

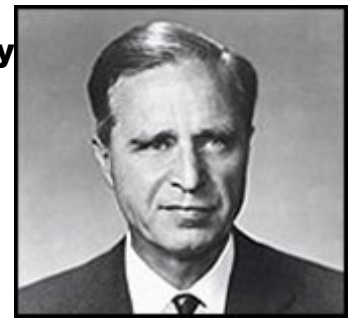


Out of gas - out of ammo - out of time

One of Rommel's tankers surrenders at El Alamein

## Project 60: A Day-by-Day Diary of WWII

# Remembering the First Fight Against Fascism



Prescott Bush - Hitler's Angel

The Nazi's banker in America

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## October 20, 1942

The U.S. government, under the *Trading with the Enemy Act*, ordered the seizure of Nazi German banking operations in New York City that were being conducted by Prescott Bush. The U.S. Alien Property Custodian seized Union Banking Corp.'s stock shares, all of which were owned by Prescott Bush, Avrell Harriman, three Nazi executives, and two other associates of Bush (see sidebar for details).

Allied aircraft start a four-day battle to smash Axis air power and gain air superiority over the El Alamein area in preparation for Montgomery's long awaited offensive.

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## October 21, 1942

At Stalingrad, German forces launch a massive attack against the Soviet positions in the Barricades and the Red October Factory. Little gains are achieved for very heavy losses.

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## Editor's Corner

The items found in this section are comments from the editors of Project 60 and may not necessarily reflect the opinions of *bartcop*.

### Hitler's Angel

Many of the great houses of American industry and finance had very dirty hands when it came to dealing with the Nazis. General Motors, IBM, Standard Oil and many others have had their sorted dealings with the enemies of the United States aired in public forums. However, one criminal has had little exposure – Prescott Bush, father and grandfather to two occupants of the Whitehouse.

The story of Prescott Bush and his association with the Nazis begins just before the end of World War I with the dealings of the German industrialist family of Thyssen. As German hopes for victory sank into the mud filled trenches of the western front, August Thyssen, known as the "Rockefeller of the Rhur" opened the Bank voor Handel en

## October 22 1942

The Germans reinforce the attacks on the Barricades Factory with the 79<sup>th</sup> Infantry division, supported by armor. Heavy fighting broke the Soviet lines routing the Russians from the complex. The Germans were not stopped before they secured a foothold in the northwest corner of the Red October Factory.

Australian forces landed on Goodenough Island off New Guinea

A US submarine lands General Mark Clark on Algiers in a secret mission to meet with pro-Allied French officers in Algiers attempting to assist in the upcoming landings in North Africa.

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## October 23, 1942

**The Battle of El Alamein** opens as Montgomery unleashes the British 8<sup>th</sup> Army. The attack begins with a 1000-gun barrage. After 20 minutes, 30 Corps sends four of its infantry divisions forward into the German minefields on a six mile front. The 8<sup>th</sup> Australian and 51<sup>st</sup> Highland Divisions attack toward “Kidney Ridge” while slightly to the south, the New Zealand Division supported by 1<sup>st</sup> South African Division strike toward the Miteirya Ridge.

At Stalingrad, German attacks in the factory district result in heavy fighting. Soviet forces are pushed out of 2/3 of the Red October Factory.

Japanese forces attempt to cross the Mataniko River on Guadalcanal but are thrown back with heavy loses (estimated at 600 killed).

US forces under the command of General George S. Patton, sail from Hampton Roads Virginia destined to land on the North African coast in Morocco.

The RAF launches bombing raids against Genoa and Turin, Italy.

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Scheepvaart in Rotterdam, placing his son Fritz at its head. The bank, being in neutral Holland, was an excellent place to hide his vast wealth as the Imperial Germany disintegrated. Meanwhile, his other son, Heinrich, married into Hungarian nobility and changed his name to Barron Thyssen Bornemisza de Kaszon.

After the war, Avrell Harriman, son of the rail baron E. H. Harriman, and his partner George Herbert Walker, was busy setting up their own international banking network. In 1922, Harriman met with Fritz Thyssen and agreed to set up banking interests for him in the states. By 1924, the Union Banking Corporation was born.

Meanwhile, back in Germany, the crippling effects of the war and the harsh conditions inflicted on the German economy due to the Versailles Treaty were causing widespread unrest. One of the players in this unrest was, of course, Adolph Hitler. Fritz Thyssen became an ardent follower of Hitler, embarrassing the ideas of the Nazis, especially his anti-union, anti-labor views. He provided Hitler with his first infusion of cash. Several German industrialists followed Thyssen’s lead and also donated to the Nazis. After the failed “Beer Hall Putsch” in 1923, many gave up on Hitler, but not Thyssen.

The late 1920’s saw a boom in the German economy. August Thyssen died, leaving his son Fritz in control of their vast holdings. Thyssen merged his

## October 24, 1942

The Battle at El Alamein continues as 1<sup>st</sup> (north) and 10<sup>th</sup> (south) Armored Divisions are committed to the 30 Corp breaches in the German minefield. Faint attacks to the south by 13 Corp keep the 21<sup>st</sup> Panzer Division in place but by dawn, 15<sup>th</sup> Panzer Division is launching counterattacks against the 30 Corp breaches. Fighting is intense throughout the day. By nightfall, lead elements of the 1<sup>st</sup> Armored Divisions began to immerge from the minefield, but 10<sup>th</sup> Armored to the south was still mired in the mines. Congestion was severe and German artillery was taking a heavy toll.

Fighting continues in the Red October and Barricades Factory in Stalingrad. The Soviet 37th Guard, 193d and 308th Rifle division, numbering 20,000 men a week ago, now field only a few hundred soldiers.

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## October 25, 1942

During the night, mounting casualties and delays in clearing the minefields in the southern corridor leads to a crisis in the British command. Montgomery, orders the bloody attack to continue. By morning, the lead brigade of 10<sup>th</sup> Armored immerges into the clear. 15 Panzer Division redoubles it's efforts against the breakthroughs and the day is once again dominated by heavy fighting around the ridges.

Montgomery made one change in plan and sent the 9<sup>th</sup> Australian Division north to cut off the Italian and German formations still manning the lines between the northern breakthrough and the coast. Rommel, on sick leave in Germany, returns to the command of Panzer Armeef Afrika.

German attacks on the northern end of Stalingrad concentrate on the salient at Spartanovka. Initially, the attacks succeeded in forcing the Soviets back, but the timely arrival of the Volga Flotilla and direct fire from their guns saved the situation for the Russians.

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## October 26, 1942

steel operations with Flick who owned many coal and steel interests throughout Germany and Poland, forming United Steel Works (USW). Walker and Harriman meanwhile sold \$50,000,000 in German bonds to bankroll the Thyssen/Flick Empire.

It was at this time that the young Prescott Bush entered the picture. Walker hired his new son-in-law to run the American side USW. Prescott was a hard worker and helped everyone involved make a great deal of money.

Then 1929 came. World financial markets crumbled to dust. However, the plutocrats –, Thyssen, Harriman and Flick maintained their empires. With the ever-deepening desperation setting into the mindset of the German public, Hitler's maniacal rants became more popular. Thyssen joined the Nazis and bankrolled their rise to power. By 1932, despite losing 35 seats in parliament in the national election, the Nazis were able to broker a power sharing deal. By 1934 Hitler was the dictator of Germany.

Hitler wanted to see the rebirth of Germany. He began a massive campaign to build the autobahn and rebuild his military. All of this needed steel, steel which Thyssen and Flick controlled. Profits for the Bank voor Handel en Scheepvaart and the Union Banking Corporation soared. Prescott Bush became managing director of Union Banking Corporation and personally ran

The **Battle of Santa Cruz** was fought as the Japanese fleet of 45 capital ships including two fleet carriers and four battleships met a US fleet of 23 ships (2 carriers and one battleship). The attack began in the morning hours as *Enterprise* planes bombed carrier *Zuiho* while planes from *Hornet* severely damaged carrier *Shokaku*, and cruiser *Chikuma*. Meanwhile, the American carriers came under attack. *Hornet* was attacked and damaged so badly that she had to be abandoned. *Enterprise* was hit twice by bombs that killed 44 killed and wounded 75, but she stayed in action taking many of *Hornet's* orphaned planes on board. The US destroyer *Porter* while running air-sea rescue operations was sunk by a torpedo from the Japanese submarine *I-21*. Although the American's lost a carrier and a destroyer to the Japanese loss of a single light cruiser, the battle was a strategic victory for the Americans. With the loss of over a hundred planes and heavy damage to her carriers, the Japanese were compelled to remove their carriers from the area leaving the airspace over Guadalcanal in American hands.

Heavy fighting is once again reported in Stalingrad, as the German 79<sup>th</sup> Infantry Division drives against the newly arrived 39<sup>th</sup> Guard Rifle Division. The 62<sup>nd</sup> Army HQ once again comes under fire and its Guard company is dispatched to shore up the lines.

Both sides continued to attack at El Alamein but the only advances made were by the 9<sup>th</sup> Australian Division toward the coast. Allied air superiority began to show its effects as German armored formation are ravaged. Fuel shortages are becoming critical for the Axis armored formations and they only get worse when two tankers – *Proserpina* and *Tergesta* – are sunk.

Transport ships left British ports for their invasion in North Africa. Operation Torch, the first Anglo-American amphibious assault in Europe had begun.

The British failed in an attempt to sink the German battleship *Tirpitz*. A Norwegian naval officer, Leif Larsen, operating a fishing boat snuck into the anchorage at Trondheim Fiord. The plan was to launch a pair of Chariot manned torpedoes at the battleship, but just before the attack was to commence, a squall came up and the torpedoes were lost.

the German end of the business.

However, all was not rosy for the gang. The Polish government was growing weary of Flick's operations in Poland and threatening to take over the businesses claiming fraudulent bookkeeping, securities fraud, tax evasion and excessive borrowing. The conflict with the Polish government ended when Hitler invaded, destroying that nation and, starting World War II in Europe.

Thyssen and Flick's Polish steel interests were centered at Oswiecim in the heart of a vast coal and steel-producing region. After Hitler's takeover, he decided to place a forced labor camp in the area in order to exploit the resource rich state. That camp became Auschwitz.

Thyssen and Flick, fearing a repeat of the collapse of Germany after WWI, bailed out, selling their Polish interests to Union Banking Corporation and fleeing Germany. As it turned out, Fritz and his brother Heinrich had made similar slights of hand between these banks and a third bank – The August Thyssen Bank of Berlin – many times, perpetrating a series of tax and securities frauds. Whenever there was a threat to the Thyssen Empire, the brothers would collude to hide their assets. In this case, Harriman became the controlling interest and Bush managed the former Polish enterprises, all of which were supplied labor from the camps at Auschwitz.

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### October 27, 1942

German forces drive hard for the last ferry crossing not under direct German fire. Elements of the 45<sup>th</sup> Rifle Division are rushed across to the landing site and as the soldiers leave the boats are rushed forward to the lines only a few hundred meters ahead. Half of the men landed, did not survive to see the sun set that day. By nightfall, the Germans are only 400 yards from the landing. There is now no place in Stalingrad that the Germans cannot direct fire.

RAF air raids on staging areas on the south end of the El Alamein line succeeded in wrecking German armor concentrations. A counter-attack by the 21st Panzer-Division to push the attacking British forces back into the German minefields fails, costing them 50 tanks leaving Rommel with 81 operational panzers.

Japanese forces began desperate attempts to land troops on Guadalcanal.

German attacks in the direction of Baku result in the rout of the Soviet 37th Army.

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### October 28, 1942

The US government issued orders seizing two Nazi front organizations run by the Bush-Harriman bank - the *Holland-American Trading Corporation* and the *Seamless Steel Equipment Corporation*.

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### October 29, 1942

Montgomery redirects his attacks toward the center of the El Alamein line as the Germans reinforce the north end along the coastal road. German counter attacks in that area are stopped by tenacious Australian defenses.

The Japanese reoccupied Attu Island.

On December 13, 1941, six days after the attack at Pearl Harbor, Roosevelt signed the "Trading With the Enemy Act". This act banned business dealings the enemies of the United States. Prescott Bush ignored this and continued to do business with the Nazis.

Prescott's dreams of riches began to crumble in the summer of 1942. The New York Tribune had discovered and written on the Bush-Thyssen connection. The Tribune hung the moniker of "Hitler's Angel" on Bush. On October 20, 1942, after investigation by the US government, Vesting Order 248 was executed. The order stated...

*Under the authority of the Trading with the enemy Act, as amended, and pursuant to law, the undersigned, after investigation, finding:*

*(a) That the property described as follows:*

*All of the capital stock of Union Banking Corporation, a New York corporation, New York, New York, ...[identifying E. Roland Harriman, Cornelius Lievense, Harold D. Pennington, Ray Morris, Prescott S. Bush, H.J. Kouwenhoven and Johann G. Groeninger as shareholders] ...*

*... all of which shares are held the benefit of Bank voor Handel en*

The Germans capture Nalchik in the Caucasus, only 50 miles from the Grozny oil fields.

The War Department announced that the Canadian-Alaskan "Alcan" military highway, which had been under construction since March, had been opened to military use. One of the greatest feats of civil/military engineering had been completed in record time.

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### October 30, 1942

British naval forces in the Mediterranean Sea near Port Said, track, attack and force the German submarine *U-559* to the surface. The German crew abandons the doomed vessel, but three men from the *HMS Petard* jump overboard and enter the sinking sub. The three daring swimmers rescue countless secret documents, among them the Short Weather Cipher and Short Signal Book which would allow the wizards at Bletchley Park to crack the German signals system. Two of the brave sailors, Anthony Fasso and Colin Grazier died when the submarine sunk suddenly, but their efforts would save thousands of lives. The third sailor, Tommy Brown, was found to have lied about his age and was discharged from service. He was killed two years later attempting to rescue his two sisters from a burning slum tenement.

The Australian 9<sup>th</sup> Division breaks the German lines at El Alamein and moves to blocking positions along the coastal highway, cutting off several Axis formations.

German forces clear the Red October Factory complex at Stalingrad.

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### October 31, 1942

Luftwaffe bombers hit Canterbury.

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### November 1, 1942

*Scheepvaart, N.V., Rotterdam, The Netherlands, which bank is owned or controlled by members of the Thyssen family, nationals of German and/or Hungary ...*

*(b) That the property described as follows ... is an interest in the aforesaid business enterprise held by nationals of an enemy country or countries, and also is property within the United States owned or controlled by nationals of a designated enemy country... deemed it necessary in the national interest, hereby vests such property in the Alien Property Custodian, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States....*

With that, Prescott Bush lost his power in the Union Banking Corporation. Bush resigned as managing director in 1943, but still retained his stock interests. For the remainder of the war, he engaged in fund raising activities and became the founder of the United Services Organizations (USO).

But the story, and the audacity, of Prescott Bush do not end here. For that, we must return to Fritz Thyssen.

After Holland was overrun in

Marines open a new set of attacks along the Poha River on Guadalcanal.

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## November 2, 1942

Operation Supercharge, the breakout and pursuit from El Alamein, commences as Montgomery launches the fresh 151 and 152 Infantry Brigades supported by the 9<sup>th</sup> Armored Brigade forward. This draws the last of the German armor into a counterattack, which is then countered, by attacks by 1<sup>st</sup> Armored Division. During the night, Rommel decides to begin his retreat from El Alamein. The beginning of the end of Axis hopes in North Africa had come.

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### Editor's Corner Archive:

[The Past Through Tomorrow](#) "It is quite frightening to realize just how similar our nation's actions have been and appear to be heading when compared this way..."

[Afghanistan and Vietnam](#): When the "war against terrorism" began, many knowledgeable people warned that our operations in Afghanistan would turn into another Vietnam.

[Want to Win - Think Before You Lash Out](#) - "If we are serious about taking the war to the enemy, it is time to look ..."

[The First Fight Against Fascism](#) - We must remember the Spanish Civil War also.

[Arguing Victory](#) - "... Each nation who fought against fascist tyranny in WWII brought with it part of whole needed to defeat that evil..."

[War, Glory, Honor and Remembrance](#) - "War is a brutal and savage insult on human society..."

1940, Hitler's auditors investigated the Bank voor Handel en Scheepvaart. Hitler was after Fritz Thyssen's fortune, which had been transferred to the Netherlands after he fled Germany in 1939. Transfer of funds outside the Reich was illegal. However, no evidence was found in Rotterdam and Hitler imprisoned his one-time benefactor for the duration of the war. Unknown to Hitler, Thyssen had transferred his family's assets to his brother Heinrich in Hungary.

As the war ground on and German hopes faded, Thyssen planned to transfer his empire back to "neutral" Rotterdam as in German and the Soviet bloc would not be recoverable. The only hitch in the plan was that the August Thyssen Bank of Berlin was destroyed in the war and the vault with all the Thyssen family papers were buried under a mountain of rubble. But the enterprising Thyssen brothers got Dutch authorities to dig up the vault and bring it back to The Netherlands.

Despite being held and interrogated by the Allies, Fritz Thyssen never told the authorities where his fortune was hidden and ultimately he was released from prison. He died in Argentina in 1951. Upon his death, the Alien Property Custodian released the assets of the Union Banking Corporation. The principles cashed out and the UBC was no more.

Prescott Bush received \$750,000

[The First Casualty](#)... in time of war, those in power are even more inclined to hide the truth, since that truth is often manifest in the most gruesome and terrible acts.

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Those wishing to contribute items, stories or comments should contact [D.A. Friedrichs](#)

for his share of Union Banking Corporation, a princely sum in 1951, but nothing compared to the millions the Thyssen family got back. Prescott used some of this Nazi cash to bankroll his son George Herbert Walker Bush's first business enterprise and to support his successful bid for Senate in 1952. The Thyssen's rebuilt their empire, and today, the Thyssen Group (TBG) is the largest industrial conglomerate in Germany.

D. A. Friedrichs

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This column relied heavily on the writings of John Loftus, President of the Florida Holocaust Museum and Tony Rogers of Clamor Magazine. I am greatly indebted to them for their work.