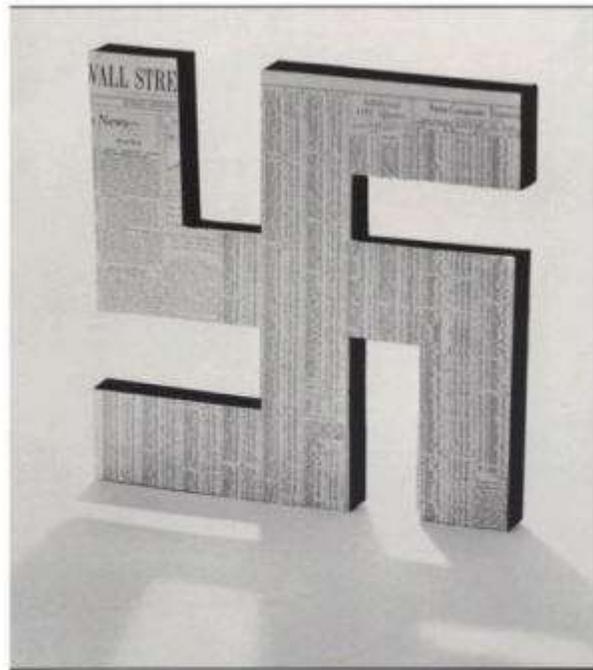


WALL STREET AND THE RISE OF HITLER

by Antony C. Sutton
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Here is the incredible story
of the American financiers who
provided the money and matériel
Hitler used to launch World War II.



WALL STREET AND THE RISE OF HITLER

Antony C. Sutton

Dedicated to the memory of Floyd Paxton -- entrepreneur, inventor, writer, and American, who believed in and worked for individual rights in a free society under the Constitution.

"The 1945 interrogation of I.G. Farben director von Schnitzler reads:

Q. What did you do when they told you that I.G. chemicals was [sic] being used to kill, to murder people held in concentration camps?

A. I was horrified.

Q. Did you do anything about it?

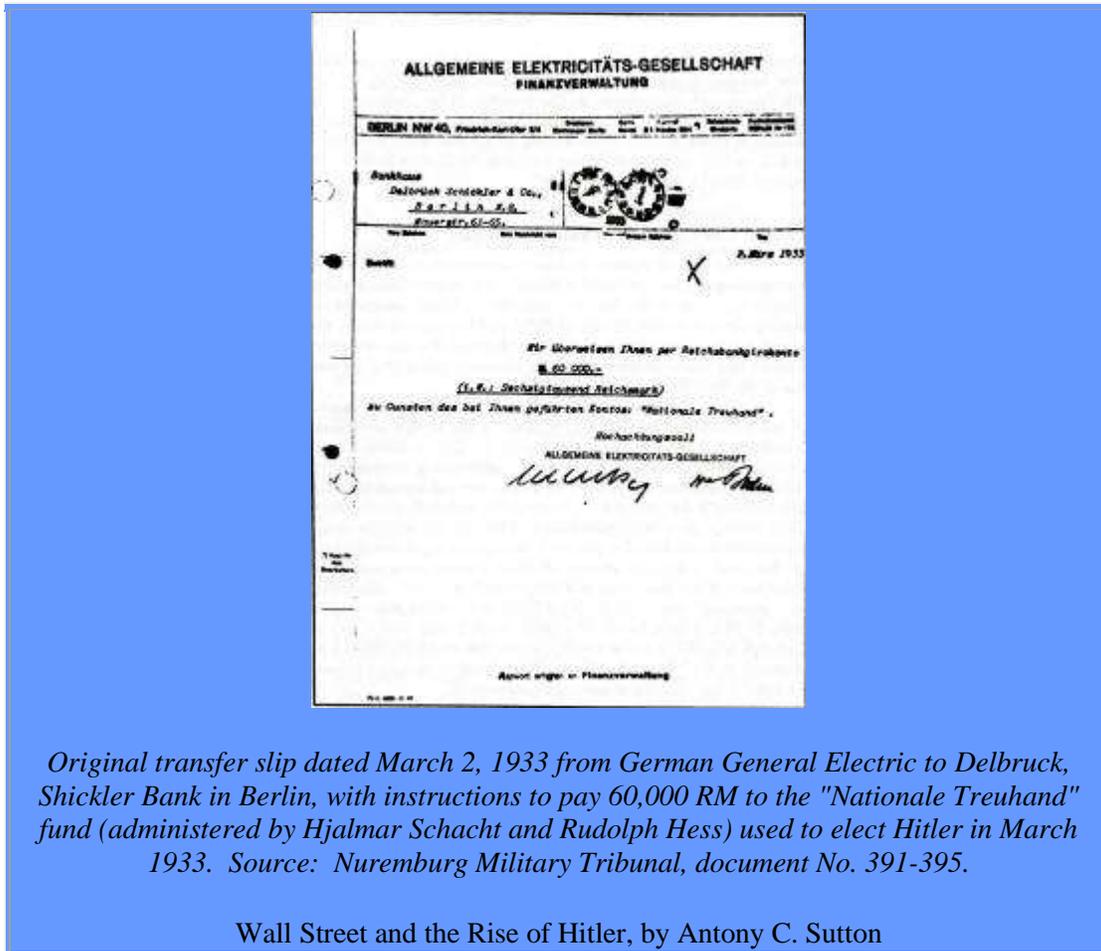
A. I kept it for me [to myself] because it was too terrible I asked Muller-Cunradi is it known to you and Ambros and other directors in Auschwitz that the gases and chemicals are being used to murder people.

Q. What did he say?

A. Yes: it is known to all I.G. directors in Auschwitz."

"The critical point is that the German industrialists financing Hitler were predominantly directors of cartels with American associations, ownership, participation, or some form of subsidiary connection. The Hitler backers were not, by and large, firms of purely German origin, or representative of German family business. Except for Thyssen and Kirdoff, in most cases they were the German multi-national firms — i.e., I.G. Farben, A.E.G., DAPAG, etc. These multi-nationals had been built up by American loans in the 1920s, and in the early 1930s had American directors and heavy American financial participation."

"The American electrical industry has conquered the world, and only a few of the remaining opposing bastions have been able to withstand the onslaught."



Original transfer slip dated March 2, 1933 from German General Electric to Delbruck, Shickler Bank in Berlin, with instructions to pay 60,000 RM to the "Nationale Treuhand" fund (administered by Hjalmar Schacht and Rudolph Hess) used to elect Hitler in March 1933. Source: Nuremberg Military Tribunal, document No. 391-395.

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Makes Every Previous Book on World War II Obsolete

Finally, a distinguished scholar has penetrated the cloak of falsehood, deception, and duplicity that for more than thirty years has protected one of the most incredible secrets of World War II: the support from key Wall Street financiers and other international bankers in subsidizing Hitler's rise to power.

Professor Antony C. Sutton proves that World War II was not only well planned, it was also extremely profitable — for a select group of financial insiders. Carefully tracing this closely guarded secret through original documents and eyewitness accounts, Sutton documents the roles played by J.P. Morgan, T.W. Lamont, the Rockefeller interests, General Electric Company, Standard Oil, National City Bank, Chase and Manhattan banks, Kuhn, Loeb and Company, and scores of other business elitists.

Wall Street and the Rise of Hitler shows how the bloodiest, most destructive war in history was financed and promoted. It is sure to spark angry denials and heated debate.



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PREFACE

This is the third and final volume of a trilogy describing the role of the American corporate socialists, otherwise known as the Wall Street financial elite or the Eastern Liberal Establishment, in three significant twentieth-century historical events: the 1917 Lenin-Trotsky Revolution in Russia, the 1933 election of Franklin D. Roosevelt in the United States, and the 1933 seizure of power by Adolf Hitler in Germany.

Each of these events introduced some variant of socialism into a major country — *i.e.*, Bolshevism in Russia, New Deal socialism in the United States, and National socialism in Germany.

Contemporary academic histories, with perhaps the sole exception of Carroll Quigley's *Tragedy And Hope*, ignore this evidence. On the other hand, it is understandable that universities and research organizations, dependent on financial aid from foundations that are controlled by this same New York financial elite, would hardly want to support and to publish research on these aspects of international politics. The bravest of trustees is unlikely to bite the hand that feeds his organization.

It is also eminently clear from the evidence in this trilogy that "public-spirited businessmen" do not journey to Washington as lobbyists and administrators in order to serve the United States. They are in Washington to serve their own profit-maximizing interests. Their purpose is not to further a competitive, free-market economy, but to manipulate a politicized regime, call it what you will, to their own advantage.

It is business manipulation of Hitler's accession to power in March 1933 that is the topic of *Wall Street and the Rise of Hitler*.

ANTONY C. SUTTON

July, 1976

WALL STREET AND THE RISE OF HITLER

INTRODUCTION

Unexplored Facets of Naziism

Since the early 1920s unsubstantiated reports have circulated to the effect that not only German industrialists, but also Wall Street financiers, had some role — possibly a substantial role — in the rise of Hitler and Naziism. This book presents previously unpublished evidence, a great deal from files of the Nuremberg Military Tribunals, to support this hypothesis. However, the full impact and suggestiveness of the evidence cannot be found from reading this volume alone. Two previous books in this series, *Wall Street and the Bolshevik Revolution*¹ and *Wall Street and FDR*,² described the roles of the same firms, and often the same individuals and their fellow directors, hard at work manipulating and assisting the Bolshevik revolution in Russia in 1917, backing Franklin D. Roosevelt for President in the United States in 1933, as well as aiding the rise of Hitler in pre-war Germany. In brief, this book is part of a more extensive study of the rise of modern socialism and the corporate socialists.

This politically active Wall Street group is more or less the same elitist circle known generally among Conservatives as the "Liberal Establishment," by liberals (for instance G. William Domhoff) as "the ruling class,"³ and by conspiratorial theorists Gary Allen⁴ and Dan Smoot⁵ as the "Insiders." But whatever we call this self-perpetuating elitist group, it is apparently fundamentally significant in the determination of world affairs, at a level far behind and above that of the elected politicians.

The influence and work of this same group in the rise of Hitler and Nazi Germany is the topic of this book. This is an area of historical research almost totally unexplored by the academic world. It is an historical minefield for the unwary and the careless not aware of the intricacies of research procedures. The Soviets have long accused Wall Street bankers of backing international fascism, but their own record of historical accuracy hardly lends their accusations much credence in the West, and they do not of course criticize support of their own brand of fascism.

This author falls into a different camp. Previously accused of being overly critical of Sovietism and domestic socialism, while ignoring Wall Street and the rise of Hitler, this book hopefully will redress an assumed and quite inaccurate philosophical imbalance and emphasize the real point at issue: Whatever you call the collectivist system — Soviet socialism, New Deal socialism, corporate socialism, or National socialism — it is the average citizen, the guy in the street, that ultimately loses out to the boys running the operation at the top. Each system in its own way is a system of plunder, an organizational device to get everyone living (or attempting to live) at the expense of everyone else, while the elitist leaders, the rulers and the politicians, scalp the cream off the top.

The role of this American power elite in the rise of Hitler should also be viewed in conjunction with a little-known aspect of Hitlerism only now being explored: the mystical origins of Naziism, and its relations with the Thule Society and with other conspiratorial groups. This author is no expert on occultism or conspiracy, but it is obvious that the mystical origins, the neo-pagan historical roots of Naziism, the Bavarian Illuminati and the Thule Society, are relatively unknown areas yet to be explored by technically competent researchers. Some research is already recorded in French; probably the best introduction in English is a translation of *Hitler et la Tradition Cathare* by Jean Michel Angebert.⁶

Angebert reveals the 1933 crusade of *Schutzstaffel* member Otto Rahn in search of the Holy Grail, which was supposedly located in the Cathar stronghold in Southern France. The early Nazi hierarchy (Hitler and Himmler, as well as Rudolph Hess and Rosenberg) was steeped in a neo-pagan theology, in part associated with the Thule Society, whose ideals were close to those of the Bavarian Illuminati. This was a submerged driving force behind Naziism, with a powerful mystical hold over the hard-core S.S. faithful. Our contemporary establishment

historians barely mention, let alone explore, these occult origins; consequently, they miss an element equally as important as the financial origins of National Socialism.

In 1950 James Stewart Martin published a very readable book, *All Honorable Men*⁷ describing his experiences as Chief of the Economic Warfare Section of the Department of Justice investigating the structure of Nazi industry. Martin asserts that American and British businessmen got themselves appointed to key positions in this post-war investigation to divert, stifle and muffle investigation of Nazi industrialists and so keep hidden their own involvement. One British officer was sentenced by court martial to two years in jail for protecting a Nazi, and several American officials were removed from their positions. Why would American and British businessmen want to protect Nazi businessmen? In public they argued that these were merely German businessmen who had nothing to do with the Nazi regime and were innocent of complicity in Nazi conspiracies. Martin does not explore this explanation in depth, but he is obviously unhappy and skeptical about it. The evidence suggests there was a concerted effort not only to protect Nazi businessmen, but also to protect the collaborating elements from American and British business.

The German businessmen could have disclosed a lot of uncomfortable facts: In return for protection, they told very little. It is undoubtedly *not* coincidental that the Hitler industrialists on trial at Nuremberg received less than a slap on the wrist. We raise the question of whether the Nuremberg trials should not have been held in Washington — with a few prominent U.S. businessmen as well as Nazi businessmen in the dock!

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*Much as I believe in peace as our best policy, I cannot avoid the fears which Wilson emphasized more than once in conversations with me, August 15, 1915 and later: the breakdown of democracy in all Europe will be a disaster to the people. But what can you do? At the present moment more than a hundred American corporations have subsidiaries here or cooperative understandings. The DuPonts have three allies in Germany that are aiding in the armament business. Their chief ally is the I. G. Farben Company, a part of the Government which gives 200,000 marks a year to one propaganda organization operating on American opinion. Standard Oil Company (New York sub-company) sent \$2,000,000 here in December 1933 and has made \$500,000 a year helping Germans make Ersatz gas for war purposes; but Standard Oil cannot take any of its earnings out of the country except in goods. They do little of this, report their earnings at home, but do not explain the facts. The International Harvester Company president told me their business here rose 33% a year (arms manufacture, I believe), but they could take nothing out. Even our airplanes people have secret arrangement with Krupps. General Motor Company and Ford do enormous businesses/sic] here through their subsidiaries and take no profits out. I mention these facts because they complicate things and add to war dangers.*⁸

Second, a quote from the diary of the same U.S. Ambassador in Germany. The reader should bear in mind that a representative of the cited Vacuum Oil Company — as well as representatives of other Nazi, supporting American firms — was appointed to the post-war Control Commission to de-Nazify the Nazis:

*January 25. Thursday. Our Commercial Attache brought Dr. Engelbrecht, chairman of the Vacuum Oil Company in Hamburg, to see me. Engelbrecht repeated what he had said a year ago: "The Standard Oil Company of New York, the parent company of the Vacuum, has spent 10,000,000 marks in Germany trying to find oil resources and building a great refinery near the Hamburg harbor." Engelbrecht is still boring wells and finding a good deal of crude oil in the Hanover region, but he had no hope of great deposits. He hopes Dr. Schacht will subsidize his company as he does some German companies that have found no crude oil. The Vacuum spends all its earnings here, employs 1,000 men and never sends any of its money home. I could give him no encouragement.*⁹

And further:

*These men were hardly out of the building before the lawyer came in again to report his difficulties. I could not do anything. I asked him, however: Why did the Standard Oil Company of New York send \$1,000,000 over here in December, 1933, to aid the Germans in making gasoline from soft coal for war emergencies? Why do the International Harvester people continue to manufacture in Germany when their company gets nothing out of the country and when it has failed to collect its war losses? He saw my point and agreed that it looked foolish and that it only means greater losses if another war breaks loose.*¹⁰

The alliance between Nazi political power and American "Big Business" may well have looked foolish to Ambassador Dodd and the American attorney he questioned. In practice, of course, "Big Business" is anything but foolish when it comes to promoting its own self-interest. Investment in Nazi Germany (along with similar investments in the Soviet Union) was a reflection of higher policies, with much more than immediate profit at stake, even though profits could not be repatriated. To trace these "higher policies" one has to penetrate the financial control of multinational corporations, because those who control the flow of finance ultimately control the day-to-day policies.

Carroll Quigley¹¹ has shown that the apex of this international financial control system before World War II was the Bank for International Settlements, with representatives from the international banking firms of Europe and the United States, in an arrangement that continued throughout World War II. During the Nazi period, Germany's representative at the Bank for International Settlements was Hitler's financial genius and president of the Reichsbank, Hjalmar Horace Greeley Schacht.

Hjalmar Horace Greeley Schacht

Wall Street involvement with Hitler's Germany highlights two Germans with Wall Street connections — Hjalmar Schacht and "Putzi" Hanfstaengl. The latter was a friend of Hitler and Roosevelt who played a suspiciously prominent role in the incident that brought Hitler to the peak of dictatorial power — the Reichstag fire of 1933.¹²

The early history of Hjalmar Schacht, and in particular his role in the Soviet Union after the Bolshevik Revolution of 1917, was described in my earlier book, *Wall Street and the Bolshevik Revolution*. The elder Schacht had worked at the Berlin office of the Equitable Trust Company of New York in the early twentieth century. Hjalmar was born in Germany rather than New York only by the accident of his mother's illness, which required the family to return to Germany. Brother William Schacht was an American-born citizen. To record his American origins, Hjalmar's middle names were designated "Horace Greeley" after the well-known Democrat politician. Consequently, Hjalmar spoke fluent English and the post-war interrogation of Schacht in Project Dustbin was conducted in both German and English. The point to be made is that the Schacht family had its origins in New York, worked for the prominent Wall Street financial house of Equitable Trust (which was controlled by the Morgan firm), and throughout his life Hjalmar retained these Wall Street connections.¹³ Newspapers and contemporary sources record repeated visits with Owen Young of General Electric; Farish, chairman of Standard Oil of New Jersey; and their banking counterparts. In brief, Schacht was a member of the international financial elite that wields its power behind the scenes through the political apparatus of a nation. He is a key link between the Wall Street elite and Hitler's inner circle.

This book is divided into two major parts. Part One records the buildup of German cartels through the Dawes and Young Plans in the 1920s. These cartels were the major supporters of Hitler and Naziism and were directly responsible for bringing the Nazis to power in 1933. The roles of American I. G. Farben, General Electric, Standard Oil of New Jersey, Ford, and other U.S. firms is outlined. Part Two presents the known documentary evidence on the financing of Hitler, complete with photographic reproduction of the bank transfer slips used to transfer funds from Farben, General Electric, and other firms to Hitler, through Hjalmar Horace Greeley Schacht.

Footnotes:

¹(New York: Arlington House Publishers, 1974)

²(New York: Arlington House Publishers, 1975)

³*The Higher Circles: The Governing Class in America*, (New York: Vintage, 1970)

⁴*None Dare Call It Conspiracy*, (Rossmoor: Concord Press, 1971). For another view based on "inside" documents, see Carroll Quigley, *Tragedy and Hope*, (New York: The Macmillan Company, 1966)

⁵*The Invisible Government*, (Boston: Western Islands, 1962)

⁶Published in English as *The Occult and the Third Reich*, (The mystical origins of Naziism and the search for the Holy Grail), (New York: The Macmillan Company, 1974). See also Reginald H. Phelps, " 'Before Hitler Came:' Thule Society and Germanen Orden" in the *Journal of Modern History*, September 1968, No. 3.

⁷(Boston: Little Brown and Company, 1950)

⁸Edgar B. Nixon, ed., *Franklin D. Roosevelt and Foreign Affairs*, Volume III: September 1935-January 1937, (Cambridge: Belknap Press, 1969), p. 456.

⁹Edited by William E. Dodd Jr. and Martha Dodd, *Ambassador Dodd's Diary, 1933-1938*, (New York: Harcourt Brace and Company, 1941), p. 303.

¹⁰*Ibid*, p. 358.

¹¹Quigley, *op. cit.*

¹²For more information about "Putzi" Hanfstaengl, see Chapter Nine.

¹³See Sutton, *Wall Street and the Bolshevik Revolution*, *op. cit.*, for Sehacht's relations with Soviets and Wall Street, and his directorship of a Soviet bank.

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And further:

*These men were hardly out of the building before the lawyer came in again to report his difficulties. I could not do anything. I asked him, however: Why did the Standard Oil Company of New York send \$1,000,000 over here in December, 1933, to aid the Germans in making gasoline from soft coal for war emergencies? Why do the International Harvester people continue to manufacture in Germany when their company gets nothing out of the country and when it has failed to collect its war losses? He saw my point and agreed that it looked foolish and that it only means greater losses if another war breaks loose.*¹⁰

The alliance between Nazi political power and American "Big Business" may well have looked foolish to Ambassador Dodd and the American attorney he questioned. In practice, of course, "Big Business" is anything but foolish when it comes to promoting its own self-interest. Investment in Nazi Germany (along with similar investments in the Soviet Union) was a reflection of higher policies, with much more than immediate profit at stake, even though profits could not be repatriated. To trace these "higher policies" one has to penetrate the financial control of multinational corporations, because those who control the flow of finance ultimately control the day-to-day policies.

Carroll Quigley¹¹ has shown that the apex of this international financial control system before World War II was the Bank for International Settlements, with representatives from the international banking firms of Europe and the United States, in an arrangement that continued throughout World War II. During the Nazi period, Germany's representative at the Bank for International Settlements was Hitler's financial genius and president of the Reichsbank, Hjalmar Horace Greeley Schacht.

Hjalmar Horace Greeley Schacht

Wall Street involvement with Hitler's Germany highlights two Germans with Wall Street connections — Hjalmar Schacht and "Putzi" Hanfstaengl. The latter was a friend of Hitler and Roosevelt who played a suspiciously prominent role in the incident that brought Hitler to the peak of dictatorial power — the Reichstag fire of 1933.¹²

The early history of Hjalmar Schacht, and in particular his role in the Soviet Union after the Bolshevik Revolution of 1917, was described in my earlier book, *Wall Street and the Bolshevik Revolution*. The elder Schacht had worked at the Berlin office of the Equitable Trust Company of New York in the early twentieth century. Hjalmar was born in Germany rather than New York only by the accident of his mother's illness, which required the family to return to Germany. Brother William Schacht was an American-born citizen. To record his American origins, Hjalmar's middle names were designated "Horace Greeley" after the well-known Democrat politician. Consequently, Hjalmar spoke fluent English and the post-war interrogation of Schacht in Project Dustbin was conducted in both German and English. The point to be made is that the Schacht family had its origins in New York, worked for the prominent Wall Street financial house of Equitable Trust (which was controlled by the Morgan firm), and throughout his life Hjalmar retained these Wall Street connections.¹³ Newspapers and contemporary sources record repeated visits with Owen Young of General Electric; Farish, chairman of Standard Oil of New Jersey; and their banking counterparts. In brief, Schacht was a member of the international financial elite that wields its power behind the scenes through the political apparatus of a nation. He is a key link between the Wall Street elite and Hitler's inner circle.

This book is divided into two major parts. Part One records the buildup of German cartels through the Dawes and Young Plans in the 1920s. These cartels were the major supporters of Hitler and Naziism and were directly responsible for bringing the Nazis to power in 1933. The roles of American I. G. Farben, General Electric, Standard Oil of New Jersey, Ford, and other U.S. firms is outlined. Part Two presents the known documentary evidence on the financing of Hitler, complete with photographic reproduction of the bank transfer slips used to transfer funds from Farben, General Electric, and other firms to Hitler, through Hjalmar Horace Greeley Schacht.

Footnotes:

¹(New York: Arlington House Publishers, 1974)

²(New York: Arlington House Publishers, 1975)

³*The Higher Circles: The Governing Class in America*, (New York: Vintage, 1970)

⁴*None Dare Call It Conspiracy*, (Rossmoor: Concord Press, 1971). For another view based on "inside" documents, see Carroll Quigley, *Tragedy and Hope*, (New York: The Macmillan Company, 1966)

⁵*The Invisible Government*, (Boston: Western Islands, 1962)

⁶Published in English as *The Occult and the Third Reich*, (The mystical origins of Naziism and the search for the Holy Grail), (New York: The Macmillan Company, 1974). See also Reginald H. Phelps, " 'Before Hitler Came:' Thule Society and Germanen Orden" in the *Journal of Modern History*, September 1968, No. 3.

⁷(Boston: Little Brown and Company, 1950)

⁸Edgar B. Nixon, ed., *Franklin D. Roosevelt and Foreign Affairs*, Volume III: September 1935-January 1937, (Cambridge: Belknap Press, 1969), p. 456.

⁹Edited by William E. Dodd Jr. and Martha Dodd, *Ambassador Dodd's Diary, 1933-1938*, (New York: Harcourt Brace and Company, 1941), p. 303.

¹⁰*Ibid*, p. 358.

¹¹Quigley, *op. cit.*

¹²For more information about "Putzi" Hanfstaengl, see Chapter Nine.

¹³See Sutton, *Wall Street and the Bolshevik Revolution*, *op. cit.*, for Sehacht's relations with Soviets and Wall Street, and his directorship of a Soviet bank.

