

IN THE NEWS
Thousands demand release of Israelis

Thousands demonstrated outside the European Commission in Brussels to demand the release of three Israeli soldiers kidnapped by terrorist groups. Wednesday's protest for Cpl. Gilad Shalit and reservists Eldad Regev and Ehud Goldwasser, organized by a coalition of Jewish organizations, was attended by members of the European Parliament.

The Belgium Jewish community's security organization estimated the turnout at 3,500 to 4,000 people.

Tutu named head of Beit Hanoun mission

Archbishop Desmond Tutu was named head of a U.N. fact-finding mission in the Gaza Strip. Tutu, the former archbishop of Cape Town, will head the mission established earlier this month following the killing of 19 Palestinian civilians by the Israeli military as it retaliated for rocket fire from Beit Hanoun.

The mission is mandated to report to the U.N. Human Rights Council no later than mid-December. The Anti-Defamation League criticized the appointment of Tutu, an outspoken critic of Israel, as "an extension of the anti-Israel kangaroo court tactics used by the U.N. Human Rights Council."

Study group report due by Dec. 6

The Iraq Study Group is expected to recommend a degree of engagement with Syria and Iran when it presents its report next week.

The U.S. Institute of Peace, the government-funded think tank assisting the study group, announced Wednesday that the report would be released Dec. 6. The congressionally mandated group met this week to debate whether to recommend deadlines for leaving Iraq; differences on the issue had dogged a release date until now.

WORLD REPORT

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The inside story of how General Motors helped mobilize the Third Reich

By EDWIN BLACK

WASHINGTON (JTA) — On May 2, 1934, after practicing his Sieg Heil in front of a mirror, James D. Mooney, president of the General Motors Overseas Corp., and two other senior executives from GM and its German division, Adam Opel A.G., went to meet Adolf 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 elec-

tric 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

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**HITLER'S
CARMAKER**

■ GM was in position to make Germany's military a powerful and motorized marvel

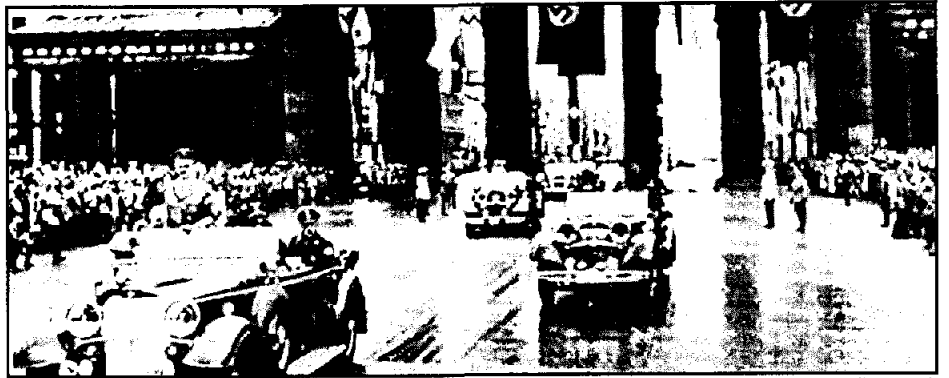
Continued from page 1

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



USHMM, courtesy of National Archives and Records Administration, College Park

Adolf Hitler rides in a motorcade through the Brandenburg Gate to the opening ceremonies of the 11th Olympic Games in Berlin in August 1936.

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 "volkwagen," 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

New documents reveal that GM and its president, Alfred P. Sloan, were undermining the New Deal of President Franklin D. Roosevelt.



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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 rearm 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 naty, attired in the latest collars and ties, Sloan commonly wore spats, even to the White House. He often outdressed 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.

(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.*”)

Hitler was fascinated with every aspect of the automobile, including its application as a weapon of war.

NEWS IN BRIEF

NORTH AMERICA

Annan raps council over Israel

Kofi Annan chided the new United Nations human rights agency for focusing too much on Israel's treatment of the Palestinians.

The outgoing U.N. secretary-general said in a statement to the third session of the Human Rights Council in Geneva on Wednesday that its attentions would be better invested in major humanitarian crises such as Darfur.

Since being formed five months ago, the 47-state council has approved several resolutions condemning Israeli security tactics, but has not turned its attention to any other country.

"There are surely other situations, beside the one in the Middle East, which would merit scrutiny at a special session," Annan said.

"I would suggest that Darfur is a glaring case in point."

Iranian president appeals to Americans

Blind support for U.S. government policies is trampling the quest for justice and impeding world peace, Iran's president told Americans. In an open letter to the "noble" American people published Wednesday, Mahmoud Ahmadinejad attacked American support for Israel and the war in Iraq.

"You know well that the U.S. administration has persistently provided blind and blanket support to the Zionist regime, has emboldened it to continue its crimes, and has prevented the U.N. Security Council from condemning it," Ahmadinejad wrote.

The letter urged American forces to leave Iraq and promoted the demand that millions of Palestinian refugees be allowed to return to their homes.

Avigdor Lieberman to Washington

Avigdor Lieberman, Israel's minister for strategic planning, is visiting Washington.

Lieberman, whose Yisrael Beiteinu Party joined Prime Minister Ehud Olmert's government last month, will participate in a conference at the end of next week at the Brookings Institution's Saban Center.

The conference, which is closed to the public, will include other top Israeli and U.S. officials. Lieberman may meet separately with Bush administration officials. He also is scheduled to meet with the Conference of Presidents of Major American Jewish Organizations early next week.

Lieberman is controversial because he has proposed subjecting Arab Israelis to loyalty tests and redrawing Israel's borders to exclude many Israeli Arabs in the context of population swaps for Jewish settlers in the West Bank.

Harman out for intel

Rep. Jane Harman (D-Calif.) will not head the U.S. House of Representatives Intelligence Committee.

Harman, a Jewish moderate, is the ranking Democrat on the committee in the outgoing Congress and had hoped to chair the committee now that Democrats have wrested control of Congress from the Republicans.

As of Wednesday, however, she was told she was out of the running, congressional sources said. Rep. Nancy Pelosi (D-Calif.), set to become speaker, soured on Harman because she solicited outside groups, including Jewish donors to the Democrats, to lobby on her behalf.

Judge strikes ban on funding for terrorist groups

A California judge declared unconstitutional a 2001 presidential order blocking funds for terrorist groups, a decision that could affect

funding for Hamas and Hezbollah. Monday's decision by Los Angeles District Court Judge Audrey Collins applies only to the Tamil Tigers and the Kurdistan Workers Party, or PKK.

Those parties were named in the case brought against the government by the Humanitarian Law Project, which wants to allow Americans to raise money for "lawful, nonviolent activities" by the groups, The Washington Post reported. Alykhan Velshi, a lawyer with the Foundation for the Defense of Democracies, told JTA that the decision could have a "persuasive" influence on other cases. Hundreds of terrorist groups, including Hamas, Hezbollah and their affiliates, have been banned from fund raising under the same law used by President Bush in his presidential order naming the PKK and the Tamil Tigers.

Velshi said his group would likely file an amicus brief if federal authorities appeal.

MIDDLE EAST

Livni to head Justice Ministry

Tzipi Livni was appointed as Israel's justice minister. Livni replaces Haim Ramon, who stepped down as justice minister while being tried on sexual harassment charges.

Livni, who will retain the Foreign Ministry portfolio as well, is taking the justice job with the expectation that Ramon will be acquitted and resume his responsibilities. Construction and Housing Minister Meir Sheerit has filled the justice portfolio until now on a temporary basis.

Strike stalls Israel

Ben Gurion International Airport shut down under a general strike declared in Israel. Workers at Israel's airports, seaports, train stations and government ministries went on strike Wednesday as part of a protest launched by the Histadrut labor federation.

The Histadrut is demanding that the Finance Ministry and Interior Ministry pay municipal employees, who in some cases have gone without wages for months due to budget crises. Negotiations continued as the striking workers vowed their action would be open-ended.

WORLD

Russian day school attacked again

A Jewish day school in southern Russia reportedly was attacked for the fourth time this year. Unidentified attackers stormed the Or Avner school Sunday, severely injuring security guards, a Russian Jewish news agency reported.

In an Oct. 12 attack, the perpetrators also had severely injured security guards. Two incidents at the school in September were robberies in which no one was hurt. Police are investigating the incidents. Zalman Yoffe, the local Chabad rabbi, reportedly said the attackers were criminals not motivated by anti-Semitism.

Survivors: Halt restitution deadlines

A coalition of Holocaust survivors called for a delay in restitution deadlines so a newly opened archive may be examined.

The coalition of 24 groups from across the United States said in an open letter last week that the opening earlier this year of archives in Bad Arolsen, Germany — perhaps the largest repository of Holocaust-era information — could lead to new information for survivors and their families seeking restitution.

They cited recent settlements with Holocaust-era insurers, including the Italian company Generali, that are due to lapse in coming months.