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The Wall Street-Ruhr Alliance

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WITH the conclusion of the Paris agreements, framed hurriedly, in a matter of a few weeks, and signed on October 23, the Western Powers have set out to bring the German militarists back on the scene, that is, to reanimate the forces which engineered two world wars and are trying to precipitate a third. The basis is thus being laid for a new crime against mankind.

Who stands to gain from these agreements? The elements especially interested in their implementation are the big war monopolies of the capitalist world, including the U.S.A., Britain and France, for they will certainly make a handsome profit out of the remilitarization of Western Germany and the frenzied arms drive that will be set off in the West. The London and Paris agreements owe their chief inspiration to the American and Bonn war monopolies. They, and their political agents, worked behind the scenes to consummate the division of Germany and the re-creation of the Wehrmacht in its Western part. For them this means business—and profits—on a scale hitherto unknown.

Nor was there any difficulty in arranging this compact. The U.S. and German monopolists had close connections before the first world war. They were further cemented in the years preceding the second world war, and secretly maintained at the height of the war, in the forties. And after the war, it was the American munition monopolies that helped their West-German counterparts retain their

plants and advance to a dominant position in the Bonn Reich.

Today the leadership of the ruling plutocracy in Western Germany is made up basically of associates, partners and agents of the American war monopolies.

I

In the nine years since the war there has been a significant realignment within the West-German monopoly hierarchy. The process was a complex one and was frequently attended by sharp clashes of interests. But in the end, supreme leadership in industry, finance and politics went to a tight group organized around the Deutsche Bank.

This is the very same bank which, more than half a century ago, assisted at the birth of German imperialism. It was the chief organizer of German capital exports, the initiator of imperial Germany's projects of world supremacy: the Berlin-Bagdad Railway, the Mittel-Europa plan, the various schemes for German colonization of the Middle East, Africa, China, and so on. Two of its directors, Helfferich and Kühlmann, held key cabinet posts under Wilhelm II, and a third, Arthur von Gwinner, was one of the Kaiser's intimate advisers.

The Deutsche Bank has gained a predominant position in Bonn Germany, largely due to the efforts of Dr. Adenauer, who has long-standing connections with it. They date back

to the Welmar years, when the present Federal Chancellor was Mayor of Cologne and a member of the bank's supervisory council. The Deutsche Bank is the financial mainstay of the Christian-Democratic Union, the ruling party in Bonn. But it is equally true to say that the CDU is the political mainstay of the Deutsche Bank. Its directors have traditionally maintained close relations with the Catholic clerical element in the Rhineland and Bavaria—the forces grouped around Cardinals Faulhaber and Frings—and were thus ensured direct contact with the Vatican. It is these forces which, beginning with 1945, the Western Powers have advanced to regnant positions in the Bonn Reich.

But that is not the only connection. The Deutsche Bank was closely associated with all the leading trusts and concerns in the Ruhr heavy industries—the Steel Trust, the Krupp, Klöckner, Haniel, Hoesch, Mannesmann, and the I.G. Farbenindustrie chemical monopoly, of which it was one of the founders.

After the war the Western occupation authorities “decentralized” the bank, breaking it up into four organizations. But the “decentralization” was purely fictitious—to all intents and purposes the four banks today comprise a single financial monopoly.

It has penetrated every pore of the economy, and every sphere of political life. Directly or indirectly, its activities and influence extend to every branch of industry and to all the big plants in Western Germany. Its present head, Hermann Abs, financial adviser to Hitler who was listed as a war criminal in 1945, is now a board member of over twenty leading companies, chairman of the supervisory council of the Badische Anilin- und Sodafabrik, the kernel of the old I.G. Farben empire, and head of the organization that is working to rebuild that empire. Among the other concerns in which he holds directorships are the Karlsruhe Industrie-Werke (ordnance), Siemens (electrical equipment) and Metallgesellschaft (non-ferrous metals for the war industries). Abs is one of Adenauer's principal economic advisers.

Another leading figure in the Deutsche Bank group is Robert Pferdmenges, likewise listed as a war criminal, and reputed to be the richest man in Western Germany. He is a close personal friend of Adenauer's and the founder and financial backer of his party, the

Christian-Democratic Union. Pferdmenges is vice-chairman of the supervisory council of Vereinigte Stahlwerke (the Thyssen and Dinkelbach controlled steel trust), a member of the supervisory council of the Klöckner concern (heavy industries), and of AEG (electrical engineering). Other Deutsche Bank men are Robert Lehr, former Home Minister in the Bonn government, and for many years a board member of the bank and of the Steel Trust; Günter Henle, head of the Klöckner concern, a CDU member of the Bundestag and a board member of Siemens; and Kurt Weigelt, a former director of the bank and one of the sponsors of German colonization in Turkey and the Balkans. In 1945 Weigelt was listed as a nazi war criminal, and is now chairman of the supervisory council of the Lufthansa, of which he was general manager under Hitler.

A list of all Deutsche Bank directors and associates who hold official posts in Bonn would probably take up many pages. But even this partial list fully establishes the main fact: the Adenauer political coterie, the Deutsche Bank financial alignment and the old German war monopolies comprise one single group.

The Deutsche Bank created and cemented this group. But it owes its advent to power in Western Germany to another, and incomparably more powerful, group—the American war monopolists whose chief political agents are the Dulles brothers.

II

A close connection between the American and German monopolies already existed in the years between the two world wars. The Deutsche Bank was one of the most zealous of Wall Street's middlemen in the operation of the Dawes and Young plans which opened the spigot of dollar financing of the German war economy. That was the period when many German monopolies built up contractual relations with American corporate interests. The Dulles brothers, acting on behalf of the U.S.-Anglo-German bank of Schröder and the New York banking house of Dillon, Read and Co., were in direct contact with most of the German munitions trusts.

It was American capital that saved Krupp from bankruptcy in 1924: the firm was given a loan of ten million dollars to reorganize and

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expand its ordnance plants. Krupp's connections with the American steel monopolies, notably Carnegie and Bethlehem Steel, date back to the turn of the century. Krupp's sold them their armoured plate patents.

In the years between the two world wars, Dillon, Read and Schröder extended substantial credits also to Stinnes, Thyssen, Haniel, Siemens, AEG, the Steel Trust and other German concerns. The Schröder organization in New York was headed by Allen Dulles, the present chief of America's intelligence service. His brother, John Foster Dulles, the present Secretary of State, was a director of the International Nickel Co. and a trustee of the Rockefeller Foundation. One of the German Schröders, Baron Kurt von Schröder, financed the Nazi Party and was subsequently made a general of the SS, Himmler's brown-shirt cutthroats. In fact, he was commonly known as the "SS banker." But the headquarters of the bank were in New York, and in charge of Allen Dulles.

The president of Dillon, Read, the bank which poured hundreds of millions of dollars into the German war industry, was James Forrestal, who later became U.S. Secretary of Defence, and the vice-president, William Draper, later Under-Secretary of the Army. The bank operated in close contact with the Morgan and Rockefeller groups.

In the years between the two world wars, I.G. Farben concluded a number of production and marketing agreements with the Rockefeller, Mellon and duPont interests, covering a number of key war materials. The directors of I.G. Farben's American branch, American I.G. Chemical Corp., included Walter Teagle, president of Standard Oil (New Jersey), Edsel Ford (son of Henry Ford), and Paul Warburg, representing the big banking house of Kuhn, Loeb & Co.

In June 1943, at the height of the war, at a meeting of Standard Oil shareholders, the chairman was asked whether he was prepared to give an assurance that Standard Oil would not resume its association with I.G. Farben after the war, or would do so only under pressure of the American government. The reply was: "No, sir, I am not prepared to give such an assurance."

Allen Dulles spent the war years in Switzerland as head of the American intelligence net-

work in Europe. One of his principal tasks was to build up contact with German political and military leaders who had lost faith in a Nazi victory and were inclined to conclude a separate peace with the United States and Britain and organize a "common front" against the Soviet Union. It is an open secret now that towards the end of the war this group was secretly joined by certain influential West-German monopoly tycoons closely associated with Adenauer and the Deutsche Bank. At a time when American soldiers were being shot down by German bullets, the American monopolies were keeping up their connections with the German munitions barons.

The plants of the top German monopolies had practically been exempt from U.S. and RAF air attacks. That was learned immediately after the war, together with the fact that the U.S. occupation administration in Western Germany was no more than an agency acting for American war monopolies linked with the Deutsche Bank group. General Draper, of Dillon, Read, the bank that had made big loans to the Ruhr steel concerns, was placed at the head of the economic division of the U.S. military administration and in 1952 was appointed special U.S. representative at NATO headquarters to direct allocation of U.S. military "aid." A former Dillon, Read vice-president, Paul Nitze, is now director of the policy planning staff at the U.S. State Department. General Lucius D. Clay, now a director of General Motors, the big duPont-Morgan war-industrial concern, was appointed head of the American military administration in Western Germany.

John J. McCloy, who was appointed U.S. High Commissioner in Western Germany in 1949, is now chairman of the Rockefeller Chase National Bank. Mrs. McCloy is a cousin of Dr. Adenauer's first wife; Dr. Adenauer's brother-in-law, John S. Zinsser, is director of a Morgan bank in New York and vice-president of Merck & Co., the big Philadelphia chemical concern which is a branch of the Darmstadt firm of the same name. Another Merck director is Edward Green, from the Dulles law firm of Sullivan & Cromwell.

McCloy's deputy in Western Germany was Benjamin Battenwieser of Kuhn, Loeb, which is closely associated with a number of American and German war monopolies, notably the

Westinghouse and Harriman groups and I.G. Farben. Kuhn, Loeb is now represented in Western Germany by the Hamburg banking house of Brinckmann, Wirtz & Co., whose head, Rudolf Brinckmann, ranks high in the financial policy-making group and is vice-chairman of the German-American Economic Union.

In the nine years 1945-54, the U.S. occupation authorities in Western Germany founded and consolidated the Adenauer regime and prevented the destruction of the Nazi war monopolies—in violation of the obligations undertaken by the Western Powers during the war. But they did more than that: they nursed these monopolies back to life and securely tied them again to the big American munitions interests, thereby laying the foundations of the American-Bonn oligarchy, now the driving force behind Western European Union, which the British and French monopolists are likewise helping to build.

Of course, the German monopolists play second fiddle in this combination. Their American partners have taken advantage of their dominant position to plunder Germany and snatch up a very sizable portion of the property of the German concerns. Billions of marks in German assets have passed to Wall Street. And if the Bonn plutocrats consent to such an arrangement and are prepared to accept a junior partnership, they do so with a very definite purpose: they hope to win positions which under the present circumstances they could otherwise hardly hope to secure.

III

In 1948, Hermann Abs, head of the Deutsche Bank, was appointed chairman of the newly-founded Reconstruction Credit Bank which handled the disbursement of all American credits in Western Germany. This virtually made the Deutsche Bank Wall Street's official cashier, and its agents were appointed to key economic and political positions in the Bonn Reich. Deutsche Bank men sat on the "decentralization" commission, that is, in the agency which directed the re-establishment of the German trusts, in the German-French heavy industry liaison committees, and similar bodies. Abs, Pferdmeniges and Henle represented Bonn on the Schuman plan committee; Henle

was made an executive member of the German United Europe council; Abs took over the chairmanship of the German-American Economic Union and this year also became chairman of the Council of Europe's Economic Committee; Pferdmeniges is chairman of the committee for promotion of trade with America.

Significantly enough, a Franco-American financier, Jean Monnet, was chosen to negotiate the formation of a Franco-German heavy industry syndicate. Monnet's partner, Georges Murnane, has an interest in the New York Lazard Brothers Bank and is a trustee of one of the Rockefeller "charitable" foundations. In other words, the American billionaires who have injected new life into the Bonn war monopolies have brought them into close contact with French monopoly interests.

In 1946 British capital made a very strong bid for mastery of the Ruhr, which is part of the British occupation zone. Its plan was to set up an Anglo-German heavy industry alliance, a sort of Birmingham-Ruhr axis, with Birmingham, of course, holding the whip hand. That plan, on which the British pinned great hopes, failed. And though British capitalists still have an interest in a number of Bonn industrial and financial enterprises, their influence on the central, key group of war monopolies is incomparably smaller than that of the Americans. British capital has been pushed down to third place in Western Germany, but, since the British war monopolies and their political representatives in the British government are pledged to support Western European Union and Bonn remilitarization, they have presumably been promised a slice of the armaments pie and probably a wider margin in some of the munitions markets.

In a brief three years, 1948-1950, 42,800 million marks were invested in West-German industry. Today the sum has probably topped the 100,000 million level, of which no less than 70,000 million have gone into industries capable of producing for war. In 1952 it was established that nearly 42 per cent of all the capital stock in Western Germany was controlled, directly or indirectly, by foreign interests, with U.S. interests controlling 36.8 per cent of the total.

The old Stinnes concern had been converted into an American firm in which a leading part

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is played by Victor Emanuel, the head of one of America's biggest aircraft monopolies. The Opel concern has become part of General Motors (Morgan-duPont), whose former president, Charles Wilson, is now U.S. Secretary of Defence. The big AEG combine is controlled by General Electric (Morgan), whose vice-president, William Herod, was appointed coordinator of military production at NATO headquarters in 1951. It is apparently with his blessing that AEG has already resumed output of military items. Several other West-German electrical firms are now the property of International Telephone and Telegraph (Morgan), and are headed by Gerhard Westrick—nazi war criminal, personal friend of John Foster Dulles and representative of the Dulles law firm in Western Germany. Gerhard's brother, Ludger Westrick, was a close friend of Göring, special war-industry representative under Hitler, and since 1951 has been Secretary of State at the Bonn Ministry of Economy. Through the Westricks, the Morgan and Rockefeller groups (represented by the Dulles brothers), were able to regain their influence over the Lorenz concern, which had connections with the Focke-Wulf aircraft interests.

It comes as no surprise that German industrial firms intimately linked with the American monopolies have been able to increase their profits so substantially. Last year's profits of the Opel company (a General Motors subsidiary) were so high that *Handelsblatt*, mouthpiece of the Ruhr industrialists, en-

viously remarked that they would soon amount to over 150 per cent of the company's capital stock. Another West-German firm, Phönix, which is closely associated with the American Firestone firm, has raised its 1954 dividends by one third. Higher profits are also reported by Mix & Genest (International Telephone and Telegraph), Stinnes, and many other companies.

These facts cast a lurid light on the real nature of Bonn-U.S. relations and on the backstage deals that are being concluded between the war monopoly groups of the two countries. Indeed, it is in their interests that the Paris agreements were concluded, and that their ratification is being pushed through with such unholy haste, so as to build up a new nazi-type army in the heart of Europe. It is estimated in Bonn that over 100,000 million marks will have to be spent in the first three years alone to finance the remilitarization program. The prospect for the European death merchants has never looked so rosy. The West-German war-industrial trusts, revitalized by dollar increments, are prepared to sow death in Europe for the sake of still higher profits.

That plan was conceived by the billionaire death merchants long ago and has been carefully worked out. Who can prevent its realization?

The people, the common people, whom the munitions barons choose to disregard. It will be thwarted by the nations of Europe and the world, for they do not want another war.