# CHAPTER THREE

## General Electric Funds Hitler

> *Among the early Roosevelt fascist measures was the National Industry Recovery Act (NRA) of June 16, 1933. The origins of this scheme are worth repeating. These ideas were first suggested by Gerard Swope of the General Electric Company ... following this they were adopted by the United States Chamber of Commerce ....* (Herbert Hoover, *The Memoirs of Herbert Hoover: The Great Depression, 1929-1941,* New York: The Macmillan Company, 1952, p. 420)

The multi-national giant General Electric has an unparalleled role in twentieth-century history. The General Electric Company electrified the Soviet Union in the 1920s and 1930s, and fulfilled for the Soviets Lenin's dictum that "Socialism = electrification."[1] The Swope Plan, created by General Electric's one-time president Gerard Swope, became Franklin D. Roosevelt's New Deal, by a process deplored by one-time President Herbert Hoover and described in *Wall Street and FDR.*[2] There was a long-lasting, intimate relationship between Swope and Young of General Electric Company and the Roosevelt family, as there was between General Electric and the Soviet Union. In 1936 Senator James A. Reed of Missouri, an early Roosevelt supporter, became aware of Roosevelt's betrayal of liberal ideas and attacked the Roosevelt New Deal program as a "tyrannical" measure "leading to despotism, [and] sought by its sponsors under the communistic cry of 'Social Justice.'" Senator Reed further charged on the floor of the Senate that Franklin D. Roosevelt was a "hired man for the economic royalists" in Wall Street and that the Roosevelt family "is one of the largest stockholders in the General Electric Company."[3]

As we probe into behind-the-scenes German interwar history and the story of Hitler and Naziism, we find both Owen D. Young and Gerard Swope of General Electric tied to the rise of Hitlerism and the suppression of German democracy. That General Electric directors are to be found in each of these three distinct historical categories — i.e., the development of the Soviet Union, the creation of Roosevelt's New Deal, and the rise of Hitlerism — suggests how elements of Big Business are keenly interested in the socialization of the world, for their own purposes and objectives, rather than the maintenance of the impartial market place in a free society.[4] General Electric profited handsomely from Bolshevism, from Roosevelt's New Deal socialism, and, as we shall see below, from national socialism in Hitler's Germany.

### General Electric in Weimar Germany

Walter Rathenau was, until his assassination in 1922, managing director of Allgemeine Elekrizitats Gesellschaft (A.E.G,), or German General Electric, and like Owen Young and Gerard Swope, his counterparts in the U.S., he was a prominent advocate of corporate socialism. Walter Rathenau spoke out publicly against competition and free enterprise, Why? Because both Rathanau and Swope wanted the protection and cooperation of the state for their own corporate objectives and profit. (But not of course for anybody else's objectives and profits.) Rathanau expressed their plea in *The New Political Economy:*

> *The new economy will, as we have seen, be no state or governmental economy but a private economy committed to a civic power of resolution which certainly will require state cooperation for organic consolidation to overcome inner friction and increase production and endurance.*[5]

When we disentangle the turgid Rathenau prose, this means that the power of the State was to be made available to private firms for their own corporate purposes, *i.e.*, what is popularly known as national socialism. Rathenau spoke out publicly against competition and free enterprise. inheritance."[6] Not their *own* wealth, so far as can be determined, but the wealth of others who lacked political pull in the State apparatus.

Owen D. Young of General Electric was one of the three U.S. delegates to the 1923 Dawes Plan meeting which established the German reparations program. And in the Dawes and Young Plans we can see how some private firms were able to benefit from the power of the State. The largest single loans from Wall Street to Germany during the 1920s were reparations loans; it was ultimately the U.S. investor who paid for German reparations. The cartelization of the German electrical industry under A.E.G. (as well as the steel and chemical industries discussed in Chapters One and Two) was made possible with these Wall Street loans:

| Date of Offering | Borrower | Managing Bank in the U.S. | Face Amount of Issue |
|---|---|---|---|
| Jan. 26, 1925 | Allgemeine Elektrizitats-Gesellschaft (A. E, G.) | National City Co. | $10,000,000 |
| Dec. 9, 1925 | Allgemeine National City Co. Elektrizitats-Gesellschaft (A. E.G. ) | | 10,000,000 |
| May 22, 1928 | Allgemeine Elektrizitats-Gesellschaft (A.E.G.) | National City Co. | 10,000,000 |
| June 7, 1928 | Allgemeine Elektrizitats-Gesellschaft (A. E.G.) | National City Co. | 5,000,000 |

In 1928, at the Young Plan reparations meetings, we find General Electric president Owen D. Young in the chair as the chief U.S. delegate, appointed by the U.S. government to use U.S. government power and prestige to decide international financial matters enhancing Wall Street and General Electric profits. In 1930 Owen D. Young, after whom the Young Plan for German reparations was named, became chairman of the Board of General Electric Company in New York City. Young was also chairman of the Executive Committee of Radio Corporation of America and a director of both German General Electric (A.E.G.) and Osram in Germany. Young also served on the boards of other major U.S. corporations, including General Motors, NBC, and RKO; he was a councilor of the National Industrial Conference Board, a director of the International Chamber of Commerce, and deputy chairman of the board of the Federal Reserve Bank of New York.

Gerard Swope was president and director of General Electric Company as well as French and German associated companies, including A.E.G. and Osram in Germany. Swope was also a director of RCA, NBC, and the National City Bank of New York. Other directors of International General Electric at this time reflect Morgan control of the company, and both Young and Swope were generally known as the Morgan representatives on the G.E. board, which included Thomas Cochran, another partner in the J.P. Morgan firm. General Electric director Clark Haynes Minor was president of International General Electric in the

1920s. Another director was Victor M. Cutter of the First National Bank of Boston and a figure in the *"Banana* Revolutions" in Central America.

In the late 1920s Young, Swope, and Minor of International General Electric moved into the German electrical industry and gained, if not control as some have reported, then at least a substantial say in the internal affairs of both A.E.G. and Osram. In July 1929 an agreement was reached between General Electric and three German firms — A.E.G., Siemens & Halske, and Koppel and Company — which between them owned all the shares in Osram, the electric bulb manufacturer. General Electric purchased 16% percent of Osram stock and reached a joint agreement for international control of electric bulbs production and marketing. Clark Minor and Gerard Swope became directors of Osram.[7]

In July 1929 great interest was shown in rumors circulating in German financial circles that General Electric was also buying into A.E.G. and that talks to this end were in progress between A.E.G. and G.E.[8] In August it was confirmed that 14 million marks of common A.E.G. stock were to be issued to General Electric. These shares, added to shares bought on the open market, gave General Electric a 25-percent interest in A.E.G. A closer working agreement was signed between the two companies, providing the German company U.S. technology and patents. It was emphasized in the news reports that A.E.G. would not have participation in G.E., but that on the other hand G.E. would finance expansion of A.E.G. in Germany.[9] The German financial press also noted that there was no A.E.G. representation on the board of G.E. in the United States but that five Americans were now on the board of A.E.G. The *Vossische Zeitung* recorded,

> *The American electrical industry has conquered the worM, and only a few of the remaining opposing bastions have been able to withstand the onslaught...*[10]

By 1930, unknown to the German financial press, General Electric had similarly gained an effective technical monopoly of the Soviet electrical industry and was soon to penetrate even the remaining bastions in Germany, particularly the Siemens group. In January 1930 three G.E. men were elected to the board of A.E.G. — Clark H. Minor, Gerard Swope, and E. H. Baldwin — and International General Electric (I.G.E.) continued its moves to merge the world electrical industry into a giant cartel under Wall Street control.

In February General Electric focused on the remaining German electrical giant, Siemens & Halske, and while able to obtain a large block of debentures issued on behalf of the German firm by Dillon, Read of New York, G.E. was not able to gain participation or directors on the Siemens board. While the German press recognized even this limited control as" an historical economic event of the first order and an important step toward a future world electric trust,"[11] Siemens retained its independence from General Electric — and this independence is important for our story. The *New York Times* reported,

> *The entire press emphasizes the fact that Siemens, contrary to A.E.G., maintains its independence for the future and points out that no General Electric representative will sit on Stemen's board of directors.*[12]

There is no evidence that Siemens, either through Siemens & Halske or Siemens-Schukert, participated directly in the financing of Hitler. Siemens contributed to Hitler only slightly and indirectly through a share participation in Osram. On the other hand, both A.E.G. and Osram directly financed Hitler through the Nationale Treuhand in substantial ways. Siemens retained its independence in the early 1930s while both A.E.G. and Osram were under American dominance and with American directors. *There is no evidence that Siemens, without American directors, financed Hitler. On the other hand, we have irrefutable documentary evidence (see page 56) that both German General Electric and Osram, both with American directors, financed Hitler.*

In the months following the attempted Wall Street take over of Siemens, the pattern of a developing world

trust in the electrical industry clarified; there was an end to international patent fights and the G.E. interest in A.E.G. increased to nearly 30 percent.[13]

Consequently, in the early 1930s, as Hitler prepared to grab dictatorial power in Germany — backed by some, but by no means all, German and American industrialists — the German General Electric (A.E.G.) was owned by International General Electric (about 30 percent), the Gesellschaft für Electrische Unternemungen (25 percent), and Ludwig Lowe (25 percent). International General Electric also had an interest of about 16 2/3rds percent in Osram, and an additional indirect influence in

| Companies Linked to German General Electric through Common Electric Directors: | Directors of German General Electric (A.E.G.) | Relationship of Linked Firm with Financing of Hitler: |
|---|---|---|
| Accumulatoran-Fabrik | Quandt<br>Pfeffer | *Direct Finance, see p, 55* |
| Osram | Mamroth<br>Peierls | *Direct Finance, see p. 57* |
| Deutschen Babcock-Wilcox | Landau | Not known |
| Vereinigte Stahlwerke | Wolff<br>Nathan<br>Kirdorf<br>Goldschmidt | *Direct Finance, see p. 57* |
| Krupp | Nathan<br>Klotzbach | *Direct Finance, see p. 59* |
| I.G. Farben | Bucher<br>Flechtheim<br>von Rath | *Direct Finance, see p. 57* |
| Allianz u. Stuttgarten Verein Phoenix | von Rath<br>Wolff<br>Fahrenhorst | Reported, but not substantiated *see p. 57* |
| Thyssen | Fahrenhorst | *Direct Finance, see p. 104* |
| Demag | Fahrenhorst<br>Flick | *see p. 57* |
| Dynamit Gelsenkirchener Bergwerks | Flechtheim<br>Kirdorf<br>Flechtheim | Through I.G. Farben *Direct Finance, see p. 57* |
| International General Electric | Young<br>Swope<br>Minor<br>Baldwin | Through A.E.G., *see p. 52* |
| American I.G. Farben | von Rath | Through I.G. Farben see p. 47 |
| International Bank (Amsterdam) | H. Furstenberg<br>Goldschmidt | Not known |

Osram through A.E.G. directors. On the board of A.E,G., apart from the four American directors (Young, Swope, Minor, and Baldwin), we find Pferdmenges of Oppenheim & Co. (another Hitler financier), and

Quandt, who owned 75 percent of Accumlatoren-Fabrik, a major direct financier of Hitler. In other words, among the German board members of A.E.G. we find representatives from several of the German firms that financed Hitler in the 1920s and 1930s.

**General Electric and the Financing of Hitler**

The tap root of modern corporate socialism runs deep into the management of two affiliated multi-national corporations: General Electric Company in the United States and its foreign associates, including German General Electric (A.E.G.), and Osram in Germany. We have noted that Gerard Swope, second president and chairman of General Electric, and Walter Rathanau of A.E.G. promoted radical ideas for control of the State by private business interests.

From 1915 onwards International General Electric (I.G.E.), located at 120 Broadway in New York City, acted as the foreign investment, manufacturing, and selling organization for the General Electric Company. I.G.E. held interests in overseas manufacturing companies including a 25 to 30-percent holding in German General Electric (A.E.G.), plus holdings in Osram G.m.b.H. Kommanditgesellschaft, also in Berlin. These holdings gave International General Electric four directors on the board of A.E.G., and another director at Osram, and significant influence in the internal domestic policies of these German companies. The significance of this General Electric ownership is that A.E.G. and Osram were prominent suppliers of funds for Hitler in his rise to power in Germany in 1933. A bank transfer slip dated March 2, 1933 from A.E.G. to Delbruck Schickler & Co. in Berlin requests that 60,000 Reichsmark be deposited in the "Nationale Treuhand" (National Trusteeship) account for Hitler's use. This slip is reproduced on page 56.

I.G. Farben was the most important of the domestic financial backers of Hitler, and (as noted elsewhere) I.G. Farben controlled American I.G. Moreover, several directors of A.E.G. were also on the board of I.G. Farben — i.e., Hermann Bucher, chairman of A.E.G. was on the I.G. Farben board; so were A.E.G. directors Julius Flechtheim and Walter von Rath. I.G. Farben contributed 30 percent of the 1933 Hitler National Trusteeship (or takeover) fund.

Walter Fahrenhorst of A.E.G. was also on the board of Phoenix A-G, Thyssen A-G and Demag A-G — and all were contributors to Hitler's fund. Demag A-G contributed 50,000 RM to Hitler's fund and had a director with A.E.G.— the notorious Friedrich Flick, and early Hitler supporter, who was later convicted at the Nuremberg Trials. Accumulatoren Fabrik A-G was a Hitler contributor (25,000 RM, see page 60) with two directors on the A.E.G. board, August Pfeffer and Gunther Quandt. Quandt personally owned 75 percent of Accumulatoren Fabrik.

Osram Gesellschaft, in which International General Electric had a 16 2/3rds direct interest, also had two directors on the A.E.G. board: Paul Mamroth and Heinrich Pferls. Osram contributed 40,000 RM directly to the Hitler fund. The Otto Wolff concern, Vereinigte Stahlwerke A-G, recipient of substantial New York loans in the 1920s, had three directors on the A.E.G. board: Otto Wolff, Henry Nathan and Jakob Goldschmidt. Alfred Krupp yon Bohlen, sole owner of the Krupp organization and an early supporter of Hitler, was a member of the Aufsichsrat of A.E.G. Robert Pferdmenges, a member of Himmler's Circle of Friends, was also a director of A, E.G.

In other words, almost all of the German directors of German General Electric were financial supporters of Hitler and associated not only with A.E.G. but with other companies financing Hitler.

Walter Rathenau[14] became a director of A,E.G. in 1899 and by the early twentieth century was a director of more than 100 corporations. Rathenau was also author of the" Rathenau Plan," which bears a remarkable resemblance to the "Swope Plan" — i.e., FDR's New Deal but written by Swope of G.E. *In other words, we have the extraordinay coincidence that the authors of New Deal-tike plans in the U.S. and Germany were also prime backers of their implementers: Hitler in Germany and Roosevelt in the U.S.*

Swope was chairman of the board of General Electric Company and International General Electric. In 1932 the American directors of A.E.G, were prominently connected with American banking and political circles as follows:

| | |
|---|---|
| GERARD SWOPE | Chairman of International General Electric and president of General Electric Company, director of National City Bank (and other companies), director of A.E.G. and Osram in Germany. Author of FDR's New Deal and member of numerous Roosevelt organizations. |
| Owen D. Young | Chairman of board of General Electric, and deputy chairman, Federal Reserve Bank of New York. Author, with J. P, Morgan, of the Young Plan which superseded the Dawes Plan in 1929. (See Chapter One.) |
| CLARK H. Minor | President and director of International General Electric, director of British Thomson Houston, Compania Generale di Electtricita (Italy), and Japan Electric Bond & Share Company (Japan). |

In brief, we have hard evidence of unquestioned authenticity (see p, 56) to show that German General Electric contributed substantial sums to Hitler's political fund. There were four American directors of A.E.G. (Baldwin, Swope, Minor, and Clark), which was 80 percent owned by International General Electric. Further, I.G.E. and the four American directors were the largest single interest and consequently had the greatest single influence in A.E.G. actions and policies. Even further, almost all other directors of A.E.G. were connected with firms (I. G. Farben, Accumulatoren Fabrik, *etc.)* which contributed directly — as firms — to Hitler's political fund. However, only the German directors of A.E.G were placed on trial in Nuremburg in 1945.

**Technical Cooperation with Krupp**

Quite apart from financial assistance to Hitler, General Electric extended its assistance to cartel schemes with other Hitler backers for their mutual benefit and the benefit of the Nazi state. Cemented tungsten carbide is one example of this G.E.-Nazi cooperation. Prior to November 1928, American industries had several sources for both tungsten carbide and tools and dies containing this hard-metal composition. Among these sources were the Krupp Company of Essen, Germany, and two American firms to which Krupp was then shipping and selling, the Union Wire Die Corporation and Thomas Prosser & Son. In 1928 Krupp obligated itself to grant licenses under United States patents which it owned to the Firth-Sterling Steel Company and to the Ludlum Steel Company. Before 1928, this tungsten carbide for use in tools and dies sold in the United states for about $50 a pound.

The United States patents which Krupp claimed to own were assigned from Osram Kommanditgesellschaft, and had been previously assigned by the Osram Company of Germany to General Electric. However, General Electric had also developed its own patents, principally the Hoyt and Gilson patents, covering competing processes for cemented tungsten carbide. General Electric believed that it could utilize these patents independently without infringing on or competing with Krupp patents. But instead of using the G.E. patents independently in competition with Krupp, or testing out its rights under the patent laws, General Electric worked out a cartel agreement with Krupp to pool the patents of both

parties and to give General Electric a monopoly control of tungsten carbide in the United States.

The first step in this cartel arrangement was taken by Carboloy Company, Inc., a General Electric subsidiary, incorporated for the purpose of exploiting tungsten carbide. The 1920s price of around $50 a pound was raised by Carboloy to $458 a pound. Obviously, no firm could sell any great amounts of tungsten carbide in this price range, but the price would maximize profits for G.E. In 1934 General Electric and Carboloy were also able to obtain, by purchase, the license granted by Krupp to the Ludlum Steel Company, thereby eliminating one competitor. In 1936, Krupp was induced to refrain from further imports into the United States. Part of the price paid for the elimination from the American market of tungsten carbide manufactured abroad was a reciprocal undertaking that General Electric and Carboloy would not export from the U.S. Thus these American companies tied their own hands by contract, or permitted Krupp to tie their hands, and denied foreign markets to American industry. Carboloy Company then acquired the business of Thomas Prosser & Son, and in 1937, for nearly $1 million, Carboloy acquired the competing business of the Union Wire Die Corporation. By refusing to sell, Krupp cooperated with General Electric and Carboloy to persuade Union Wire Die Corporation to sell out.

Licenses to manufacture tungsten carbide were then refused. A request for license by the Crucible Steel Company was refused in 1936. A request by the Chrysler Corporation for a license was refused in 1938. A license by the Triplett Electrical Instrument Company was refused on April 25, 1940. A license was also refused to the General Cable Company. The Ford Motor Company for several years expressed strong opposition to the high-price policy followed by the Carboloy Company, and at one point made a request for the right to manufacture for its own use. This was refused. As a result of these tactics, General Electric and its subsidiary Carboloy emerged in 1936 or 1937 with virtually a complete monopoly of tungsten carbide in the United States.

In brief, General Electric — with the cooperation of another Hitler supporter, Krupp — jointly obtained for G,E. a monopoly in the U.S. for tungsten carbide. So when World War II began, General Electric had a monopoly at an established price of $450 a pound — almost ten times more than the 1928 price — and use in the U.S. had been correspondingly restricted,

### A.E.G. Avoids the Bombs in World War II

By 1939 the German electrical industry had become closely affiliated with two U.S. firms: International General Electric and International Telephone and Telegraph. The largest firms in German electrical production and their affiliations listed in order of importance were:

| Firm and Type of Production | Percent of German 1939 production | U.S. Affiliated Firm |
|---|---|---|
| ***Heavy Current Industry*** | | |
| General Electric (A.E.G. ) | 40 percent | International General Electric |
| Siemens Schukert A.G. | 40 percent | None |
| Brown Boveri et Cie | 17 percent | None |
| ***Telephone and Telegraph*** | | |
| Siemens und Halske | 60 percent | None |
| Lorenz A.G. | 85 percent | I.T.T |
| ***Radio*** | | |
| Telefunken (A.E.G. | 60 percent | International General |

| | | |
|---|---|---|
| after 1941) | | Electric |
| Lorenz | 35 percent | I.T.T. |
| ***Wire and Cable*** | | |
| Felton & Guilleaume A.G. | 20 percent | I.T.T. |
| Siemens | 20 percent | None |
| A.E.G. | 20 percent | International General Electric |

In other words, in 1939 the German electrical equipment industry was concentrated into a few major corporations linked in an international cartel and by stock ownership to two .major U.S. corporations. This industrial complex was never a prime target for bombing in World War II. The A.E.G. and I.T.T. plants were hit only incidentally in area raids and then but rarely. The electrical equipment plants bombed as targets were not those affiliated with U.S. firms. It was Brown Boveri at Mannheim and Siemensstadt in Berlin — which were *not* connected with the U.S. — who were bombed. As a result, German production of electrical war equipment rose steadily throughout World War II, peaking as late as 1944. According to the U.S. Strategic Bombing Survey reports, "In the opinion of Speers' assistants and plant officials, the war effort in Germany was never hindered in any important manner by any shortage of electrical equipment."[15]

One example of the non-bombing policy for German General Electric was the A. E.G. plant at 185 Muggenhofer Strasse, Nuremburg. Study of this plant's output in World War II is of interest because it illustrates the extent to which purely peacetime production was converted to war work. The pre-war plant manufactured household equipment, such as hot plates, electric ranges, electric irons, toasters, industrial baking ovens, radiators, water heaters, kitchen ovens, and industrial heaters. In 1939, 1940 and 1941, most of the Nuremburg plant's production facilities were used for the manufacture of peacetime products. In 1942 the plant's production was shifted to manufacture of war equipment. Metal parts for communications equipment and munitions such as bombs and mines were made. Other war production consisted of parts for searchlights and amplifiers. The following tabulation very strikingly shows the conversion to war work:

| Year | Total sales in 1000 RM | Percent for war | Percent ordinary production |
|---|---|---|---|
| 1939 | 12,469 | 5 | 95 |
| 1940 | 11,754 | 15 | 85 |
| 1941 | 21,194 | 40 | 60 |
| 1942 | 20,689 | 61 | 39 |
| 1948 | 31,455 | 67 | 33 |
| 1944 | 31,205 | 69 | 31 |

The actual physical damage by bombing to this plant was insignificant. No serious damage occurred until the raids of February 20 and 21, 1945, near the end of the war, and then protection had been fairly well developed. Raids during which bombs struck in the plant area and the trifling damage done are listed as follows:

| Date of raid | Bombs striking plant | Damage done |
|---|---|---|
| March 8, 1943 | 30 stick type I.B. | Trifling, but 3 storehouses outside the main plant destroyed. |

| | | |
|---|---|---|
| Sept. 9, 1944 | None (blast damage) | Trifling, glass and blackout curtain damage. |
| Nov. 26, 1944 | 14000 lb. HE in open space in plant grounds | Wood shop destroyed, water main broken. |
| Feb. 20, 1945 | 2 HE | 3 buildings damaged. |
| Feb. 21, 1945 | 5 HE, many I.B.'s | Administration bldg. destroyed & enameling works damaged by HE. |

Another example of a German General Electric plant not bombed is the A.E.G. plant at Koppelsdorf producing radar sets and bomber antennae. Other A.E.G. plants which were not bombed and their war equipment production were:

**LIST OF A.E.G. FACTORIES NOT BOMBED IN WORLD WAR II**

| | Name of Branch | Location | Product |
|---|---|---|---|
| 1. | Werk Reiehmannsdoff mit Unterabteilungen in Wallendorf und Unterweissbach | Kries Saalfeld | Measuring Instruments |
| 2. | Werk Marktschorgast | Bayreuth | Starters |
| 3. | Werk F18ha | Sachsen | Short Wave Sending Sets |
| 4. | Werk Reichenbach | Vogtland | Dry Cell Batteries |
| 5. | Werk Burglengefeld | Sachsen/S.E. Chemnitz | Heavy Starters |
| 6. | Werk Nuremburg | Belringersdorf/ Nuremburg | Small Components |
| 7. | Werk Zirndorf | Nuremburg | Heavy Starters |
| 8. | Werk Mattinghofen | Oberdonau | 1 KW Senders 250 Meters & long wave for torpedo boats & U-boats |
| 9. | Unterwerk Neustadt | Coburg | Radar Equipment |

That the A.E.G. plants in Germany were not bombed in World War II was confirmed by the United States Strategic Bombing Survey, officered by such academics as John K. Galbraith and such Wall Streeters as George W. Ball and Paul H. Nitze. Their "German Electrical Equipment Industry Report" dated January 1947 concludes:

> *The industry has never been attacked as a basic target system, but a few plants,* i.e. *Brown Boveri at Mannheim, Bosch at Stuutgart and Siemenstadt in Berlin, have been subjected to precision raids; many others were hit in area raids.*[17]

At the end of World War II an Allied investigation team known as FIAT was sent to examine bomb damage to German electrical industry plants. The team for the electrical industry consisted of Alexander

G.P.E. Sanders of International Telephone and Telegraph of New York, Whit-worth Ferguson of Ferguson Electric Company, New York, and Erich J. Borgman of Westinghouse Electric. Although the stated objective of these teams was to examine the effects on Allied bombing of German targets, the objective of this particular team was to get the German electrical equipment industry back into production as soon as possible. Whirworth Ferguson wrote a report dated March 31, 1945 on the A.E.G. Ostland-werke and concluded, "this plant is immediately available for production of fine metal parts and assemblies.[18]

To conclude, we find that both Rathenau of A.E.G. and Swope of General Electric in the U.S. had similar ideas of putting the State to work for their own corporate ends. General Electric was prominent in financing Hitler, it profited handsomely from war production — and yet it managed to evade bombing in World War II. Obviously the story briefly surveyed here deserves a much more thorough — and official — investigation.

Footnotes:

[1]For the technical details see the three-volume study, Antony C. Sutton, *Western Technology and Soviet Economic Development,* (Stanford, California: Hoover Institution Press, 1968, 1971), 1973), hereafter cited as *Western Technology Series.*

[2](New York: Arlington House Publishers, 1975)

[3]*New York Times,* October 6, 1936. See also Antony C. Sutton, *Wall Street and FDR, op. cit.*

[4]Of course, socialist pleading by businessmen is still with us. Witness the injured cries when President Ford proposed deregulation of airlines and trucking. See for example *Wall Street Journal,* November 25, 1975.

[5]Mimeographed Translation in Hoover Institution Library, p. 67. Also see Walter Rathenau, *In Days to Come,* (London: Allen & Unwin, n.d.)

[6]Ibid, p. 249.

[7]*New York Times,* July 2, 1929.

[8]Ibid, July 28, 1929.

[9]Ibid, August 2, 1929 and August 4, 1929.

[10]Ibid, August 6, 1929.

[11]Ibid, February 2, 1930.

[12]Ibid, February 2, 1930.

[13]Ibid, May 11, 1930. For the prewar machinations of General Electric, Osram, and the Dutch company N.V. Philips Gloeilampenfabrieken of Eindhoven Holland, see Chapter 11, *"Electric* Eels," in James Stewart Martin, *op cit.* Martin was Chief of the Economic Warfare Division of the U.S. Department of Justice and comments that "The A.E.G. of Germany was largely controlled by the American company, General Electric." The assumption by this author is that the G.E. influence was somewhat less than controlling although substantial enough. Because of Martin's official position and access to official documents, not known to the author, his

statement that A.E.G. was "largely controlled" by U.S. General Electric cannot be lightly dismissed. However, if we accept that G.E. "largely controlled" A.E.G., then the most serious questions arise which clamor for investigation. A.E.G. was a prime financier of Hitler and "control" would more deeply implicate the U.S. parent company than is suggested by the evidence presented here.

[14]Son of Emil Rathenau, founder of A.E.G., born in 1867 and assassinated in 1922.

[15]The United States Strategic Bombing Survey, *German Electrical Equipment Industry/Report,* (Equipment Division, January 1947), p. 4.

[16]U.S. Strategic Bombing Survey, *Plant Report of A.E.G. (Allgemeine Elektrizitats Gesellschaft),* Nuremburg, Germany: June 1945), p. 6.

[17]p. 3. Consequently, "production during the war was adequate until November 1944" and "in the opinion of Speer assistants and plant officials the war effort in Germany was never hindered in any important manner by any shortage of electrical equipment." Difficulties arose only at the very end of the war when the whole economy was threatened with collapse. The report concluded, "All important needs for electrical equipment in 1944 may therefore be said to have been met, since plans were always optimistic."

[18]U.S. Strategic Bombing Survey, *AEG-Ostlandwerke GmbH,* by Whitworth Ferguson, 31 May 1945.

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