

Hitler's Carmaker: The Inside Story of How General Motors Helped Mobilize the Third Reich

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Part 1

James D. Mooney thrust his arm diagonally, watching its reflection in his hotel suite mirror. Not quite right. He tried once again. Still not right. Was it too stiff? Too slanted? Should his palm stretch perpendicular to the ceiling; should his arm bend at a severe angle? Or should the entire limb extend straight from shoulder to fingertips? Should his Sieg Heil project enthusiasm or declare obedience? Never mind, it was afternoon. Time to go see Hitler.

Just the day before, May 1, 1934, under a brilliant, cloudless sky, Mooney, president of the General Motors Overseas Corporation, climbed into his automobile and drove toward Tempelhof Field at the outskirts of Berlin to attend yet another hypnotic Nazi extravaganza. This one was the annual "May Day" festival.

Tempelhof Field was a sprawling, oblong-shaped airfield. But for May Day, the immense site was converted into parade grounds. Security was more than tense, it was paranoid. All cars entering the area were meticulously inspected for anti-Hitler pamphlets or other contraband. But not Mooney's. The Fuhrer's office had sent over a special windshield tag that granted the General Motors' chief carte blanche to any area of Tempelhof. Mooney would be Hitler's special guest.

As Mooney arrived at the airfield, about 3:30 in the afternoon, the spectacle dazzled him. Sweeping swastika banners stretching 33 feet wide and soaring 150 feet into the air fluttered from 43-ton steel towers. Each tower was anchored in 13 feet of concrete to resist the winds as steadfastly as the Third Reich resisted all efforts to moderate its program of rearmament and oppression.

Thousands of other Nazi flags fluttered across the grounds as dense column after column of Nazis, marching shoulder to shoulder in syncopation, flowed into rigid formation. Each of the 13 parade columns boasted between 30,000 and 90,000 storm troopers, army divisions, citizen brigades and blond-blue Hitler Youth enrollees. Finally, after four hours, the tightly packed assemblage totaled about 2 million marchers and attendees.

Hitler eventually arrived in an open-air automobile that cruised up and down the field amid the sea of devotees. Accompanied by cadres of SS guards, Hitler was ushered to the stage, stopping first to pat the head of a smiling boy. This would be yet another grandiose spectacle of Fuhrer-worship so emblematic of the Nazi regime.

When ready, Hitler launched into one of his enthralling speeches, made all the more mesmerizing by 142 loudspeakers sprinkled throughout the grounds. As the Fuhrer demanded hard work and discipline, and enunciated his vision of National Socialist destiny, the crisp sound of his voice traveled across an audience so vast that it took a moment or two for his words to reach the outer perimeter of the throng. Hence, the thunderous applause that greeted Hitler's remarks arrived sequentially, creating an aural effect of continuous, overlapping waves of adulation.

General Motors World, the company house organ, covered the May Day event glowingly in a several-page cover story, stressing Hitler's boundless affinity for children. "By nine, the streets were full of people waiting to see Herr Hitler go meet the children," the publication reported.

The next day, May 2, 1934, after practicing his Sieg Heil in front of a mirror, Mooney and two other senior executives from General Motors and its German division, Adam Opel A.G., went to meet Hitler in his Chancellery office. Waiting with Hitler would be Nazi Party stalwart Joachim von Ribbentrop, who would later become foreign minister, and Reich economic adviser Wilhelm Keppler.

As Mooney traversed the long approach to Hitler's desk, he began to pump his arm in a stern-faced Sieg Heil. But the Fuhrer surprised him by getting up from his desk and meeting Mooney halfway, not with a salute but a businesslike handshake.

This was, after all, a meeting about business — one of many contacts between the Nazis and GM officials that are spotlighted in this multipart JTA investigation that scoured and re-examined thousands of pages of little-known and restricted Nazi-era and New Deal-era documents.

This documentation and other evidence reveals that GM and Opel were eager, willing and indispensable cogs in the Third Reich's rearmament juggernaut, a rearmament that, as many feared during the 1930s would enable Hitler to conquer Europe and destroy millions of lives. The documentation also reveals that while General Motors was mobilizing the Third Reich and cooperating within Germany with Hitler's Nazi revolution and economic recovery, GM and its president, Alfred P. Sloan, were undermining the New Deal of Franklin D. Roosevelt and undermining America's electric mass transit, and in doing so were helping addict the United States to oil.

For GM's part, the company has repeatedly declined to comment when approached by this reporter. It has also steadfastly denied for decades — even in the halls of Congress — that it actively assisted the Nazi war effort or that it simultaneously subverted mass transit in the United States. It has also argued that its subsidiary was seized by the Reich during the war. The company even sponsored an eminent historian to investigate, and he later in his own book disputed many earlier findings about GM's complicity with the Nazis. In that book, he concluded that assertions that GM had collaborated with the Nazis even after the United States and Germany were at war "have proved groundless."

A fascination with four wheels

Hitler knew that the biggest auto and truck manufacturer in Germany was not Daimler or any other German carmaker. The biggest automotive manufacturer in Germany — indeed in all of Europe — was General Motors, which since 1929 had owned and operated the long-

time German firm Opel. GM's Opel, infused with millions in GM cash and assembly-line know-how, produced some 40 percent of the vehicles in Germany and about 65 percent of its exports. Indeed, Opel dominated Germany's auto industry.

Impressive production statistics aside, the Fuhrer was fascinated with every aspect of the automobile, its history, its inherent liberating appeal and, of course, its application as a weapon of war. While German automotive engineers were famous for their engineering innovations, the lack of ready petroleum supplies and gas stations in Germany, coupled with the nation's massive depression unemployment, kept autos out of reach for the common man in Nazi Germany. In 1928, just before the Depression hit, one in five Americans owned a car, while in Germany, ownership was one in 134.

In fact, just two months before Mooney's meeting at the Chancellery, Hitler had commented at the Berlin International Automobile and Motor Cycle Show: "It can only be said with profound sadness that, in the present age of civilization, the ordinary hard-working citizen is still unable to afford a car, a means of up-to-date transport and a source of enjoyment in the leisure hours."

Even if few Germans could afford cars — GM or otherwise — the company did provide many in the Third Reich with jobs. Hitler was keenly aware that GM, unlike German carmakers, used mass production techniques pioneered in Detroit, so-called "Fordism" or "American production."

As the May 2, 1934, Chancellery meeting progressed, Hitler thanked Mooney and GM for being a major employer — some 17,000 jobs — in a Germany where Nazi success hinged on re-employment. Moreover, since Opel was responsible for some 65 percent of auto exports, the company also earned the foreign currency the Reich desperately needed to purchase raw materials for re-employment as well as for the regime's crash rearmament program. Now, as Hitler embarked on a massive, threatening rearmament program, GM was in a position to make Germany's military a powerful, modern and motorized marvel.

The quest for the 'people's car'

During the meeting with Mooney, Hitler estimated that if Germany were to emulate American ratios, the Reich should possess some 12 million cars. But, Hitler added, 3 million cars was a more realistic target under the circumstances. Even this would be a vast improvement over the 104,000 vehicles manufactured in Germany in 1932.

Mooney told Hitler that GM was willing to mass produce a cheap car, costing just 1,400 marks, with the mass appeal of Henry Ford's Model T, if the Nazi regime could guarantee 100,000 car sales annually, issue a decree limiting dealer commissions and control the price of raw materials. Many automotive concerns were vying for the chance to build Hitler's dream, a people's car or "volkswagen," but GM was convinced it alone possessed the proven production know-how. An excited Hitler showered his GM guests with many questions.

Would the cost of garaging a car be prohibitive for the average man? Could vehicles parked outdoors be damaged by the elements? Mooney answered that the same vehicle built to withstand wind, dust and rain at 40 mph to 60 mph could stand up to overnight exposure outdoors. To promote automobile ownership Hitler even promised something as trivial as legalized street parking.

Of course, Hitler had already committed the Reich to expedite completion of the world's first transnational network of auto highways, the Autobahn. Now, to further promote motorcar proliferation, Hitler suggested to Mooney that the German government could also reduce gasoline prices and gasoline taxes. Hitler even asked if Opel could advise him how to prudently reduce car insurance rates, thus lowering overall operating costs for average Germans.

The conference in Hitler's Chancellery office, originally scheduled for a quarter hour, stretched to 90 minutes.

The next morning, May 3, 1934, an excited Hitler told Keppler, "I have been thinking all night about the many things that these Opel men told me." He instructed Keppler, "Get in touch with them before they leave Berlin." Hitler wanted to know still more. Mooney spent hours later that day ensconced in his hotel suite composing written answers to the Fuhrer's many additional questions.

Clearly, Hitler saw the mass adoption of autos as part of Germany's great destiny. No wonder Mooney and GM were optimistic about the prospects for a strategic relationship with Nazi Germany.

A few weeks after the prolonged Chancellery session, the company publication, General Motors World, effusively recounted the meeting, proclaiming, "Hitler is a strong man, well fitted to lead the German people out of their former economic distress... He is leading them, not by force or fear, but by intelligent planning and execution of fundamentally sound principles of government."

Ironically, Hitler's famous inability to follow up on ideas caused GM officials to wonder if they had been too revealing in their company publication's coverage of the Chancellery meeting. Copies of General Motors World were seized by Opel company officials before they could circulate in Germany. Mooney later declared he would do nothing to make Adolf Hitler angry.

For Mooney, and for Germany's branch of GM, the relationship with the Third Reich was first and foremost about making money — billions in 21st century dollars — off the Nazi desire to re-arm even though the world expected that Germany would plunge Europe and America into a devastating war.

Typical of news coverage of events at the time was an article in the March 26, 1933, edition of The New York Times, headlined "Hitler a Menace."

The article, quoting former Princeton University President John Hibben, echoed the war fear spreading across both sides of the Atlantic. "Adolf Hitler is a menace to the world's peace, and if his policies bring war to Europe, the United States cannot escape participating," the article opened. This was one of dozens of such articles that ran in American newspapers of the day, complemented by continuous radio and newsreel coverage in the same vein.

However, the commanding, decision-making force at the carmaker was not Mooney, GM's man in Nazi Germany, but rather the company's cold and calculating president Alfred P. Sloan, who operated out of corporate headquarters in Detroit and New York.

Who was Sloan?

Mr. Big

Sloan lived for bigness. Slender and natty, attired in the latest collars and ties, Sloan commonly wore spats, even to the White House. He often out-dressed his former GM boss, billionaire Pierre du Pont. An electrical engineer by training, the Massachusetts Institute of Technology graduate was a strategic thinker who was as driven by a compulsion to grow his company as he was compelled to breathe oxygen.

“Deliberately to stop growing is to suffocate,” Sloan wrote in his 1964 autobiography about his years at GM. “We do things in a big way in the United States. I have always believed in planning big, and I have always discovered after the fact that, if anything, we didn’t plan big enough. I put no ceiling on progress.”

For Sloan, motorizing the fascist regime that was expected to wage a bloody war in Europe was the next big thing and a spigot of limitless profits for GM. But unlike many commercial collaborators with the Nazis who were driven strictly by the icy quest for profits, Sloan also harbored a political motivation. Sloan despised the emerging American way of life being crafted by President Franklin Delano Roosevelt. Sloan hated Roosevelt’s New Deal, and admired the strength, irrepressible determination and sheer magnitude of Hitler’s vision.

For Sloan, the New Deal — with its Social Security program, government regulation and support for labor unions — clanged an unmistakable death knell for an America made great by great corporations guided by great corporate leaders.

In a 1934 letter to Roosevelt’s Industrial Advisory Board, Sloan complained bitterly that the New Deal was attempting to change the rules of business so “government and not industry [shall] constitute the final authority.” In Sloan’s view, GM was bigger than mere governments, and its corporate executives were vastly more suited to decision-making than “politicians” and bureaucrats who he felt were profoundly unqualified to run the country. Government officials, Sloan believed, merely catered to voters and prospered from backroom deals.

Sloan’s disdain for the American government went beyond ordinary political dissent. The GM chief so hated the president and his administration that he co-founded a virulently anti-Roosevelt organization, and donated to at least one other Roosevelt-bashing group. Moreover, Sloan actually pressured GM executives not to serve in government positions, although many disregarded his advice and loyally joined the government’s push for war preparedness.

At one point, Sloan’s senior officials at GM even threatened to launch a deliberate business slowdown to sabotage the administration’s recovery plan, according to papers unearthed by one historian. At the same time, Sloan and GM did not fail to express admiration for the stellar accomplishments of the Third Reich, and went the extra mile to advance German economic growth.

Indeed, Sloan felt that GM could — and should — create its own foreign policy, and back the Hitler regime even as America recoiled from it. “Industry must assume the role of enlightened industrial statesmanship,” Sloan declared in an April 1936 quarterly report to GM stockholders. “It can no longer confine its responsibilities to the mere physical production and distribution of goods and services. It must aggressively move forward and attune its thinking and its policies toward advancing the interest of the community at large,

from which it receives a most valuable franchise.”

In ramping up auto production in the Nazi Reich, Sloan understood completely that he was not just manufacturing vehicles. Sloan and Hitler both knew that GM, by creating wealth and shrinking unemployment, was helping to prop up the Hitler regime.

When explaining his ideas of mass production to Opel car dealers, Sloan proudly declared what the enterprise would mean: “The motor car contributes more to the wealth of the United States than agriculture. The automobile industry is a wealth-creating industry.” What was true in America would become true in Germany. Ironically, GM chose the alliance with Hitler even though doing so threatened to imperil GM at home. Just days after Hitler came to power on Jan. 30, 1933, a worldwide anti-Nazi boycott erupted, led by the American Jewish Congress, the Jewish War Veterans and a coalition of anti-fascist, pro-labor, interfaith and American patriotic groups. Their objective was to fracture the German economy, not resurrect it.

The anti-Nazi protesters vowed not only to boycott German goods, but to picket and cross-boycott any American companies doing business with Germany. In the beginning, few understood that in boycotting Opel of Germany, they were actually boycotting GM of Detroit. Effectively, they were one and the same.

Part 2

Hitler’s Carmaker: As the Nazis Amassed Power, What Did GM Know and When?

By the spring of 1933, the world was beginning to learn about the lawlessness and savagery of the Nazi regime, and the Reich’s determination to crush its Jewish community and threaten its neighbors. On March 27, 1933, a million protesters jammed Madison Square Garden in New York, and millions more around the world joined in a coordinated show of protest against Nazi brutality. By May 10, 1933, Nazi-banned books were being torched in public bonfires across Germany. The corporate library at General Motors’ Opel in Germany was purged, as well, of Jewish-authored publications and other undesirable literature.

Beginning in the late spring of 1933, concentration camps such as Dachau were generating headlines reporting great brutality.

By June 1933, Jews everywhere in Germany were being banned from the professional, economic and cultural life of the country. As state-designated pariahs, they were forbidden to remain members of the German Automobile Association, the popular organization for the general German motorist. Hitler’s anti-Semitic demagoguery and the daily, semi-official, violent attacks against Jews were discussed in the American media almost daily.

GM’s president Alfred P. Sloan knew what was happening in Germany. Sloan and GM officials knew also that Hitler’s regime was expected to wage war from the outset. Headlines, radio broadcasts and newsreels made that fact apparent. America, it was feared, would once again be pulled in.

Nonetheless, GM and Germany began a strategic business relationship. That relationship is largely the focus of a JTA investigative series that re-examines the company’s conduct on both sides of the Atlantic before, during and immediately after World War II. GM has declined comment for this story. The company has steadfastly denied for decades that it actively assisted the Nazi war effort.

Unleashing the Blitzkrieg

Opel became an essential element of the German rearmament and modernization Hitler required to subjugate Europe. To accomplish that, Germany needed to rise above the horse-drawn divisions it deployed in World War I. It needed to motorize, to “blitz,” that is, to attack with lightning speed. Germany would later unleash a Blitzkrieg, a lightning war. Opel built the three-ton truck named “Blitz” — to support the German military. The Blitz truck became the mainstay of the Blitzkrieg.

Quickly, Sloan and James D. Mooney, GM’s overseas chief, realized that the Reich military machine was in fact the corporation’s best customer in Germany. Sales to the army yielded a greater per truck profit than civilian sales — a hefty 40 percent more. So GM preferred supplying the military, which never ceased its preparations to wage war against Europe.

In 1935, GM agreed to locate a new factory at Brandenburg, where it would be geographically less vulnerable to feared aerial bombardment by allied forces. In 1937, almost 17 percent of Opel’s Blitz trucks were sold directly to the Nazi military.

That military sales figure was increased to 29 percent in 1938 — totaling some 6,000 Blitz trucks that year alone. The Wehrmacht, the German military, soon became Opel’s No. 1 customer by far. Other important customers included major industries associated with the Hitler war machine.

Expanding its German workforce from 17,000 in 1934 to 27,000 in 1938 also made GM one of Germany’s leading employers. Unquestionably, GM’s Opel became an integral facet of Hitler’s Reich.

More than just an efficient manufacturer, Opel openly embraced the bizarre philosophy that powered the Nazi military-industrial complex. The German company participated in cultic Fuhrer worship as a part of its daily corporate ethic. After all, until GM purchased Opel in 1929 for \$33.3 million, or about one-third of GM’s after-tax profit that year, Opel was an established carmaker with a respected German persona. The Opel family included several prominent Nazi Party members. This identity appealed to rank-and-file Nazis who condemned anything foreign-owned or foreign-made.

For all these reasons, during the Hitler years, Sloan and Mooney both made efforts to obscure Opel’s American ownership and control. As a result, the average storm trooper, Nazi Party member or German motorist accepted the company’s cars and trucks as the product of a purely Aryan firm that was working toward Hitler’s great destiny: “Deutschland uber alles.”

The masquerade

Opel became an early patron of the National Socialist Motor Corps, a rabid Nazi Party paramilitary auxiliary. Ironically, most of the members of Corps were not drivers, but Germans seeking to learn how to drive to increase national readiness. Opel employees were encouraged to maintain membership in the Motor Corps. Furthermore, Opel cars and trucks were loaned without charge to the local storm trooper contingents stationed near company headquarters at Russelsheim, Germany. As brownshirt thugs went about their business of intimidation and extortion, they often came and went in vehicles bearing prominent Opel advertisements, proud automobile sponsor of the storm troopers.

The Opel company publication, *Der Opel Geist*, or *The Opel Spirit*, became just another propagandistic tool of Fuhrer worship, edited with the help of Nazi officials. Hitler was frequently given credit in the publication for Opel's achievements, and was frequently depicted in *Der Opel Geist* portraits as a fatherly or stately figure.

Hitler's voice regularly echoed through the cavernous Opel complex. His hate speeches and pep rallies were routinely piped into the factory premises to inspire the workers. Great swastika-bedecked company events were commonplace, as Nazi gauleiters, or regional party leaders, and other party officials spurred gathered employees to work hard for the Fuhrer and his Thousand-Year Reich. Opel contributed large cash donations to all the right Nazi Party activities. For example, the company gave local storm troopers 75,000 reichsmarks to construct the gauleiter's new office headquarters.

In the process, Opel became more than a mere carmaker. It became a stalwart of the Nazi community. Working hard and meeting exhausting production quotas were national duties. Employees who protested the intense working conditions, even if members of the Nazi Party, were sometimes visited by the Gestapo. SS officers worked as internal security throughout the plant. Order was kept.

Of course, GM's subsidiary vigorously joined the anti-Jewish movement required of leading businesses serving the Reich. Jewish employees and suppliers became verboten. Established dealers with Jewish blood were terminated, including one of the largest serving the Frankfurt region. Even long-time executives were discharged if Jewish descent was detected. Those lower-level managers with Jewish wives or parentage who remained with the company did so stealthily, hiding and denying their background.

To conceal American ownership and reinforce the masquerade that Opel stood as a purely Aryan enterprise, Sloan and Mooney, beginning in 1934, concocted the concept of a "Directorate," comprised of prominent German personalities, including several with Nazi Party membership. This created what GM officials variously termed a "camouflage" or "a false facade" of local management. But the decisions were made in America. GM as the sole stockholder controlled Opel's board and the corporate votes.

Among the decisions made in America beginning in about 1935 was the one transferring to Germany the technology to produce the modern gasoline additive tetraethyl lead, commonly called "ethyl," or leaded gasoline. This allowed the Reich to boost octane that provided better automotive performance by eliminating disruptive engine pings and jolts. Better performance meant a faster and more mobile fighting force — just what the Reich would ultimately need for its swift and mobile Blitzkrieg.

As early as 1934, however, America's War Department was apprehensive about the transfer of such proprietary chemical processes. In late December 1934, as GM was considering building leaded gasoline plants for Hitler, DuPont Company board director Irene du Pont wrote to Sloan: "Of course, we in the DuPont Company have always recognized the propriety and desirability of closely cooperating with the War Department of the United States. ...In any case, I know that word has gone to the War Department and have the impression that they would be adverse to disclosure of knowledge which would aid Germany in preparing that chemical." The profits were simply not worth it, argued du Pont.

Sloan had already bluntly told du Pont, "I do not agree with your reasoning to this question." Days later, Sloan appended that GM's commercial rights were "far more fundamental... than

the question of making a little money out of lead in Germany.”

GM moved quickly — in conjunction with its close ally Standard Oil. Each company took a one-quarter share of the Reich ethyl operation, while I.G. Farben, the giant German chemical conglomerate, controlled the remaining 50 percent.

The plants were built. The Americans supplied the technical know-how. Captured German records reviewed decades later by a U.S. Senate investigating committee found this wartime admission by the Nazis: “Without lead-tetraethyl, the present method of warfare would be unthinkable.”

Years after the war, Nazi armaments chief Albert Speer told a congressional investigator that Germany could not have attempted its September 1939 Blitzkrieg of Poland without the performance-boosting additive.

Dwarfing the competition

Within a few years of partnering with the Hitler regime, Opel began to dwarf all competition. By 1937, GM’s subsidiary had grown to triple the size of Daimler-Benz and quadruple that of Ford’s fledgling German operation, known as Ford-Werke. By the end of the 1930s, Opel was valued at \$86.7 million, which in 21st-century dollars, translates into roughly \$1.1 billion.

In the meantime, GM was responsible for stunning growth in Germany’s economy. As most economists of the day knew, and as Sloan himself bragged, automobile manufacturing created thousands of factory jobs, hundreds of suppliers, numerous dealerships, widespread motorization and an attached oil industry.

Moreover, the growth of the highway network, from local roads to the Autobahn, spurred a construction boom that spawned thousands of additional jobs and necessitated hundreds of additional suppliers. Even GM’s own sponsored expert historian, who decades later examined Hitler-era documentation, concluded: “The auto industry spearheaded the remarkable recovery of the German economy that boosted the popularity of the Nazi regime by virtually eliminating within a few years the mass unemployment that had idled a quarter of the workforce and contributed so importantly to Hitler’s rise.”

But Reich currency restrictions obstructed the outflow of cash for profits or even the purchase of raw materials to build trucks. GM in America circumvented those regulations through the overseas sales of German pencils, sewing machines, Christmas tree ornaments and virtually any other exports that would earn foreign currency internationally. Those sales proceeds were then exchanged for profits or raw materials through complicated bank transfers.

On the homefront

Ironically, while GM’s Opel was a deferential corporate citizen in Nazi Germany, going the extra mile to comply with Reich requirements and making no waves, Sloan helped foment unrest at home as part of the company’s efforts to undermine the Roosevelt administration.

For example, the GM president was one of the central behind-the-scenes founders of the American Liberty League, a racist, anti-Semitic, pro-big business group bent on rallying Southern votes against Roosevelt to defeat him in the 1936 election. The American Liberty League arose out of a series of private gatherings organized in July 1934 by Sloan, du Pont

and other businessmen. Some of those meetings were even held at GM's office in New York.

The businessmen sought to create a well-financed, seemingly grass-roots coalition that du Pont declared should "include all property owners... the American Legion and even the Ku Klux Klan." Sloan served on the American Liberty League's national advisory board and was one of a number of wealthy businessmen who each quietly donated \$10,000 to its activities. The American Liberty League, which raised more money in 1935 than the National Democratic Party, in turn, funded an array of even more fanatical, racist and anti-Jewish groups.

One such group funded by the American Liberty League was the Southern Committee to Uphold the Constitution. With help from the du Pont family fortune, the Southern Committee circulated what it called "nigger pictures" of Eleanor Roosevelt with African-Americans. Sloan sent a \$1,000 check directly to the Southern Committee after those pictures were distributed, according to congressional testimony.

Racist diatribes found in Southern Committee literature included an anti-union screed that complained: "White women and white men will be forced into organizations with black African apes whom they will have to call 'brother' or lose their jobs." The Southern Committee also jointly organized protest marches with the American Nazi "Silver Shirts."

The American Liberty League also financed the Sentinels of the Republic. The Sentinels of the Republic, in turn, orchestrated incendiary, anti-Semitic letter-writing campaigns, and otherwise provoked a backlash against Roosevelt and what was sometimes derisively labeled his "Jew Deal."

True, the Sentinels of the Republic bore all the earmarks of a rabble-rousing extremist group. But behind it were some of the nation's most affluent and well-heeled, supplying the operating cash and direction. Among them: Sun Oil President Howard Pew, investment banker Alexander Lincoln who served as the group's president, and the president of Pittsburgh Plate Glass, John Pitcairn. Sloan himself wrote a \$1,000 check directly to the Sentinels of the Republic.

Only after an April 1936 congressional investigation was Sloan's financial involvement in the Sentinels outed. Just days after the disclosure, Sloan issued a statement to an inquiring Jewish newspaper in Louisville, promising, "Under no circumstances will I further knowingly support the Sentinels of the Republic." He added, ambiguously: "I have no desire to enter into any questions involving religious or political questions."

Although Sloan backed away from further financing of the Sentinels, the GM chief continued to fund and fund raise for another anti-Roosevelt-agitation group, the National Association of Manufacturers. Founded in 1895 as a pro-business organization and still prominent more than 100 years later, NAM sowed anti-union and anti-New Deal discord among Americans in the 1930s through clandestinely owned and operated opinion-molding arms.

Roosevelt openly acknowledged that Sloan, GM, the du Ponts and other corporate giants hated him for his reforms and his efforts to relieve Depression-era inequities. In his final 1936 campaign speech, the president threw down the gauntlet, shouting to an overflow Madison Square Garden crowd, "They are unanimous in their hate for me — and I welcome their hatred."

Roosevelt added that he wanted his first four years to be remembered as an administration where “the forces of selfishness and of lust for power met their match.”

Fearing Roosevelt’s possible re-election, several of Sloan’s top executives at GM actually considered deliberately extending the financial woes of the Depression, presumably in retaliation against the entire nation. In the final days of the 1936 election campaign, several GM officials met with W.H. Swartz, a Lehman Brothers investment banker, according to a historian who studied the incident.

The GM officials apparently planned to stop investing in and expanding their company in the event of Roosevelt’s expected victory. Swartz’s Nov. 4, 1936, confidential memo about the GM meeting asserted, “Certain General Motors people also felt further capital expenditures could not be expected now, in view of Roosevelt’s possible re-election.” Based on their plans, Swartz predicted “a break in general business next year ... mid-summer is the logical time to expect it,” adding, “I would suggest that the rather intense political emotions of certain of these men may have colored their thinking more than they themselves may have realized.”

Despite the lush opposition funding by Sloan and other affluent anti-New Deal nemeses, Roosevelt was re-elected by a landslide.

While no capital slow-down was actually implemented by GM, Sloan did continue to battle the administration. The conflict was not subtle. Washington knew that Sloan and GM were powerful adversaries. For example, in 1937, when Sloan telephoned Secretary of Labor Francis Perkins to renege on a promise made to meet with labor strikers, Perkins lashed out bitterly at the GM chief.

Shocked at the reversal, Perkins shouted into the phone, “You are a scoundrel and a skunk, Mr. Sloan. You don’t deserve to be counted among decent men...You’ll go to hell when you die... Are you a grown man, Mr. Sloan? Or are you a neurotic adolescent? Which are you? If you’re a grown man, stand up, and be a man for once.” A flabbergasted Sloan protested, “You can’t talk like that to me! You can’t talk like that to me! I’m worth 70 million dollars and I made it all myself! You can’t talk like that to me! I’m Alfred Sloan.”

Edwin Black is the author of the award-winning IBM and the Holocaust and the recently published Internal Combustion: How Corporations and Governments Addicted the World to Oil and Derailed the Alternatives.

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