuel II (Portugal), King Ferdinand (Bulgaria), Queen Wil-helmina (Netherlands) and Prince Ernst August (Brunswick-Lüneburg).

In 1903, when Woodward returned to New York, his uncle, James Woodward, the president of the Rockefeller-controlled, Hanover National Bank since 1876, recruited William as its vice president. He later served as its president, 1910-1929. When the bank merged with another firm to become Central Hanover Bank & Trust, William was its chairman. (It is now part of the J.P. Morgan Chase bank empire.)

In the Federal Reserve Act of 1913, the government turned over financial controls, such as the printing of money, to private bankers. The Federal Reserve Bank of New York wasn't quite as central as J.P. Morgan had wanted, but it did come to dominate the whole U.S. banking system. In 1917, there were three "Class A" directors of "The Fed" and William Woodward was one of them.

Woodward was then also a director of American International Corp. (AIC). Among other top financiers on the AIC board were Pierre du Pont and Percy Rockefeller, son of John D. Rockefeller (who in 1918 was the world's wealthiest man with \$1.2 billion, i.e., about \$14 billion today). The AIC's publicly-stated goal was to develop "the resources of foreign countries." It did this, for example, by purchased stocks in International Mercan-

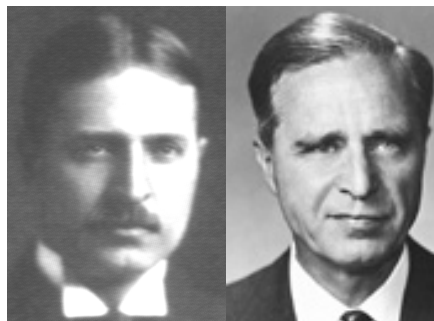


tile Marine (1915) and the United Fruit Co. (1916) which had motivated the U.S. government to invade Nicaragua, Panama and the Dominican Republic. The AIC also channeled funds to Alexander Kerensky, who briefly controlled Russia's parliament during the 1917 revolution. When Lenin's Bolsheviks wrested power from Kerensky, the AIC funded them too. How could this be? Prior to the Russian revolution, America's wealthiest financiers had huge investments around the world, including resource-rich Tsarist Russia. For example, they owned massive oil reserves on the Caspian Sea. When revolution was on the horizon, and they saw that it was unavoidable, they did what they could

to protect their interests. That included trying to buy or bribe the Bolsheviks.

The AIC's later "development" projects included the Brown Brothers Harriman investment firm through which Averill Harriman, Pres. George Walker Bush's grandfather (Prescott Bush) and great-grandfather (George Herbert Walker) financed Hitler's rise to power, profited from slave

President George W. Bush's grandfather and great-grandfather funded Hitler's rise to power, profited from slave labour at Auschwitz and laundered Nazi loot after WWII.



George Herbert Walker

Prescott Bush



George Walker Bush

George Herbert Walker Bush

To be continued
A future issue of *Press for Conversion!* will focus on the Bush family's fascist roots.

labour at Auschwitz and laundered Nazi loot after WWII. The AIC bought the Hamburg-Amerika Line, whose ships helped German spy networks in America, smuggled in agents of the Nazi munitions cartel, I.G. Farben, as well as Nazi propaganda and money that was used to influence the public and bribe U.S. politicians.

William Woodward's son William Jr., a Navy ensign, survived a WWII torpedo attack and returned home in 1943. Following in his father's footsteps, he became a banker, a horse breeder and a playboy. He married his father's mistress, a model named Angeline Crowell (a.k.a. Ann Eden, "the most beautiful woman in radio"), but their marriage was a rocky one. Billy is said to have beaten her and she was snubbed by his family as a "gold digger" who was beneath their class. Ann had only one high-society friend who accepted her – Wallis Simpson, the Duchess of Windsor and wife of Britain's fascist Duke, who had briefly been King Edward VIII. Things ended very badly for Billy. One night after a booze-filled party over at the Simpsons', Ann shot Billy dead; apparently thinking he was a burglar. She was eventually cleared by a grand jury. As far as I know, Ann was the only American named in these biographies to ever face any serious criminal charges.

The Bush-Dulles-Nazi Connection

By John Loftus and Mark Aarons

George Bush Sr's namesake and maternal grandfather, George Herbert 'Bert' Walker, founded the banking and investment firm of G.H. Walker and Co. in 1900. Later, the company shifted from St. Louis to the prestigious address of 1 Wall Street.

Walker was one of Hitler's most powerful financial supporters in the U.S. The relationship went back to 1924, when German industrialist Fritz Thyssen financed Hitler's infant Nazi party. There were U.S. contributors too.

Some Americans were just big-ots and made their connections to Germany through Allen Dulles's firm of Sullivan & Cromwell because they supported fascism. The Dulles brothers were in it for profit more than ideology. They arranged U.S. investments in Nazi Germany in the 1930s to help their clients profit from Germany's economic recovery.

Sullivan & Cromwell was not the only firm funding Germany. In *The Splendid Blond Beast*, Christopher Simpson's seminal history of the politics of genocide and profit, Brown Brothers, Harriman was another bank that specialized in German investments. The key figure was Averell Harriman, a dominating figure in the American establishment. [His father, E.H. Harriman, was a Railroad "Robber Baron" who helped create J.D. Rockefeller's Standard Oil monopoly.]

The firm was originally known as W.A. Harriman & Co. The link between it's U.S. investors and Thyssen started in the 1920s, through the Union Banking Corp., which began trading in 1924. In one 3-year period, the Harriman firm sold more than \$50 million of German bonds to U.S. investors. 'Bert' Walker was Union Banking's president. It was located in Harriman's offices at 39 Broadway.

In 1926, Bert Walker did a favor for his new son-in-law, Prescott Bush. He made Prescott vice president of W.A. Harriman. Walker's specialty was companies that traded with Germany. As Thyssen and the other German industrialists consolidated Hitler's political power in the 1930s, a U.S. financial connection was needed.

Union Banking became an out-and-out Nazi money-laundering machine.

In 1931, Harriman & Co. merged with a British-American investment company to become Brown Brothers, Harriman. Prescott Bush became one of its senior partners, which relocated to 59 Broadway. Union Banking remained at 39 Broadway. In 1934, Walker put his son-in-law on the board of directors of Union Banking.

Walker also set up a deal to take over the North American operations of the Hamburg-Amerika Line, a cover for I.G. Farben's Nazi espionage unit in the U.S. The shipping line smuggled in German agents, propaganda and money for bribing U.S. politicians. The holding company was Walker's American Shipping & Commerce (ASC). It shared Union Banking's offices at 39 Broadway. In an elaborate paper trail, Harriman's stock in ASC was controlled by another holding company, the Harriman Fifteen Corp., run out of Walker's office. Its directors were Averell Harriman, Bert Walker and Prescott Bush.

In a Nov. 1935 article in *Common Sense*, retired Marine General Smedley Butler blamed Brown Brothers, Harriman for having the U.S. marines act like "racketeers" and "gangsters" to exploit Nicaraguan peasants.

A 1934 congressional investigation alleged that Walker's "Hamburg-Amerika Line subsidized a wide range of pro-Nazi propaganda efforts both in Germany and the U.S." Walker did not know it, but one of his U.S. employees, Dan Harkins, had blown the whistle on the spy apparatus to Congress. Harkins, one of our best sources, became Roosevelt's first double agent and kept up the pretense of being an ardent Nazi sympathizer, while reporting to Naval Intelligence on the shipping company's deals with Nazi intelligence.

Instead of divesting the Nazi money, Bush hired a lawyer to hide the assets. The lawyer, Allen Dulles, had considerable expertise in underhanded schemes. [He later recruited Nazi war criminals into U.S. intelligence and was CIA director, 1953-1961]. According to Dulles's client list at Sullivan & Cromwell, his first relationship with

Brown Brothers, Harriman was June 18, 1936. In Jan. 1937, Dulles listed his work for the firm as "Disposal of Stan [Standard Oil] Investing stock."

Standard Oil of New Jersey had completed a major stock transaction with Dulles's Nazi client, I.G. Farben. By the end of Jan. 1937, Dulles had merged all his cloaking activities into one client account: "Brown Brothers Harriman-Schroeder Rock." Schroeder was the Nazi bank on whose board Dulles sat. The "Rock" were the Rockefellers of Standard Oil, who were under scrutiny for Nazi deals.

If Dulles tried to conceal how many Nazi holding companies Brown Brothers, Harriman was connected with, he did not do a very good job. Shortly after Pearl Harbor, word leaked from Washington that affiliates of Bush's company were being investigated for aiding the Nazis in time of war.

The government investigation against Prescott Bush continued. His son, George, was in flight school in Oct. 1942, when the U.S. government charged Prescott with running Nazi front groups in the U.S. Under the Trading with the Enemy Act, all the shares of the Union Banking Corp. were seized, including those held by Prescott Bush, as being in effect held for enemy nationals. Union Banking was an affiliate of Brown Brothers, Harriman, and Bush handled the Harrimans' investments as well.

Once the government had its hands on Prescott Bush's books, the whole intricate web of Nazi front corporations began to unravel. A few days later, two of Union Banking's subsidiaries – the Holland American Trading Corp. and the Seamless Steel Equipment Corp. – were also seized. Then, the U.S. government went after the Harriman Fifteen Holding Co. (which Bush shared with his father-in-law, 'Bert' Walker), the Hamburg-Amerika Line and the Silesian-American Corp. The U.S. government found that huge sections of Prescott Bush's financial empire had been operated on behalf of Nazi Germany and had greatly assisted the German war effort.

Source: Excerpts, *The Secret War Against the Jews* (1994), pp. 357-361

Dedicated to those who helped expose Wall Street's fascist coup plot



Gen. Smedley Butler

A veteran of 33 years in the Marines, he helped protect American financial interests in Mexico, Nicaragua, China, Haiti and elsewhere. Butler was America's best-known war hero in 1930s. Approached to lead an army of veterans in a coup against FDR, he played along to find out who was behind the plot. Testifying under oath to a Congressional Committee, he blew the whistle on some of America's wealthiest corporate leaders.



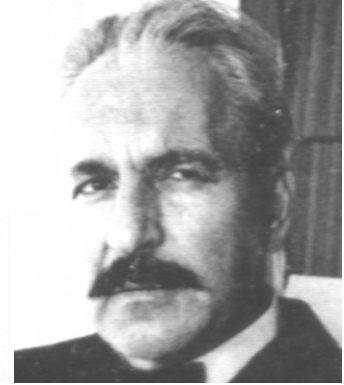
John Spivak

His articles in a socialist magazine *New Masses*, exposed Nazism, anti-Semitism and the fascist plot to oust FDR. Author of *The Medical Trust Unmasked* (1929), *The Devil's Brigade: Story of the Hatfield-McCoy Feud* (1930), *Georgia Nigger* (1933), *Anti-Semitism Exposed! Plotting America's Pogroms* (1934), *America Faces the Barricades: Union and Labor Relations* (1935), *Europe Under the Terror* (1936), *Secret Armies* (1939), *Shrine of the Silver Dollar* (1940), *Secret Armies: New Techniques of Nazi Warfare* (1939), *Pattern for American Fascism* (1947), *The 'Save the Country' Racket* (1948), and *A Man In His Time* (1967)



George Seldes

This foreign correspondent during WWI and WWII, editor of *In Fact*, an anti-Fascist paper in the 1940s was blacklisted by McCarthy. He wrote 20 books including: *You Can't Print That!* (1929), *Iron, Blood and Profits: An Exposure of the World-Wide Munitions Racket* (1934), *Freedom of the Press* (1935), *Sawdust Caesar: The Untold History of Mussolini and Fascism* (1936), *Lords of the Press* (1938), *Facts and Fascism* (1943), *1000 Americans* (1947), *People Don't Know: American Press & the Cold War* (1949), *Never Tired of Protesting* (1968), *Even the Gods Can't Change History* (1976), and *The Witness to a Century* (1987)



Jules Archer

Author of the only book to focus on this chapter in American fascism, *The Plot to Seize The White House* (1973), he has also written: *Twentieth Century Caesar*, *Benito Mussolini* (1966), *The Dictators* (1967), *The Extremists: Gadflies of American Society* (1969), *Hawks, Doves and the Eagle* (1970), *Thorn In Our Flesh: Castro's Cuba* (1970), *Treason in America: Disloyalty Versus Dissent* (1971), *Strikes Bombs & Bullets: Big Bill Haywood & the IWW* (1972), *Watergate: America in Crisis* (1975), *Police State: Could It Happen Here?* (1977), *Riot! A History of Mob Action in the U.S.* (1974), and *You Can't Do That to Me: Famous Fights for Human Rights* (1980)

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